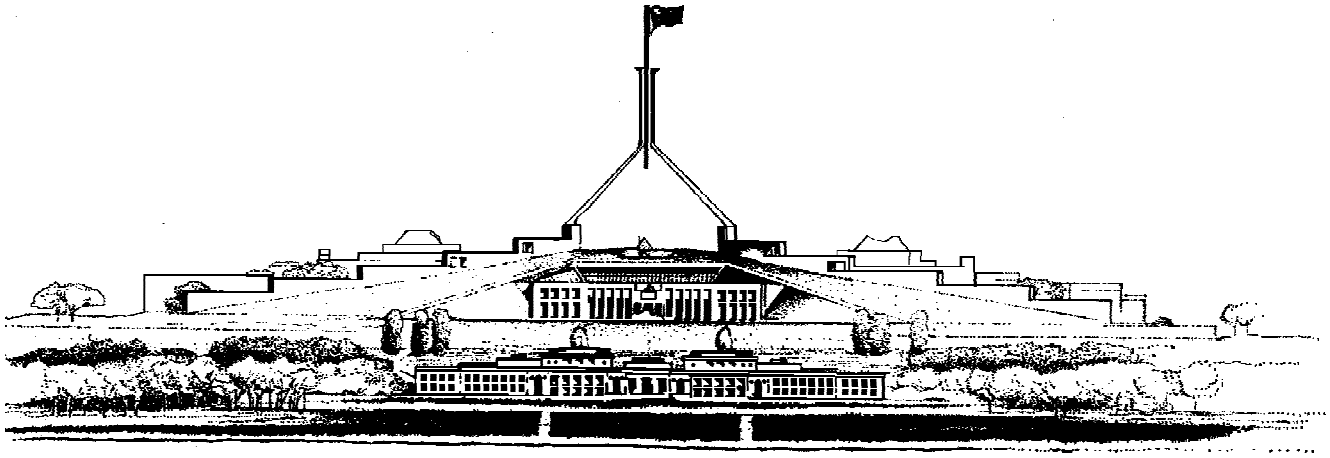
COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Official Hansard

THURSDAY, 26 AUGUST 1999

THIRTY-NINTH PARLIAMENT
FIRST SESSION—FOURTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES
CANBERRA

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THURSDAY, 26 AUGUST

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1998-99

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

VOTES AND PROCEEDINGS

No. 60

THURSDAY, 26 AUGUST 1999

1 The House met, at 9.30 a.m., pursuant to adjournment. The Speaker (the Honourable Neil Andrew) took the Chair, and read Prayers.

2 **MESSAGE FROM THE GOVERNOR-GENERAL—APPROPRIATION (SUPPLEMENTARY MEASURES) BILL (NO. 1) 1999**

Message No. 105, 20 August 1999, from His Excellency the Governor-General was announced recommending an appropriation for the purposes of the Bill.

Mr Slipper (Parliamentary Secretary to the Minister for Finance and Administration), pursuant to notice, presented a Bill for an Act to appropriate the Consolidated Revenue Fund for certain purposes, and for other purposes.

Bill read a first time.

Mr Slipper moved—That the Bill be now read a second time.

Paper

Mr Slipper presented an explanatory memorandum to the Bill.

Debate adjourned (Mr M. J. Evans), and the resumption of the debate made an order of the day for the next sitting.

3 **MESSAGE FROM THE GOVERNOR-GENERAL—APPROPRIATION (SUPPLEMENTARY MEASURES) BILL (NO. 2) 1999**

Message No. 106, 20 August 1999, from His Excellency the Governor-General was announced recommending an appropriation for the purposes of the Bill.

Mr Slipper (Parliamentary Secretary to the Minister for Finance and Administration), pursuant to notice, presented a Bill for an Act to appropriate the Consolidated Revenue Fund for certain purposes relating to the environment, and for other purposes.

Bill read a first time.

Mr Slipper moved—That the Bill be now read a second time.

Paper

Mr Slipper presented an explanatory memorandum to the Bill.

Debate adjourned (Mr M. J. Evans), and the resumption of the debate made an order of the day for the next sitting.

4 **POSTPONEMENT OF NOTICE**

Ordered—That notice No. 3, government business, be postponed until a later hour this day.

5 **COAL MINING LEGISLATION AMENDMENT (OAKDALE COLLIERIES) BILL 1999**

Mr Reith (Minister for Employment, Workplace Relations and Small Business), by leave, presented a Bill for an Act to amend legislation relating to coal mining, and for related purposes.

Bill read a first time.

Mr Reith moved—That the Bill be now read a second time.

Paper

Mr Reith presented an explanatory memorandum to the Bill.

Debate adjourned (Mr M. J. Evans), and the resumption of the debate made an order of the day for the next sitting.

6 **STATES GRANTS (GENERAL PURPOSES) AMENDMENT BILL 1999**

The order of the day having been read for the resumption of the debate on the question—That the Bill be now read a second time—

Debate resumed.

Question—put and passed—Bill read a second time.

Message from the Governor-General

Message No. 107, 4 June 1999, from His Excellency the Governor-General was announced recommending an appropriation for the purposes of the Bill.

Leave granted for third reading to be moved forthwith.

On the motion of Mr Hockey (Minister for Financial Services and Regulation), the Bill was read a third time.

7 **TAXATION LAWS AMENDMENT (POLITICAL DONATIONS) BILL 1999**

The order of the day having been read for the resumption of the debate on the question—That the Bill be now read a second time—

Debate resumed.

Debate adjourned (Mr Slipper—Parliamentary Secretary to the Minister for Finance and Administration), and the resumption of the debate made an order of the day for a later hour this day.

8 **RECONCILIATION BETWEEN INDIGENOUS AND NON-INDIGENOUS AUSTRALIANS**

Mr Howard (Prime Minister), by leave, moved—That this House:

(a) reaffirms its whole-hearted commitment to the cause of reconciliation between indigenous and non-indigenous Australians as an important national priority for all Australians;

(b) recognising the achievements of the Australian nation, commits to work together to strengthen the bonds that unite us, to respect and appreciate our differences, and to build a fair and prosperous future in which we can all share;

(c) reaffirms the central importance of practical measures leading to practical results that address the profound economic and social disadvantage which continues to be experienced by many indigenous Australians;

(d) recognises the importance of understanding the shared history of indigenous and non-indigenous Australians and the need to acknowledge openly the wrongs and injustices of Australia's past;

(e) acknowledges that the mistreatment of many indigenous Australians over a significant period represents the most blemished chapter in our national history;

(f) expresses its deep and sincere regret that indigenous Australians suffered injustices under the practices of past generations, and for the hurt and trauma that many indigenous people continue to feel as a consequence of those practices; and

(g) believes that we, having achieved so much as a nation, can now move forward together for the benefit of all Australians.

Mr Beazley (Leader of the Opposition) moved, as an amendment—Omit paragraph (f), substitute:

(f) unreservedly apologises to indigenous Australians for the injustice they have suffered, and for the hurt and trauma that many indigenous people continue to suffer as a consequence of that injustice;

(fa) calls for the establishment of appropriate processes to provide justice and restitution to members of the stolen generation through consultation, conciliation and negotiation rather than requiring indigenous Australians to engage in adversarial litigation in which they are forced to relive the pain and trauma of their past suffering; and

that paragraph (g) becomes new paragraph (h).

Debate ensued.

It being 2 p.m., the debate was interrupted in accordance with standing order 101A, and the resumption of the debate made an order of the day for a later hour this day.

9 **DEATH OF FORMER MEMBER (MR HENRY BAYNTON SOMER GULLETT)**

The Speaker informed the House of the death, on 24 August 1999, of Mr Henry Baynton Somer Gullett, a Member of this House for the Division of Henty from 1946 to 1955.

As a mark of respect to the memory of the deceased all Members present stood, in silence.

10 **QUESTIONS**

Questions without notice being asked—

Member ordered to withdraw

At 3.02 p.m. the Member for Denison (Mr Kerr) was ordered, under standing order 304A, to withdraw from the House for one hour for continuing to interject after a warning had been given from the Chair, and he accordingly withdrew from the Chamber.

Questions without notice continued.

Member ordered to withdraw

At 3.03 p.m. the Member for Burke (Mr O'Keefe) was ordered, under standing order 304A, to withdraw from the House for one hour for continuing to interject after a warning had been given from the Chair, and he accordingly withdrew from the Chamber.

Questions without notice continued.

11 **RECONCILIATION BETWEEN INDIGENOUS AND NON-INDIGENOUS AUSTRALIANS**

The order of the day having been read for the resumption of the debate on the motion of Mr Howard (Prime Minister)—*And on the amendment moved thereto by Mr Beazley (Leader of the Opposition)(see item No. 8, page 805)*—

Debate resumed.

Question—That the words proposed to be omitted stand part of the question—put.

The House divided (the Speaker, Mr J. N. Andrew, in the Chair)—

AYES, 77

Mr Abbott	Mr Entsch	Mr Lloyd	Mr Secker
Mr Anderson	Mr Fahey	Mr McArthur*	Mr Slipper
Mr K. J. Andrews	Mr Forrest*	Mr I. E. Macfarlane	Mr Somlyay
Mr Anthony	Mrs Gallus	Mr McGauran	Dr Southcott
Fran Bailey	Ms Gambaro	Mrs May	Dr Stone
Mr Baird	Mrs Gash	Mr Moore	Mrs Sullivan
Mr Barresi	Mr Georgiou	Mrs Moylan	Mr C. P. Thompson
Mr Bartlett	Mr Haase	Mr Nairn	Mr A. P. Thomson
Mr Billson	Mr Hardgrave	Mr Nehl	Mr Truss
Mrs B. K. Bishop	Mr Hawker	Dr Nelson	Mr Tuckey
Ms J. I. Bishop	Mr Hockey	Mr Neville	Mr M. A. J. Vaile
Mr Brough	Mr Howard	Mr Nugent	Mrs D. S. Vale
Mr Cadman	Mrs Hull	Mr Prosser	Mr Wakelin
Mr Cameron	Mr Jull	Mr Pyne	Dr Washer
Mr Causley	Mr Katter	Mr Reith	Mr Williams
Mr Charles	Jackie Kelly	Mr Ronaldson	Dr Wooldridge
Mr Costello	Dr Kemp	Mr Ruddock	Ms Worth
Mr Downer	Mr Lawler	Mr St Clair	
Mrs Draper	Mr Lieberman	Mr Schultz	
Mrs Elson	Mr Lindsay	Mr Scott	

NOES, 63

Mr Adams	Mr Fitzgibbon	Ms Livermore	Mr Ripoll
Mr Albanese	Ms Gerick	Mr McClelland	Ms Roxon
Mr Andren	Mr Gibbons	Ms J. S. McFarlane	Mr Rudd
Mr Beazley	Ms Gillard	Ms Macklin	Mr Sawford*
Mr Bevis	Mr Griffin	Mr McLeay	Mr Sciacca
Ms Burke	Ms Hall	Mr McMullan	Mr Sercombe*
Mr Cox	Mr Hatton	Mr Martin	Mr Smith
Mr Crean	Ms Hoare	Mr Melham	Mr Snowdon
Mrs Crosio	Mr Hollis	Mr Morris	Mr Swan
Mr Danby	Mr Horne	Mr Mossfield	Mr Tanner
Mr Edwards	Mrs Irwin	Mr Murphy	Dr Theophanous
Ms Ellis	Mr Jenkins	Ms O'Byrne	Mr K. J. Thomson
Dr Emerson	Ms Kernot	Mr O'Connor	Mr Wilkie
Mr M. J. Evans	Mr Latham	Ms Plibersek	Mr Wilton
Mr L. D. T. Ferguson	Dr Lawrence	Mr Price	Mr Zahra
Mr M. J. Ferguson	Mr Lee	Mr Quick	

* Tellers

Pairs

Mr Fischer	Mr Brereton

And so it was resolved in the affirmative.

Question—That the motion be agreed to—put and passed.

12 **DISCUSSION OF MATTER OF PUBLIC IMPORTANCE—TELSTRA'S 013 DIRECTORY ASSISTANCE**

The House was informed that Mr Smith had proposed that a definite matter of public importance be submitted to the House for discussion, namely, "The adverse effects on small business and Australian families of the Government's decision to allow Telstra to charge for 013 Directory Assistance".

The proposed discussion having received the necessary support—

Mr Smith addressed the House.

Discussion ensued.

Discussion concluded.

13 **PETROLEUM (SUBMERGED LANDS) LEGISLATION AMENDMENT BILL 1999—REPORT FROM MAIN COMMITTEE**

The Deputy Speaker reported that the Bill had been fully considered by the Main Committee and agreed to with amendments (*see item No. 3, Minutes of Proceedings of the Main Committee*), and presented a certified copy of the Bill together with a schedule of amendments.

Amendments made by the Main Committee agreed to.

Bill, as amended, agreed to.

On the motion of Jackie Kelly (Minister for Sport and Tourism), by leave, the Bill was read a third time.

14 **TAXATION LAWS AMENDMENT (POLITICAL DONATIONS) BILL 1999**

The order of the day having been read for the resumption of the debate on the question—That the Bill be now read a second time—

Debate resumed.

Question—That the Bill be now read a second time—put.

The House divided (the Deputy Speaker, Mr Jenkins, in the Chair)—

AYES, 75

Mr Abbott	Mrs Elson	Mr Lloyd	Mr Scott
Mr Anderson	Mr Entsch	Mr McArthur*	Mr Secker
Mr K. J. Andrews	Mr Fahey	Mr I. E. Macfarlane	Mr Slipper
Mr Anthony	Mr Forrest*	Mr McGauran	Mr Somlyay
Fran Bailey	Mrs Gallus	Mrs May	Dr Southcott
Mr Baird	Ms Gambaro	Mr Moore	Dr Stone
Mr Barresi	Mrs Gash	Mrs Moylan	Mrs Sullivan
Mr Bartlett	Mr Georgiou	Mr Nairn	Mr C. P. Thompson
Mr Billson	Mr Haase	Mr Nehl	Mr A. P. Thomson
Mrs B. K. Bishop	Mr Hardgrave	Dr Nelson	Mr Truss
Ms J. I. Bishop	Mr Hawker	Mr Neville	Mr Tuckey
Mr Brough	Mr Hockey	Mr Nugent	Mr M. A. J. Vaile
Mr Cadman	Mrs Hull	Mr Prosser	Mrs D. S. Vale
Mr Cameron	Mr Jull	Mr Pyne	Mr Wakelin
Mr Causley	Mr Katter	Mr Reith	Dr Washer
Mr Charles	Jackie Kelly	Mr Ronaldson	Mr Williams
Mr Costello	Mr Lawler	Mr Ruddock	Dr Wooldridge
Mr Downer	Mr Lieberman	Mr St Clair	Ms Worth
Mrs Draper	Mr Lindsay	Mr Schultz	

NOES, 60

Mr Adams	Ms Gerick	Ms Livermore	Mr Price
Mr Albanese	Mr Gibbons	Mr McClelland	Mr Quick
Mr Andren	Ms Gillard	Ms J. S. McFarlane	Mr Ripoll
Mr Bevis	Mr Griffin	Ms Macklin	Ms Roxon
Ms Burke	Ms Hall	Mr McLeay	Mr Sawford*
Mr Cox	Mr Hatton	Mr McMullan	Mr Sciacca
Mrs Crosio	Ms Hoare	Mr Martin	Mr Sercombe*
Mr Danby	Mr Hollis	Mr Melham	Mr Smith
Mr Edwards	Mr Horne	Mr Morris	Mr Snowdon
Ms Ellis	Mrs Irwin	Mr Mossfield	Mr Swan
Dr Emerson	Ms Kernot	Mr Murphy	Mr Tanner
Mr M. J. Evans	Mr Kerr	Ms O'Byrne	Mr K. J. Thomson
Mr L. D. T. Ferguson	Mr Latham	Mr O'Connor	Mr Wilkie
Mr M. J. Ferguson	Dr Lawrence	Mr O'Keefe	Mr Wilton
Mr Fitzgibbon	Mr Lee	Ms Plibersek	Mr Zahra

* Tellers

Pairs

Mr Howard	Mr Beazley
Mr Fischer	Mr Brereton

And so it was resolved in the affirmative—Bill read a second time.

Leave granted for third reading to be moved forthwith.

On the motion of Mr Slipper (Parliamentary Secretary to the Minister for Finance and Administration), the Bill was read a third time.

15 **POSTPONEMENT OF ORDERS OF THE DAY**

Ordered—That orders of the day Nos. 3 to 5, government business, be postponed until a later hour this day.

16 **CONSTRUCTION OF REPLACEMENT NUCLEAR RESEARCH REACTOR, LUCAS HEIGHTS, NSW—APPROVAL OF WORK**

Mr Slipper (Parliamentary Secretary to the Minister for Finance and Administration), pursuant to notice, moved—That, in accordance with the provisions of the *Public Works Committee Act 1969*, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Construction of replacement nuclear research reactor, Lucas Heights, NSW.

Debate ensued.

Question—put and passed.

17 **SOCIAL SECURITY (ADMINISTRATION) BILL 1999**

The order of the day having been read for the resumption of the debate on the question—That the Bill be now read a second time—

Debate having been resumed by Mr Albanese—

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18 **ADJOURNMENT**

It being 5.30 p.m.—The question was proposed—That the House do now adjourn.

Debate ensued.

Debate extended: It being 6 p.m., the debate was interrupted.

Mr Abbott (Minister for Employment Services) required the debate to be extended.

The debate continuing until 6.04 p.m., the Speaker adjourned the House until Monday next at 12.30 p.m.

PAPERS

The following papers were deemed to have been presented on 26 August 1999:

Commonwealth Authorities and Companies Act—Commonwealth Authorities and Companies Amendment Orders 1999 No. 1.

Financial Management and Accountability Act—Financial Management and Accountability Amendment Orders 1999 No. 3.

Taxation Administration Act—
Determination 1999 No. TD 43.
Rulings 1999 Nos. PR 89, TR 12, TR 95/4 (Addendum).

ATTENDANCE

All Members attended (at some time during the sitting) except Mr Brereton, Mr G. J. Evans, Mr Fischer, Mrs D. M. Kelly and Mr Sidebottom.

I. C. HARRIS
Clerk of the House of Representatives

1998-99

HOUSE OF REPRESENTATIVES

SUPPLEMENT TO VOTES AND PROCEEDINGS

No. 60

MAIN COMMITTEE

MINUTES OF PROCEEDINGS

THURSDAY, 26 AUGUST 1999

1 The Main Committee met at 9.40 a.m.

2 **MEMBERS' STATEMENTS**

Members' statements were made.

3 **PETROLEUM (SUBMERGED LANDS) LEGISLATION AMENDMENT BILL 1999**

The order of the day having been read for the resumption of the debate on the question—That the Bill be now read a second time—

Debate resumed.

Question—put and passed—Bill read a second time.

Consideration in detail

Bill, by leave, taken as a whole.

Mr Entsch (Parliamentary Secretary to the Minister for Industry, Science and Resources) moved Government amendments (1) to (4) together.

Paper

Mr Entsch presented a supplementary explanatory memorandum to the Bill.

Amendments agreed to.

Bill, as amended, agreed to.

Consideration in detail concluded.

Ordered—That the Bill be reported to the House with amendments.

4 **ADJOURNMENT**

Mr Entsch (Parliamentary Secretary to the Minister for Industry, Science and Resources) moved—That the Committee do now adjourn.

Debate ensued.

At 11.53 a.m. the Deputy Speaker adjourned the Main Committee.

The Deputy Speaker fixed Wednesday, 1 September 1999 at 9.40 a.m. for the next meeting of the Main Committee.

B. C. WRIGHT
Clerk of the Main Committee

By authority of the House of Representatives

Thursday, 26 August 1999

Mr SPEAKER (Mr Neil Andrew) took the chair at 9.30 a.m., and read prayers.

APPROPRIATION (SUPPLEMENTARY MEASURES) BILL (No. 1) 1999

Message from the Governor-General recommending appropriation announced.

First Reading

Bill presented by **Mr Slipper**, and read a first time.

Second Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.32 a.m.)—I move:

That the bill be now read a second time.

In this bill the parliament is asked to appropriate moneys to meet the expenses of the book industry assistance plan and augment funding for the Supported Accommodation Assistance Program provided in the 1999-2000 budget.

Book industry assistance plan

Sixty million dollars is provided in this bill for each of the four years 2000-01 to 2003-04. The book industry assistance plan has three main objectives: (1) to provide financial assistance to those producing books in Australia, (2) to provide financial assistance to Australian creators of books and (3) to provide financial assistance to retail sellers of textbooks in Australia. It may also have additional objectives that include:

. the provision of financial assistance to libraries of Australian primary schools to acquire Australian books,

. the collection, compilation and dissemination of statistical information about book production and book sales in Australia,

. the promotion of the intrinsic value of books and reading;

. the promotion of literacy;

. the promotion of the books of Australian authors;

. the training of book producers;

. support for innovation and infrastructure development in book production; and

. support for other ancillary or incidental objectives.

Supported Accommodation Assistance Program

An additional $15 million is provided for each of the four years 2000-01 to 2003-04 to deliver assistance to homeless people who are disadvantaged, in crisis and/or on low incomes. The funding proposed in this bill meets these two commitments of the government to the Australian Democrats in the context of our tax reform package. I am very pleased to be able to commend the bill to the House and present the explanatory memorandum.

Debate (on motion by **Mr Martyn Evans**) adjourned.

APPROPRIATION (SUPPLEMENTARY MEASURES) BILL (No. 2) 1999

Message from the Governor-General recommending appropriation announced.

First Reading

Bill presented by **Mr Slipper**, and read a first time.

Second Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.35 a.m.)—I move:

That the bill be now read a second time.

In this bill the parliament is asked to appropriate moneys to meet the expenses of seven environment initiatives. These are:

. supporting conversions to compressed natural gas or liquid petroleum gas for commercial vehicles and buses that have a gross vehicle mass equal to or greater than 3.5 tonnes, trains and ferries;

. developing a product stewardship system for the refuse and recycling of waste oil;

. supporting the utilisation of photovoltaic systems on residential buildings and community-use buildings;

. supporting the development and commercialisation of renewable energy;

. supporting the use of renewable energy for remote power generation;

. supporting the development and implementation of in-service emissions testing capabilities for diesel and petrol vehicles, where the diesel emissions testing is in connection with the making and/or implementation of a diesel national environment protection measure; and finally

. a greenhouse gas abatement program.

The total amounts to be appropriated are:

. $214 million for 2000-01

. $222 million for 2001-02

. $227 million for 2002-03

. $233 million for 2003-04

The funding proposed in this bill meets these environment commitments of the government to the Australian Democrats in the context of our tax reform package. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by **Mr Martyn Evans**) adjourned.

COAL MINING LEGISLATION AMENDMENT (OAKDALE COLLIERIES) BILL 1999

First Reading

Bill presented by **Mr Reith**, and read a first time.

Second Reading

Mr REITH (Flinders—Minister for Employment, Workplace Relations and Small Business) (9.37 a.m.)—I move:

That the bill be now read a second time.

The issue of employees losing their accrued entitlements when a company is insolvent has touched a chord with the Australian people. This government is determined to deal with the issue sympathetically. But we need to do it in a way that recognises the risk to jobs of imposing new costs on business. It is a complex, national issue with both economic and social dimensions. The most recent example of large-scale insolvency leading to loss of entitlements was at Oakdale Collieries, south-west of Sydney.

The government recognises the impact these situations can have on the employees and their families, as well as the local community. Fairly, the Australian people have an expectation that employees will not be deprived of their lawful entitlements.

I am pleased to inform the House that the coalition government is taking action to resolve the Oakdale situation. We are also taking steps to address the national issue. In the first instance, the government has decided that the full entitlements owing to the former employees of Oakdale Collieries will be paid.

This bill will amend the legislation governing the coal industry's long service leave fund to enable the payment of 100 per cent of the Oakdale miners' entitlements. It is expected that soon after the passage of this bill the workers would be paid moneys from the fund, subject to the verification of individual claims. This is a good outcome for the Oakdale employees and their families.

The payment for the Oakdale workers is seen by the government as a one-off situation made necessary by the current lack of a national scheme and made possible by the availability of the coal industry fund. The government is also aware of the similar circumstances the former employees at the Merrywood coal mine in Tasmania find themselves in. It will be moving amendments to this bill to deal with their case also. Unfortunately, we cannot go back and rectify all the mistakes of the past.

For the future, the government has decided that it will establish an employees' entitlement scheme to deal with these issues. Reflecting work initiated by this government over the past year, I will shortly release a discussion paper canvassing various options for providing a safety net for employee entitlements across all industries.

Following the endorsement of the Ministerial Council for Corporations, the government announced its intention to amend the Corporations Law to stop directors from entering into arrangements or transactions that avoid payment of employee entitlements and to strengthen the existing prohibitions against insolvent trading. Further consideration has been given to the additional option of making

a company, within a group, pay outstanding entitlements of another company in that same group.

These are complex matters. In moving now towards the development of a national scheme, many factors need to be considered, including the interests of employers, employees and the community more generally. We look forward to talking to insurers, state governments, employers and unions about our options. Following its consideration of responses to the discussion paper, the government is confident that an equitable, comprehensive and practical package of measures will be established. For the first time in Australia, a government will have acted to put in place a national scheme. The Australian Labor Party—the so-called representatives of the workers—had 13 years and did not actually confront the issue. Many thousands of workers have suffered through that inaction.

To ensure that the former employees at Oakdale receive their full entitlements, this bill amends the legislation governing the coal industry fund. The long title and the object of the Coal Mining Industry (Long Service Leave Funding) Act 1992—the funding act—will be amended by this bill to reflect the fact that the Oakdale employees will be receiving moneys from the fund in respect of their outstanding leave and redundancy entitlements beyond the funding act's original intention. The bill will also amend the funding act to enable and require money in the fund to be used to make certain payments in respect of entitlements to the former Oakdale employees. The bill sets out the conditions upon which the Coal Mining Industry (Long Service Leave Funding) Corporation may make the payments to individual Oakdale miners. These payments will be reduced by the amount of money made available to the former employees through the liquidation of Oakdale and the Oakdale Collieries Employee Entitlements Trust.

Section 7 of the Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992 specifies the purpose of the levy imposed by that act. Consistent with the current practice in relation to legislation imposing levies, this provision will be repealed by the bill. I commend the bill to the House and table the explanatory memorandum along with the regulatory impact statement.

Debate (on motion by **Mr Martyn Evans**) adjourned.

STATES GRANTS (GENERAL PURPOSES) AMENDMENT BILL 1999

Second Reading

Debate resumed from 25 August, on motion by **Mr Hockey**:

That the bill be now read a second time.

Mr MURPHY (Lowe) (9.43 a.m.)—The States Grants (General Purposes) Amendment Bill 1999 is a non-controversial bill that is supported by the opposition. This bill authorises payments for the funding agreed to at the 9 April 1999 Premiers Conference—in particular, $17.7 billion of general revenue assistance and $6.8 billion of revenue replacements. These revenue replacements from the Commonwealth government are to replace state duties on tobacco—on a per stick basis—alcohol and petroleum. States will also be paid any money received by the Commonwealth under the Franchise Fees Windfall Tax (Collection) Act 1997, which protects state budgets against refund claims in respect of past business franchise fee payments.

It is my belief that, with the passage of the GST bills through the parliament, all states of Australia are going to be a lot worse off from July 2000. The states have lost their taxation abilities and it is going to be difficult to continue to raise extra revenue beyond the state grant needed to improve our public hospitals, public schools, roads and disability services. I believe this bill provides the government with an outstanding opportunity to improve state funding for better health, better public education and better disability services. However, since its election in 1996, the Howard Liberal-National Party coalition government has visited massive funding cuts on state run bodies responsible for health, education, roads and disability service programs. These cuts have resulted in the rundown of our hospitals, our roads, our schools and services to Australians with disabilities.

There is no denying that since 1996 the Premiers Conferences have been fraught with difficulty. It is my opinion that the states have been the victims of the Prime Minister's agenda of budgetary cuts. It is particularly surprising that this has occurred even though the majority of premiers in Australia are members of the coalition.

The state-Commonwealth health funding relationship is a joke. In particular, since 1996 the Howard government has cut $800 million from funding to the states for public hospitals—money which could have paid for 40,000 extra operations per year, money which could have paid for 1,000 extra hospital beds, money which could have paid for two new hospitals.

Instead, the government, under the Medicare agreement with the states, sabotaged the negotiations process with an offer of just a one per cent increase. The government has closed down 17 Medicare offices in New South Wales and 43 Medicare offices across Australia. In my electorate of Lowe, the Burwood Medicare office has been downgraded.

The result of the state-Commonwealth government grant negotiations is that my constituents—ranging from Drummoyne to Homebush West, from Rhodes in the north to South Strathfield and to the tip of Chullora—among many other people across New South Wales, with a statistically high percentage of people with disabilities, frail and aged persons, have suffered the most.

I turn now to the area of funding disability services to the states. The cost of addressing the unmet needs of people with disabilities and their carers has been put at something around $294 million per year. However, the Commonwealth has allocated only $75 million per year for two years. This means that these Australians are forced under trying circumstances to live their lives with 75 per cent less funding than is needed.

The government is quick to point to the states and territories when asked about the unmet need of those in our community who have disabilities but refuse to consult and collaborate with them over the funding of programs that might actually do something to alleviate their problems. If the government spent more time liaising and speaking honestly to support organisations, then I am sure we would see a substantial increase in funding to these Australians rather than the government turning its back on those in need.

One of the most obvious and important areas which is underfunded is the area of public education. From 1 January 1998 an enrolment benchmark adjustment applied to government schools which meant a $20 million cut Australia-wide. New South Wales school children will be disadvantaged by approximately $9.7 million. Homebush Boys High School, situated in my electorate of Lowe, is one such school that is disadvantaged by this method of funding allocation. I recently received a letter from a year 11 English class at Homebush Boys High School. The students were particularly concerned about a shortage of textbooks and an environment not conducive to learning.

There is a high proportion of students from non-English speaking backgrounds at this school. They are disadvantaged by a lack of specialised English texts. This disadvantage will not be acknowledged in their final exams. The learning environment of those students in public schools such as Homebush Boys High is appalling. Chairs and tables are old and are not designed ergonomically. As someone who has a crook back, I understand that all too well. Portable classrooms are hot in summer and cold in winter. Homebush Boys High School is a great learning institution and the teachers and students deserve better than this.

Commonwealth funded grants to the states provide an exciting opportunity for the government to invest in the future of our country through our children. This government has thrown this away in their bean-counter mentality, the utilitarian ethic, which looks at the bottom line, not the future. In an article by Ross Gittins entitled 'The high cost of paying less tax' in yesterday's *Sydney Morning Herald* at page 15, he wrote, referring to the budget surplus:

> Is there nothing worthwhile the Government could do with a spare billion or three? Is the present level of government spending just right?

If, like Howard and Costello, you're tempted to think so, could I suggest you look about?

We could start with education. It's had the budgetary clamps for years.

And so the article goes on. Gittins is right. Since the 1996 election Mr Howard and Mr Costello have clamped down on education. These measures are at the cost of Australia becoming a clever, information-rich country and they ignore the changing structure of the economy.

I turn now to discuss the implementation of the government's shameful pork-barrelling of states like Tasmania and Queensland by giving them higher telecommunications infrastructure funding from the sale of Telstra compared to other states in an effort to ensure its legislation passed through the Senate. This is a capricious use of section 96 of the Commonwealth of Australia Constitution Act 1900 because it is based on a value criteria designed to push through the sale of Telstra rather than the unbiased, prohibitive and disinterested allocation of money in the fulfilment of its social justice policy—that is, to give each state its fair and proper due.

The government has thus exhibited an ethic which, by every standard of jurisprudence, is repugnant and must be condemned. They are grandstanding and big-noting themselves at the expense of our state of New South Wales and at the expense of my electorate of Lowe.

Mr Hockey—Come on!

Mr MURPHY—The member for North Sydney understands what I am saying. They are big-noting themselves at the expense of reduced services to New South Wales public school students. Schools like Homebush Boys High School will not receive equal access to information technology.

Another recent example of pork-barrelling where Commonwealth-state funding relations are concerned is the government's scandalous announcement on matching funding for the upgrade of Geelong Road in Victoria on the eve of the state election. Roads such as Geelong Road should have been funded long ago through state grants. This decision is disgraceful and quite opportunistic with the forthcoming state election in Victoria in mind.

The reality is that the people of New South Wales—the most highly populated state in Australia—stand to lose most out of these state funding arrangements given the federal government is intent on pursuing an agenda of budgetary cuts. In light of its powers under section 96 of the Constitution, I urge the government to practise morality in its funding allocations. It saddens me to say that in this instance, as in many, the government has wasted its opportunity to improve the lot of all Australian citizens by failing to improve state funding to ensure that the health of our families and the education of our children are properly funded.

It also saddens me that the government has not made a decision on a second airport for Sydney. The member for North Sydney is nodding because he understands that over the last few years in my electorate of Lowe we have suffered very severely because of the noise impact not to mention the environmental and safety risks associated with the expansion of Kingsford Smith airport.

The prevarication by the government over the last few years is disgraceful and quite plainly we need a second airport. The member for North Sydney is in here smiling this morning. I will pay tribute to him. He did a good job when he was chairman of the Sydney Airport Community Forum. I believe that Dr Brendan Nelson is equally doing his best to put pressure on his colleagues in cabinet to make a decision in the interests of not only all Sydney and New South Wales residents but all Australians.

We know that Sydney is the gateway to Australia. We all understand that tourism is an enormous area from which to derive revenue and by which to promote this country. We obviously need a very good airport. But, clearly, Sydney airport is becoming inadequate and the people of the inner west who are affected by Sydney airport have had enough. It is probably fair to say that as an airport Sydney airport operates very well as a shopping centre and a car park. It is little wonder the vested and sectional interests have no interest in relocating any of their infrastructure to a second airport. The aviation fuel industry, the hospitality industry, the hotel

industry and the tourism industry, in particular, only want to see Sydney airport expanded.

It is dreadful that that is allowed to continue. The lobbying of the government by those groups over the last few years has been dreadful. Quite plainly, I think we on this side of the House and the government should have a bipartisan approach to this and in the interests of Sydney and Australia should make a decision to have a second airport. The only realistic option is Badgerys Creek. But we have, at the moment, fools like John Brown who should be flogged for suggesting—

Mr Hockey—Hear, hear! And Chris Brown too.

Mr MURPHY—Yes, and Chris Brown. They should be flogged—they probably will not appreciate me saying this—because they are at the mercy of those who have a big interest in promoting Kingsford Smith airport. To suggest that we expand Bankstown Airport for use by regional aircraft so that we can free up slots at Sydney airport for more 747s to come over the electorates of the member for North Sydney, the member for Lowe and the member for Grayndler day in and day out is absolutely disgraceful. So, quite plainly, the government should be making a decision. I, along with a number of my colleagues—and I particularly make reference to the member for Werriwa and the member for Blaxland who spoke in this debate last night—have stood in this chamber and caned the government for not making a decision about a second airport.

We know that if a decision is not made to have an international airport at Badgerys Creek we will probably not get an airport in the next decade. That is going to have horrific consequences for the people of the inner west. I know that when the planes are flying over our houses and our schools they would be far better flying over the cow paddocks which are closer to the south-west region of Sydney. There would be less likelihood of an environmental disaster associated with the enormous amount of air traffic going in and out of Sydney.

There is going to be more interest than ever in Kingsford Smith airport over the next 12 months because we are going to see the biggest event in Australia's history—the 2000 Olympic Games. I am very concerned for my constituents that there could be pressure on the curfew and the airport could be operating 24 hours a day. Residents around Sydney airport and in my electorate of Lowe will not be able to sleep, but you could live with your sleep being affected if you thought you could minimise the chance of any environmental disasters in the inner west. God forbid that we wake up one day and find there is a big black hole in the inner west because a fully laden 747 has taken off to the north and come down in the middle of Sydney. Surely then the people of Australia would ask why we, the members of parliament, the people supposedly representing the people, did not make a decision in a spirit of bipartisanship—and I am very pleased to see that the member for North Sydney is supporting me on this—and in the interests of Sydney and Australia.

I wish some of this money could be used to get on with the job out at Badgerys Creek. I hope that the Prime Minister has the good sense to make a decision in the interests of Australia and that he stops listening to the Minister for Finance and Administration, who is playing a very duplicitous role in this whole debate at the moment. He is more interested in looking after himself than looking after the people of Sydney. The long-term operating plan for Sydney airport has not been fully implemented. I get many complaints—and I have asked a lot of questions in this House and made a number of speeches—about the impact of the noise on Sydney. Some of that money could be used to take a stick to Air Services Australia to make sure that we get equal and fair distribution of the noise.

I will conclude by saying that there are lots of opportunities for this money to be used by the states in education and public health, but I would sincerely like to see some of it channelled towards Badgerys Creek. I hope the honourable member for North Sydney, Mr Joe Hockey, who is sitting here, and the member for Bradfield can keep the pressure on the Prime Minister and the cabinet to make a decision in the interests of all Australia to

have our second airport at Badgerys Creek announced as soon as possible. You will get a lot of support from this side of the House. *(Time expired)*

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (10.03 a.m.)—in reply—I would like on this occasion to thank the erudite member for Lowe. He is certainly a vast improvement on his predecessor, who could be regarded only as incompetent and lazy and of course who failed to properly represent the very diverse views of the people of his electorate. The electorate spoke at the last election by sending Mr Zammit off to a new career. The only disadvantage of the current member for Lowe is that he is not a Liberal. Apart from that, I commend him for his wise words on Badgerys Creek. I can assure him that we have mutual interests in this issue.

I must in passing take this opportunity to criticise the state government for not taking a more robust stand on Badgerys Creek. I am very aware that Labor Party policy at federal level and at state level is unambiguous. It supports a second international airport in the Sydney basin. Even Kim Beazley, the Leader of the Opposition, knows that the only site for a second international airport in the Sydney basin is Badgerys Creek; he just cannot bring himself to say that. That is the beauty of being in a position of not having to make a commitment. As Leader of the Opposition, you do not have to make a decision; you just get to criticise everything. At any rate, I thank the member for Lowe for his comments.

This is indeed an historic moment, because the States Grants (General Purposes) Amendment Bill 1999 is the last states grants bill to pass through this parliament. Since the 1930s and the transition in the collection of revenue by the Commonwealth and the states, and as part of a wartime measure—through the development of the Premiers Conference for the major collection of revenue by the Commonwealth on behalf of the states—there has been a funding process where the Commonwealth sits down with the states at a Premiers Conference and holds so-called negotiations about the amount of revenue provided to the states for the forthcoming year.

I understand that the financial assistance grants process was instituted in 1985 by the then Hawke government. There were two streams of funding for the states: the financial assistance grants, which are untied funding levels for the states and were the bulk of support to the states; and the specific purpose payments, which are tied grants at the direction of the Commonwealth to individual streams of activity. For example, there is a specific purpose payment for home and community care where the Commonwealth contributes so much money and the states are then asked to contribute a certain amount to fund that particular program.

I have said it before in this House but, in this historic bill, it is worth repeating that the major flaw in our current Commonwealth-state relationship is that each year the states have to come to the Commonwealth asking for a certain percentage of the growth revenue in the Commonwealth. Funding schools, funding hospitals, funding police, funding the court system, building the majority of roads and funding the transport system are the growth areas of expenditure for governments across Australia. Whilst the expenditure levels have been going up, the revenue for the states has been falling. Why? Because the tax base of the states is narrowing. Financial institutions duty is narrowing. Bank account debits tax was a Commonwealth tax but was handed over to the states by Simon Crean, the current shadow Treasurer. That tax on every cheque is a diminishing tax. The other taxes that the states have, such as land tax and stamp duties, are all diminishing as we become a more global marketplace. The only tax that is a growth tax for the states is payroll tax, and we all agree that payroll tax is a fairly insidious tax because it is a tax on jobs.

What have the states done in order to try to fund the schools, the hospitals, the police and the roads? They have gone to the only new source of revenue that they could grab, and that is gambling taxes. I plead guilty to doing that as well when I worked for the Premier in New South Wales, because we had no option but to meet the existing growing obligations of the state from finding new taxes. In New South Wales the Labor government has

instituted a bed tax. It has extended land tax to people's homes. It has significantly extended gambling taxes, issuing more poker machines and further taxing the casino. States have turned to these insidious taxes because they have had no choice. They have had nowhere to turn, and that has a fairly profound impact on the cohesion in our community.

In my view, the most significant initiative and the most enduring and important part of the GST package is that we are giving the states growth revenue that will meet the obligations of their expenditures over the next few years. We are giving them a tax base which is a GST. Every cent of the GST goes to the states. It will continue to grow because as each year passes and our GDP grows we will spend more. It is a growth tax, and that growth tax can meet the growth obligations of the states. That is the most significant initiative of the GST package, and it is one that I recognise is very hard to explain in an election campaign. It is very hard to explain on popular television or on the radio that it is going to have the most profound effect on the future of government activity in Australia.

The bill before the House now will be the very last bill that is a handout from the Commonwealth to the states as we know it. I note the shadow minister for finance talked about vertical fiscal imbalance. I understand where he is coming from. The substance of the definition of vertical fiscal imbalance is that the states have to raise their own revenue. In this case, we are collecting it on behalf of the states. Whilst economists and various others can argue about vertical fiscal imbalance and whether a GST is a state tax, the simple fact is that all the revenue, no matter what it is, goes to the states. Therefore, it goes a very long way to addressing many of the systemic problems of Commonwealth-state relations that have occurred over the last few years.

At this historic juncture, I can say—and I think I join my colleagues on the other side of the House in saying—that we the Commonwealth are glad that the states now have a growth revenue stream. Notwithstanding our differences on a GST, we can all say in this parliament, in this House and from an historic perspective that we are glad that the Commonwealth is no longer being forced to go through a process that is inglorious for all government relations in Australia. That process is the Premiers Conference each year, which has increasingly become a farce. I remember the Premiers Conferences that I went to as an adviser. I well remember how all the state premiers agreed to launch a campaign against the Prime Minister at the time, Prime Minister Keating. In the states' view, Prime Minister Keating was penalising the states for having good balance sheets. The Commonwealth had a bad balance sheet at the time. We drew up these ads: 'Can someone please tell Canberra that the rest of Australia is no longer a penal colony?'

We thought they were great ads and they were signed at the bottom by all the premiers, but there was one bad apple and that bad apple came from Queensland. While agreeing with the principle of the ads and saying, 'We really do want to belt up Canberra,' the Premier of Queensland, Wayne Goss, refused at the last moment to sign the ads and we could not run with the campaign. When we got to the Premiers Conference, we found out why. Queensland managed to have a major windfall from the Commonwealth out of that conference and it has been ever thus. The Liberal prime ministers have done it with Liberal states and Labor prime ministers have done it with Labor states. In my view—and I think in the view of everyone here—that is not particularly conducive to good governmental relations or good public policy into the future.

We can all now breathe a collective sigh of relief for Australia's future that we do not have to have those Premiers Conferences and the inglorious scenes on television where premiers walk out—usually storm out—of a Premiers Conference saying how badly off they have been treated and how their state has been a loser. We do not have to go through that farce each year of all the jockeying leading up to the Premiers Conference. What we will have is growth revenue for growth expenditure and, hopefully, in all our estimations that means better schools and hospitals,

better qualified and more appropriately resourced police, and better court systems and roads. Importantly, it means that those insidious taxes, such as gambling taxes—and the profound impact that those are having on our community—are going to be tossed to the side and are not going to be needed by the states to fund their expenditure. I commend this historic bill to the House.

Question resolved in the affirmative.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Leave granted for third reading to be moved forthwith.

Bill (on motion by **Mr Hockey**) read a third time.

TAXATION LAWS AMENDMENT (POLITICAL DONATIONS) BILL 1999

Second Reading

Debate resumed from 11 March, on motion by **Mr Hockey**:

That the bill be now read a second time.

Mr TANNER (Melbourne) (10.18 a.m.)—You really have to question the motives of the government when it wants to put through legislation of this kind and backdate it to 1 July 1998. The Taxation Laws Amendment (Political Donations) Bill 1999 concerns tax deductibility for political donations and, effectively, it is legislation to repay those who have donated to the government's slush funds at the last election. The 1999 version of the bill will have the same effect as the 1998 bill and the same start-up date. This bill should be rejected by the House.

The government tried to ram this bill through just before the 1998 election, but they were frustrated in their efforts to do so. However, without even a blush, here it is again. The government are quite shameless in their attempts to get the public to subsidise their corporate political fundraising. It is worth noting where the deductibility of political donations came from—and the current government have a lot of form on this particular matter. The tax deductibility of donations to political parties was first introduced into our tax laws in 1991 by an amendment moved by the now disgraced Senator Parer. It was the Liberal Party's idea. In 1991, they wanted no limits on the amount that could be claimed for a deduction for a donation to a political party. They wanted it without the $100 cap. No doubt that is still their agenda. But now the brains trust at Menzies House have devised a two-step process. First, they want to increase the limit—the current cap of $100—to $1,500, and then no doubt at some point in the future they will want to get rid of that limit altogether.

I now turn to the key points in the legislation. The Taxation Laws Amendment (Political Donations) Bill proposes amendments to the Income Tax Assessment Act 1997 to increase the maximum annual tax deductibility threshold for donations to political parties to $1,500; allow companies to make tax deductible political donations; broaden the definition of 'donation' to cover contributions as well as gifts; bring donations to independent candidates in line with donations to political parties; and allow for tax deductible donations to be made to political parties registered under state or territory electoral legislation. If the government has its way, the measures are to come into effect from 1 July 1998, cynically backdated to ensure that all of the conservatives' mates can get a bit of a handout with their tax returns.

We have a bill here which is in effect about putting $45 million over three years from taxpayers into the coffers of political parties. If it is passed, some of that money will go to my party—not a very big proportion, but some. We would be better off to some extent. We would have some more money for fighting elections. But the body politic—the Australian democratic system—would be significantly worse off. When I refer to $45 million, that is not the amount of extra money that political parties will have; that is the effective cost to the taxpayer, according to the explanatory memorandum to this bill. Some of this money will come from corporate donors and some from private donations.

I assume that somewhere between $100 million and $130 million of donations will be going to political parties through this system—a minority of that amount to the Labor Party, most of it traditionally to the Liberal and National parties, and very little to the Democrats and the other minor parties. The real issue here is the coalition's longstanding agenda to maximise the advantage they hold in attracting large corporate donations and donations from wealthy individuals. The sum of $1,500 may not seem large to many of the wealthy individuals sitting on the other side of the parliament. But, for those ordinary Australians who effectively will have to pay the price of this legislation through the cost to the taxpayer, this sum is a considerable amount.

I would like to see most ordinary Australians just pull out $1,500 worth of loose change and pursue their involvement in the democratic process. That seems to be an assumption which is built into this proposal. It is a fundamentally flawed proposal, and we on this side of the House understand why. If you look at these matters, what you can see at first glance as something that looks apparently reasonable—extending the deductibility of donations from $100 to $1,500—is in fact designed to make the political environment easier and more effective for the Liberal and National parties.

I am not suggesting that this bill is inherently about dishonesty. We are very critical of the infamous Greenfields rort that the Liberal Party have perfected. The Liberal Party are playing hide and seek with the Electoral Commission on that. They know it is dodgy, but I do not think there is anything in this legislation that is designed to induce impropriety. The bill is just fundamentally flawed and wrong in principle. This side of the House is essentially saying, 'We don't agree with the notion that the taxpayer should give additional funding, through providing tax minimisation opportunities to wealthy donors to the Liberal Party, to political parties.'

For example, we would like to go out and ask people: 'We have a proposal to spend $15 million of taxpayers' money a year. What is the most important way that you would spend it? There are a few options. One of them is that you could help out the Liberal Party, the National Party and the Labor Party with some tax deductibility.' Anyone asked that question would no doubt laugh. Here we have a government that is prepared to spend $15 million of taxpayers' money to enhance deductibility—on a backdated basis to cover their last election campaign—for their political mates but can only find $1½ million to aid the suffering of tens of thousands of people in Turkey at this very minute. They should hang their heads in shame at their approach on that issue. Yet they are happy to throw $15 million of taxpayers' money to facilitate greater donations to their own political coffers. That is outrageous.

The bill clearly would not be popular out in the street when people understand what this government is actually doing, not necessarily in terms of shifting votes but in terms of just straight integrity and propriety—the degree of respect, which is already far too low, that Australians have for politicians and the political process. This is the issue that is in contention here. How is it in the public interest to increase deductibility for political donations to favour wealthy donors? It is very much in the Liberal Party's interest, it is very much in the National Party's interest and it is even, to a far lesser extent, probably in the Labor Party's interest—we will probably get a bit more money as a result of enhanced deductibility—but it is clearly not in the national interest. That is the fundamental obligation these laws should be directed towards, and that is clearly where they fail.

Another problem with the legislation is the extension of deductibility to political donations by companies. Tax deductibility for political donations was only ever intended to help or encourage individuals, in the same way as they are encouraged to donate to other organisations such as charities. Companies have enough means of their own to donate, and many donate well beyond the $1,500 offered in tax deductions here.

A point that does require clarification, and perhaps the minister may wish to address this when he speaks, is the question of associated entities. Will associated entities be treated in

the same way as political parties for the purposes of attracting political donations for which donors can in turn claim a tax deduction? Associated entities, as defined in the Commonwealth Electoral Act, are 'controlled by one or more registered political parties; or operate wholly or mainly for the benefit of one or more political parties'.

Infamous associated entities, such as the Liberal Party's Free Enterprise Foundation, attract significant and previously anonymous donations from individuals and organisations that are in turn forwarded to the Liberal Party. I wonder, for instance, if the current and prospective members of the Liberal Party's 500 Club will be able to claim tax deductions on their membership fees, fees that ultimately end up in the Liberal Party's coffers.

Again on associated entities, I suppose this legislation will nicely complement the coalition's money laundering approach through the Greenfields Foundation. The Greenfields Foundation, while still denying its status as an associated entity by exploiting an apparent loophole in the Electoral Act, attracts anonymous donations from people and organisations. The Greenfields Foundation then donates or 'loans' massive sums of money to the coalition. End result: the subversion of the electoral laws with respect to that very basic consideration of disclosure.

This will continue until the Liberal Party and the Greenfields Foundation come clean and stop rorting this loophole in the Electoral Act and start disclosing the source of these anonymous donations as an associated entity. I guess the only gap here is that the donations to Greenfields may not be tax deductible, although I am sure that the government will find a way of changing the law in future to give a double free kick to its mates, retaining their anonymity and giving them a tax deduction.

Before concluding, I would like to draw the attention of the House to just how ham-fisted the government has been and how disorganised this piece of legislation is. Let us have a look at the 1999 *Tax Pack*: you would expect that the taxpayers would be given straightforward and accurate information by the Taxation Office about their rights and obligations. Generally, they manage to do that, but in this case they have not quite got it right.

Taxpayers get no information about the current law on deducting political donations. There is zero information as to what their rights under the law as it stands at the moment are. Instead, you get this statement on page 55 of the 1999 *Tax Pack*:

> Under proposed legislation, intended to apply from 1 July 1998, you will be able to claim deductions of up to $1,500 for contributions you make to registered political parties and gifts to independent members, candidates and Members of Parliament.

There is no mention of the current law; there is only a mention of the legislation which the government hopes will get through the parliament but which may or may not get through the parliament. That is clearly misleading Australian taxpayers. I would like to find out who in Peter Costello's office was responsible for that one. I am sure there are plenty of suspects. They are all pretty good at that sort of thing. Maybe it was something that Lynton Crosby dreamed up down in Menzies House.

It would be interesting to know whether the Treasurer believes it appropriate for the *Tax Pack* to advise taxpayers of their current obligations with respect to deductibility of political donations or whether the Treasurer believes that the *Tax Pack* should advise taxpayers of legislative changes that have not been passed by the parliament and may well not be passed by the parliament without at the same time informing them of what the current law is. With taxpayers having to lodge their tax returns by 31 October, if the government's controversial changes to the law on political donations are not passed by both houses by that time, in effect the government has clearly misled the people about what the taxation rules are.

Is the Treasurer aware of how serious this is, or is this just another example of the government giving misleading information to Australian taxpayers and showing that it has not learnt its lesson from the time the ACCC found that its health insurance rebate advertisements were clearly misleading? If this government were serious about electoral reform and not just legislating to gain elector-

al advantage for its own side of politics and to help out its mates with their tax returns, it would not have tried to ram this bill through at the last minute just before the election last year, and it would not now be presenting the bill to the House, backdating its effect to 1 July 1998 in order to get the retrospective benefit of the legislation for their mates—for their wealthy mates—who donate substantial amounts of money to the Liberal Party. The opposition will continue to oppose this bill both in the House and the Senate.

Mr GEORGIOU (Kooyong) (10.30 a.m.)—I would like to begin by commenting on the member for Melbourne's astonishing capacity for political amnesia. He seems to have forgotten that the Taxation Laws Amendment (Political Donations) Bill 1999 merely reflects the consensus arrived at by the Joint Standing Committee on Electoral Matters—a consensus participated in by the Labor Party. If he is so scrupulous about wishing to put things on the record, then I really think he ought to address that fact. But I will come back to that.

The Taxation Laws Amendment (Political Donations) Bill 1999 is straightforward—not that you would get that impression from the member for Melbourne's ruminations. The bill flows from the recommendations of the joint standing committee's report on the 1996 election. It raises the level of tax deductibility for contributions to political parties from $100 to $1,500 and extends those entitled to deduction from individuals to companies. Donors will be entitled to deductions for contributions not just to political parties registered under the Commonwealth Electoral Act, as is the present situation, but to all parties and candidates contesting federal elections.

It is the second time that the bill has been introduced. The first time was in 1998, but the bill lapsed with the calling of the election. The bill removes the bias in the present legislation against Independents and it will strengthen Australia's democratic processes by broadening the financial base of candidates for elections and increasing political participation in the political process.

The bill in no way diminishes current disclosure rules. The Joint Standing Committee on Electoral Matters justified the measure on the grounds:

> An increase in the maximum deduction would encourage small to medium donations, thereby increasing the number of Australians involved in the democratic process and decreasing the parties' reliance on a smaller number of large donations.

It is beyond contention that increasing tax deductibility from $100 to $1,500 will attract more funds from small and medium donors. I believe that this is axiomatic and that any diminution in the dependence on large donors does enhance the democratic process. Equally, I have to say that it has never appeared to me that large financial donations have bought influence on decisions made by governments in Australia. But it is appropriate to enhance the circumstances in which the financial dependence of political parties is minimised and their financial support is as broadly diffused as possible. This bill does contribute to such an outcome.

The bill also strengthens political participation, which is something that the values of our democratic system seek to foster. In Australia, political participation takes many forms that vary in duration, extent, intensity and resources. Participation ranges from the act of voting, which we quite rightly encourage through our system of compulsory voting, to taking an interest in politics, staffing polling booths, becoming a member of a political party and contributing moneys for the support of political candidates and political parties. I believe—and I think most of us believe—that all these forms of participation in the political process should be encouraged by a political system that values an active and informed citizenry.

I say again that the financial support of political candidates is an important mode of involvement in the democratic process. Increasing the magnitude of this financial support through an increase in the amounts attracting tax deductions will undoubtedly increase the intensity of involvement.

It does need to be said, however, that there is some doubt that tax deductibility will increase the number of people making donations to parties and candidates. I think this perspective is well brought out in the *Bills*

Digest on the political donations bill. I would like to commend the work of the people who prepare the digest for what is an invaluable contribution to the parliamentary process. Digests, apart from being accessible summaries and a more than occasional crib to assist harassed politicians, invariably bring to the fore issues of significance that members of parliament might otherwise overlook or not focus on sufficiently. In the case of this bill, the *Bills Digest* observes:

> . . . arguments can be made that the increase in the amount that can be deducted will have little if any effect on the number of Australian individuals involved in the democratic process.
>
> For example, it is difficult to see that there is a significant number of people, if any, who decide not to make any donation to a political party because only $100 is deductible per year rather than a larger amount.
>
> This would amount to a person deciding that if they cannot get a deduction for the higher amount they will not donate the $100 subject to the deduction.

On the face of it, this seems to be a reasonably persuasive argument, but it does have the difficulty that it overlooks the dynamics and economics of the political process and political fundraising. The fact is that people do not just autonomously make donations to political parties and candidates and, equally, political parties are not just passive recipients of contributions. People give money to political parties to some degree because political parties and candidates actively solicit them to do so. The fact is that the more people from whom candidates solicit contributions the greater will be the number of people who will contribute.

Broadening the funding base does, however, involve costs to those raising the funds. The greater the potential return on an investment of time and money by political fundraisers, the greater will be the effort they will put into different fundraising avenues and broadening the fundraising base. If I can put it crudely, as somebody who was involved at the margins in this, at the moment it is more economical to get so-called 'big hit contributions' out of major donors than to invest heavily in going broadly into a large number of donations that are comparatively small and comparatively difficult to raise. This is where the bill does impact, because the increased incentive given by tax deductibility for people to give more money will, I believe, mean that political parties will make much more intensive efforts to raise small and medium amounts, because the yields that will be expected from this will exceed the investment in terms of time, effort, data processing and direct mailing.

I believe it can be anticipated that political parties—and I should imagine this will apply no less to the Labor Party, despite their constant bleatings that they will only get a small amount of money—will make intensive efforts to pursue small and medium level donations and that more people will, thereby, be actively involved as financial contributors to politics because the level of tax deductibility will increase. So I would be confident that the passage of the political donations bill would not only lead to a lesser dependence on large donors but also involve more people in the political process through more people making political donations. This will strengthen our democracy and increase the number of people whose participation extends beyond voting.

This is a serious bill, and politics is a serious business. It is rare—and probably properly so—that one gets a really good belly laugh out of the political process. But the opposition's position on the Taxation Laws Amendment (Political Donations) Bill 1999 does tickle one's funny bone. I have to say—and I have gone through all of the debates on this—that I have rarely seen the opposition trying as hard to keep a straight face as they were while making such incoherent, third-rate arguments against the bill. This was exemplified by the member for Melbourne, but I must say he is not as vivacious as the member for Banks. The member for Banks's contribution in the last debate is a case in point. He is—in my view, at least—one of the more witty members of this House. Occasionally, some of us have some difficulty keeping a straight face during his what might be called 'spontaneous eruptions' in question time. So there was a certain poetic justice in the fact that he seemed to have difficulty keeping his face straight when he debated this bill last time—

or, more accurately, when he failed to debate this bill last time.

If you look at *Hansard*, you will notice that the member for Banks went on an around the world journey. Firstly, he ruminated on the location of the Hansard reporters—this in a debate on a political donations bill; then he said that he held the member for Reid in exceptionally high regard; that there should be other bills on disclosure; and that caucus would not be bound by the recommendations of the Joint Standing Committee on Electoral Matters. The only problem was that, despite all his fervour and wit, he arrived at not one single destination, made not one substantial argument.

Let me take the point about the difference with the Joint Standing Committee on Electoral Matters. I agree that parties need not be bound by the recommendations committees sometimes produce. Committee reports sometimes include a majority report and a minority report. In any event, I do not believe that anyone on either side of the House could accuse me of falling about in heated agreement with all views of the Standing Committee on Electoral Matters. Despite the very high personal regard in which I hold the members of the committee who did the majority report in 1996, I sometimes, with astonishing reluctance, disagree with them. The case of compulsory voting is one which springs to mind, but there are also a number of other issues on which I have had differences with the committee's perspectives.

The issue of tax deductibility for political donations, however, is just commonsense, and it was a commonsense recommendation on which both Labor and coalition members arrived at a consensus. Let me say that again: on the recommendations that there be an increase in tax deductibility for political donations the coalition members on the standing committee were not alone, they were not partisan, they were not isolated; they were joined in the making of this recommendation by the Labor Party members of the committee—namely, Senator Conroy and the member for Reid.

One's heart has to go out to the member for Reid, even if one's mind does not. On the electoral matters committee he supported the tax deductibility measure. In the parliament, however, he opposed the bill that he, himself, had in part fathered. He did not just oppose it; he argued against it vociferously. The member for Reid said:

> I for one . . . am very pleased as a member of the . . . committee—

that recommended the measure—

> that the—

Labor—

> Party has been persuaded to oppose this legislation. We should have opposed it from the beginning.

In case any member of the government had been obtuse enough to wonder why somebody who had supported the measure on the standing committee would be pleased that his party had rolled him and decided to oppose the legislation, the member for Reid, unlike the member for Melbourne, actually felt—and I have to give him credit for this—that he had to give an explanation. In the member for Reid's mind the agreement on the recommendation to lift the level of tax deductibility to $1,500 was—wait for it—a compromise. I will just outline the member for Reid's attempt to explain his pleasure that he had been rolled. He said:

> If the government is losing too much sleep about the fact that some Labor Party members on this committee have got a different point of view . . .

from when—

> the matter was discussed—

on the committee—

> I put it to you that the $1,500 was a compromise at that stage in regard to a government thrust for a preposterous level of $10,000.

So if I have the honourable member's logic right, the Labor members of the committee were forced into a compromise which, because it was a compromise, they could back away from. There are only two problems with this. The first is that compromises are actually agreements and the second is that no-one forced the Labor Party to compromise.

In fact, the Labor members on the committee demonstrated an astonishing propensity to disagree with the majority, and a remarkable ability to resist the blandishments of compromise. There were 73 recommendations

in the report from the Joint Standing Committee on Electoral Matters on the 1996 election. The Labor Party put in a minority report. They opposed recommendations 1, 2, 3, 4, 6, 7 and 12. They also saw fit to oppose recommendations 24, 43, 57, 63 and 64. If opposing almost 20 per cent of the recommendations and putting in a minority report does not show a high propensity to resist an overwhelming urge to compromise then nothing does—so much for the 'the devil made me do it' compromise explanation. The Labor members of the Joint Standing Committee on Electoral Matters agreed with recommendations 61 and 62, the recommendations on tax deductibility.

Let us not beat around the bush. They had support in this from the highest quarter. They had the support of the national secretary of the Australian Labor Party. Gary Gray testified at the public hearings of the Joint Standing Committee on Electoral Matters on Friday, 13 September 1996. My very good friend Senator Minchin asked him:

What about the tax deductibility threshold?'

Mr Gray responded as follows, and I quote him in full so that no-one can accuse me of taking him out of context:

Tax deductibility is an interesting issue.

It is one in which the Labor Party, the Liberal Party and the National Party have engaged in lengthy discussions over last couple of years, even to the extent—through joint approach to KPMG Peat Marwick—of putting together a submission on tax deductibility for political parties.

Political parties suffer a significant disadvantage because of the way in which the tax laws apply to political donations.

I will cut to the chase:

There would be elements that will need to be considered by the Treasurer in terms of the implications of the approach of tax deductibility.

I would certainly not want to have unlimited tax deductible donations. I would see the $1,500 mark as being a reasonable line to apply the tax deductible donations to.

Let me repeat that last sentence. Mr Gray said:

I would see the $1,500 mark as being a reasonable line to apply the tax deductible donations to.

So, stripping it all away, the national secretary of the Labor Party, not the Liberal Party, actually nominated the amount that should be tax deductible, $1,500. The members of the committee, Liberal and Labor, agreed with the $1,500 recommendation as being sensible and acceptable. Then, for some unfathomable reason, Labor decided not to support the measure that was reasonable and responsible, which they agreed with and which their national secretary had actually proposed. They had to come up with a rationale for doing this, and they came out with some pretty preposterous ones. The member for Melbourne who, to give him is due, felt sufficiently abashed to speak on this bill for a tiny period, despite the passion and the outrage which he expressed—or which he claimed to be feeling—came up with the same sort of explanation: that it would bring politicians into disrepute.

In fact, according to the Labor Party, the passage of this bill would mean the end of the Australian political system as we have come to know it. The member for Fraser, with unusual passion, because he is usually quite measured, said:

This is a very bad bill. It is the sort of bill that is the root cause of the loss of faith in the party political system and in the two major parties.

The member for Melbourne echoed those words. All I can say is that it will not do anything of the sort and to have to resort to that sort of argument shows that the Labor Party is totally bereft of any substantive grounds to oppose this bill. The member for Melbourne carried on ad boredom about the Labor Party's obsession with the Greenfields Foundation. The fact is that the bill in no way impacts on disclosure. The Labor Party can carry on as much as they like about Greenfields. They can pursue their obsession but, in the context of this bill, it is a total diversion.

I now come to the argument about the impact on the taxpayer advanced by the member for Melbourne. This is just carry-on from the political party that introduced public funding. The last public funding bill was $34 million. For them to say that, somehow, giving people tax deductibility is a drain on

the taxpayer when public funding—the funding they introduced—runs at $34 million, and they do not even blink, is, I think, astonishing. This bill will contribute significantly to the Australian political process. It will increase the number of people involved in the process and it will broaden the base and lessen the dependence of political parties.

Mrs IRWIN (Fowler) (10.50 a.m.)—At a time when the government is about to lose a lot of old friends over its tax policies, this little proposition for political donations shows how much the old thinking is still ingrained in the Liberal and National parties. This is their idea of true mateship. They are like little kids in the milk bar tilting the pinball machine or getting a cheat off the Internet. So long as they are the only player no-one rarely cares. But we are in the adult world. They are not the only player. It is not their money. It is not their machine. It belongs to everyone. This is not fixing anything in the tax system. This is reform in reverse. This legislation is providing a lurk by stealth. They will ratchet the $100 allowable deduction up to $1,500 then they will ratchet it further—the extent of their greed is the only limit. How does this look to the average voter? It is a cost to revenue of between $15 million and $18 million a year in forgone tax.

Corporate Australia will now be able to adopt a party or an independent candidate. Of course, they can do that now, except under this arrangement the poor old taxpayer gets to kick in and pay for the tax break. It is bad enough having the Liberal or National Party as an overhead adding to the cost of goods and services. It is quite another to have to involuntarily subsidise the transaction when the cost of child care, education, health and other priorities is increasingly being borne by Mr and Mrs Australian Taxpayer over and above their tax liability.

This is an era of customer service, of accountability, of transparency in the way government provides services and engages service providers. It is, and the government is somewhat simplistic in its application, a time when value for money is the guiding principle in the delivery of government services. The value for money argument is all around us. Assisting the unemployed to get jobs does not get value for money, so let us economise here. Let us shortsightedly let them fit themselves to what jobs are around, even though they might not fit without some retraining or a whole new career realignment. Let us give the voluntary welfare agencies a bit of competitiveness by making them bid for these people for whom work is not available. You see, that gets value for money. Incentivation can be applied to selfless works of charity without compromising the charity. Competition works for good works. So long as they give value for money, people can do all the good works they like. How does that work with our defence forces? I do not know. As long as there is no threat we are not getting value for money, presumably. When our military forces are called on to defend Australia—with their lives, mind you—then, to be sure, we get a lot of value for money.

The odd concreting job in North Queensland for the Air Force has to be value for money before a quote is accepted. You cannot just take the concreter's word for it; there have to be serious tests to ensure the price is the most competitive, that it offers real value for money and that it is not just a means of funnelling taxpayers' funds into the pockets of mates. We all know that is the way concreting is carried out in Far North Queensland; we have been assured by people we can trust, unless it is the secretary to the department. But where is the value for money in this little tax perk where we pay the Liberal and National parties? Just how does the taxpayer assess this? The concrete quote test? Trust? There is no value for money in this proposal. It does not strengthen democracy; it undermines it. The government is assuming Australians do not notice such things—they do.

This legislation brings discredit on the parliament. Customer service is not served either. Taxpayers are not going to have any quality improvements to the way they access the political process. The corporate captains might enjoy that glow of giving and receiving, but the citizen who might send in 20 bucks, go to a fund-raising dinner or throw some coins in a collection bucket is not going

to enjoy any difference. In this era of customer service, where are the benefits in extending tax breaks to largish donations? Would Australians wanting to get involved in the political process be more likely to do so if it brought with it tax deductibility? Would someone's commitment of $100 be changed on the basis of the tax deduction? I doubt it. But we have been over this ground previously. This bill, the Taxation Laws Amendment (Political Donations) Bill 1999, was one of the bills brought before this House with unseemly haste in the run-up to last year's election. That showed the government's real sense of priorities; its cynical handling of the program to get legislation in place to advantage itself. Now the same legislation is to become effective from July last year—not last month, but last year. This will help the mates who kicked in last time; the hard constituency who always want something, usually a buck because life is a business. They want everything in concrete—and, if you do not manage to get this legislation through, they might have you in concrete. And the government is nostalgic for the days of heroic private sector benevolence!

How many of your friends see you as nothing more than their agents, I wonder. How soon before the $1,500 climbs to the preferred $10,000 option which got floated in the report of the Joint Standing Committee on Electoral Matters on election funding and financial disclosure after the 1996 election? Is it a preferred outcome that no political party becomes dependent on large donations? The major parties might prefer large and manageable donations but how well does that sit with the public? They are the major stakeholders in this big new world. Are we all to be captives of our donors? Should we cynically be discussing how we can amend the tax laws to advantage ourselves when public mistrust is being fuelled by so many breaches of the Prime Minister's code of conduct and the unseemly rorts of travel allowance involving taxpayers' money? It is not our money; it is theirs. Governments administer the revenues in trust. Where is the trust in this legislation? There is none.

Voters have reached the cynicism overload limit. They no longer trust this government because it quickly became a self-serving bunch of nobodies on the make. And here it is in all its self-interest: this bill benefits the coalition parties over others, despite the good-natured hand to Independents. It will cost around $45 million over three years, and it has a political odour that will linger on talkback shows. It assumes donations from the corporate sector and individuals to political parties will amount to over $100 million. That is a lot of influence sloshing around—that is the kind of weight voters get cynical about. And to facilitate it through the tax system is contemptible. It is grubby, crass and self-serving. It shows no refinement, no scruples. It is money grabbing, it is brazen, it shows contempt. It says the average voter is a mug. It says, 'We're in charge and we like to wallow.' It is classic snout in the trough stuff. It is bad politics from mean people who just do not care about the people they have run over on the way. It is out of touch stuff, too.

Ask Mr and Mrs Taxpayer the cost to the tax system. They will tell you it would be better spent on, for example, Labor's proposal at the last election to boost child care by the same amount. It is their money after all. If this government can spare it to spend on us, we in the Labor Party would prefer it to be returned to the people who need it. Child-care centres in my electorate this year, for example, have picked up the princely sum of around $100,000 for capital upgrading works, and that is between about 14 centres.

We could do with a share of the revenue set aside from this tax perk. The parents struggling to make ends meet, working two jobs and still only scraping by, are the people who deserve our help. They are the people of the Fowler electorate. The population ranked last in shareholdings in the nation. They cannot afford to be capitalists. They cannot afford the Prime Minister's dream to make Australia a land of rampant share ownership. They are the ones who have felt the cold breath of the Howard-Costello budgets, especially in child care. But children do not vote.

There are no votes either in stopping young people's increasing and suicidal embrace of hard drugs. They are the brothers and sisters of the children who are denied access to child

care. Their parents could do with some assistance, and the youngsters could do with some assistance before the damage gets any worse—and it will. It is predictable. Governments which do not invest in their children are failing to govern.

The electorate of Fowler in Sydney's southwest is desperate for help with the problems facing families. Let us reject this handout to middle and corporate Australia and let us become shareholders in tomorrow's voters. They deserve the best education. They deserve the best in health care and, my God, they deserve jobs. They deserve to be picked up when they fall into the deadly world of drug abuse.

Remember, we are here as a matter of trust. This institution should not be left worse off because of our present occupation. We should be about making our political system better, giving our citizens more than they might reasonably expect, encouraging broad participation in our democracy, not simply running a $1,500 club for a few.

This legislation, with its deviousness, has been based on the notion that opportunity comes knocking only when you can manipulate the rules rather than observe the spirit of them. It does not serve political justice, social justice or common decency. It is a blatant attempt to tilt the pinball machine, to use a cheat in the video game. They want to rearrange the Scrabble letters when they think no-one is watching. They want to win. We are watching and, if this shabby legislation gets up, we will be waiting outside the milk bar with a lot of friends—taxpaying friends.

Mr ALBANESE (Grayndler) (11.03 a.m.)—I am very pleased to make a contribution to this debate, which will of course be in opposition to the Taxation Laws Amendment (Political Donations) Bill 1999. There are a number of issues I would like to raise with regard to this bill. Firstly, the government's motives should be made quite clear. They are about filling the Liberal Party coffers to the brim.

I am surprised that the National Party minister, the Minister for Trade, who is sitting at the table, is supporting this bill because we all know that the big city spivs support the Liberal Party rather than the National Party, although there are some spivs who support the National Party as well in the rural aristocracy. Clearly, the proposed legislation is designed to benefit these big political parties of the government. Whilst I acknowledge that the Labor Party would benefit from this legislation, it is designed so that the conservative parties will gain maximum advantage.

I want to make something clear from the outset—that is, Labor does not have a problem with political donations being tax deductible. That is why we were happy to support the amendment moved by the once respected Senator Parer back in 1991 which allowed for donations of up to $100 to be tax deductible. Often political donations are a way for ordinary citizens to feel that they are involved in the democratic process. By consciously donating money to the political party that they believe best represents their interests and beliefs, they feel they have helped that party's message be heard. It can also be that first important step towards an active participation in the political process. This must be applauded because, the more people who are actively involved in the political debate and processes of this nation, the more vigorous and vibrant our democracy.

In 1991, the Liberal Party pushed for no cap on the amount. The Labor Party, of course, rejected this for very similar reasons as to why we object to this bill today, because eight years later not much has changed. The motives behind this bill are very clear. The bill is designed as a first step towards removing any limit. For evidence of this, you do not have to go much further than the recommendations of the Joint Standing Committee on Electoral Matters in its report on the 1996 federal election.

The Liberal Party had submitted that the annual maximum deduction be increased to $10,000. There are not many ordinary Australians out there who are about to donate $10,000 of their hard-earned salaries to a political party, given the median yearly income in this country is $31,500. It is, indeed, an extraordinary position for the Liberal Party to put forward. That is why the

Australian Labor Party and the government divide on this issue.

There is a big difference between providing the incentive for ordinary Australians to become involved in the political debate and processes and helping out the big end of town—helping them out to the tune of $15 million a year. This is not just some figure we have conjured up out of thin air; this is the estimated cost to the Australian taxpayer as outlined in the explanatory memorandum, circulated with the authority of the Treasurer, Peter Costello.

I will come back to this later, but first I want to point out the gall of the government in backdating this legislation to 1 July 1998. This is a blatant attempt to thank the big end of town and the blue bloods in the bush for their contribution to the Liberal-National Party slush funds prior to the 1998 federal election.

The government talks about the need for transparency; the motives behind this bill are certainly transparent if the processes have not been. The government tried to rush this bill through this House just before the 1998 election. Having failed once, it now wants to try its luck a second time. It will be of great interest to see just how cosy the newfound friendship is with the Australian Democrats, to see whether the new government coalition of the Liberals-Nationals-Democrats extends this far. You only have to say, 'Boo,' to the Democrats and they crumple. They are so grateful to get a seat at any negotiating table that they lead with their fall-back position, fall back to the government's position, then hold a press conference and call it a victory. This is very clearly not in the interests of Australians.

As I mentioned before, if this bill is passed, the government stands to lose up to $15 million a year in revenue. It is happy to give up this revenue in fact—a government introducing legislation saying, 'Please, take $15 million out of consolidated revenue'—in a similar way that it is happy to rip the heart out of the Commonwealth's public sector funding. When this government came to office, its first budget slashed and burned its way through funding for public hospitals, universities, education, public housing, nursing homes, the Commonwealth Dental Program, community based child care and the Adult Migrant English Service—the list is almost endless. All the while, the government chants the mantra of the need to achieve a surplus. Possibly, as with its core and non-core promises, the government has core and non-core revenue. In this case, tax deductions on political donations must be seen as non-core revenue, revenue the government can do without.

The principle behind tax deductibility is certainly a sound one. It is particularly important for community organisations that put something back into the community and, in doing so, complement the services provided by the government. Given the massive slash and burn by this government, more and more people in need right across Australia are being forced to seek assistance from charitable organisations because the social welfare safety net has developed huge holes since this government came to office—holes that grow with each successive budget.

Tax deductibility is a survival mechanism for charities across Australia. Given the parlous state of our social welfare safety net, we need these charities—the Salvation Army, Anglicare, these national organisations—more than we have ever before.

Mr Vaile—St Vincent de Paul.

Mr ALBANESE—But there is also a local aspect to this, such as charities in my electorate—the Exodus Foundation, run by Reverend Bill Crewes, runs a daily soup kitchen dispensing meals to hundreds of people every week of the year; the Trimingham Foundation is a leading voice in the debate on drug law reform and is made up of parents of victims of drug abuse; and Vinnies for Youth, run by St Vincent de Paul which has a house down the road from my electorate office and provides shelter and assistance to homeless young people.

All of these charitable organisations provide vital support to the most vulnerable members of our community. But this government is not interested in the most vulnerable members of the community because those people do not have a spare $1,500 to throw at Liberal Party

election campaigns. Why put an extra $15 million into services for the poor when you can hand it back to the rich in the form of massive tax deductions? It is Robin Hood in reverse—take from the poor and give to the rich.

It is hardly surprising that the government calls this handout to its benefactors a tax reform; after all, it is the same government that believes that a GST—an inequitable, unfair GST—is tax reform. Nothing about this bill contributes anything to a genuine tax reform process. In fact, it just makes it easier for high income earners with lots of disposable income to minimise the tax that they pay.

I said earlier that the idea of tax deductibility for small political donations has positive benefits—they can make people feel like they are part of the political debate—but big donations do not equate to bigger input by individuals into the political debate and they must be accompanied by transparent disclosure mechanisms. Such transparency would give the Australian people the opportunity to see once and for all, for instance, whether the Greenfields Foundation has something to hide.

It is not the size of political donations that is at issue here; it is the fact that such donations do not deserve tax deductibility status. I have got no problem if people want to donate whatever amount to a political party of their choice. That is something that should be encouraged; it is something that is canvassed by all political parties in Australia. But why is it that, effectively, half of that contribution should be matched by a contribution by the Australian taxpayer? Taxpayers are forced to make involuntary contributions to the political parties in proportion to the percentage that the different political parties can access this mechanism of tax deductibility.

This has, in effect, forced donations through the back door by all Australian people, but the fact is that all ordinary Australian wage and salary earners in this country—or most, because there are a lot of Liberal Party supporters, including donors to the campaign coffers, who pay only one per cent or two per cent tax even though they are billionaires—are being forced to make a contribution through the back door by the fact of tax deductibility.

I am also concerned about the quite extraordinary provision in this bill which allows for tax deductibility for corporate donations. At the moment, there is a campaign on in Sydney over who the Lord Mayor should be—whether Frank Sartor should continue or whether Kathryn Greiner should become the Lord Mayor of Sydney. Robert Ho is the Australian Labor Party candidate for mayor in that ballot. This provides a good example of the extent to which corporations become involved in backing their preferred candidate. In the last mayoral election, Kathryn Greiner raised over $600,000, mainly from corporate donations. Frank Sartor raised $335,000. This time around, the stakes are higher and so the donations are likely to reflect this.

As Chris Brown from the Tourism Task Force pointed out in the *Sydney Morning Herald* on 26 June:

> Political donations are specifically targeted for their political benefit.

Unlike individuals who donate money largely because of their political beliefs, corporate donors are only interested in benefiting their corporate aspirations. Why should these corporations have the added advantage of writing these donations off on their tax? This legislation is designed to give even greater incentive to the big end of town to dig into the petty cash tin. Corporations that supported Kathryn Greiner in the last lord mayoral elections included Mercantile Mutual, Meriton Apartments, Star Casino, Dick Smith, James Hardie and Lady Mary Fairfax—as if all of those needed a little tax relief by saying, 'We just need a bit of tax reform here.'

This bill is certainly not in the public interest. It is the Australian Labor Party's belief that all tax legislation should be designed to consider the public interest, because the whole purpose of the tax system is to achieve an equitable way for the government to raise revenue so it can then use that through expenditure to service the needs of the community. I fail to see how providing wealthy individuals and corporations with a tax break can be viewed as a fair and equitable use of government revenue. It is not in

the national interest. In fact, there is nothing in this bill that is in the national interest.

This is the first step. We have already had $1,500 flagged in this bill. The real agenda was $10,000, which is a step towards the government's real agenda of no limit whatsoever on tax deductibility for political donations. This is a disgrace because it distorts the political system. It means that there is already the situation where the more money you have the ability to donate the more influence and access you can have to a political party. Surely that is bad enough without adding to it the Australian taxpayer subsidising this influence. I urge the House to reject this bill.

Mr ANDREN (Calare) (11.19 a.m.)—In order to comment on the Taxation Laws Amendment (Political Donations) Bill 1999, it is important to put it into context. The bill will implement the taxation related recommendations of the Joint Standing Committee on Electoral Matters following its inquiry into the conduct of the 1996 election. The bill complements other legislation including the Electoral and Referendum Amendment Bill, which was debated in this place late last year and returned with amendments and subsequently passed earlier this year.

In that debate I pointed out my concern at changes to the disclosure provisions in the bill which lifted from $1,500 to $10,000 the amount above which the identity of a donor, private or corporate, had to be disclosed. The government amended these figures with very detailed specifications which now say that the requirement for information on all gifts received totalling $1,500 or more should be disclosed. As well, the government amendments tightened up the provisions regarding loans with similar disclosure mechanisms.

I ask: why those amendments? I would suggest that they were largely because of the notorious Greenfields Foundation scandal whereby $4½ million was channelled into the Liberal Party's coffers and disguised as a loan to bypass the then laws—a scam, I might say, that would have gone on unnoticed had it not been for questions raised and raised again by members, individuals and journalists outside the big business, big union party political loop.

Currently, the income tax laws allow a non-business taxpayer to deduct a contribution of up to $100 to a correctly registered political party. The Joint Standing Committee on Electoral Matters recommended, and the government has agreed, that this threshold should be lifted from $100 to $1,500 and that companies be allowed access to this tax deductibility. The government has also accepted recommendations that equivalent treatment be given to donations to Independent candidates and members. This latter move is not only welcome but long overdue—not the amount, as I will point out, but the principle.

The public is not so naive as to believe there will still be loopholes in the system that enable political campaigning to be even more subsidised by the taxpayer and for corporations to find ways around the funding limits. I note the comments by the opposition spokesman and am most concerned to see that the provisions of this bill are already included in the *Tax Pack* in anticipation of this bill being passed by both houses. That is not only improper but, I would suggest, very premature. The backdating provisions I have grave problems with. It does suggest that those who are able to make substantial donations from largely the top end of town will be able to bundle such donations and the taxpayer is being asked to pay out even more than it already does for the establishment parties, particularly the Liberal Party.

It has been estimated these tax subsidies will be in the order of $45 million per election or per three-year period, on top of the reimbursement already available for candidates, on top of the use of public funds through the allowance and entitlements system for staff—which I will elaborate on in a moment—on top of all those staffing provisions that are there for sitting members and on top of the other subsidy by taxpayers of the entire political process. My calculations suggest that, if this is going to cost the taxpayer $45 million over three years, we are talking about donations in excess of $100 million. This extra tax incentive will do nothing more than entice further individual donations from those able to afford $1,500

and further the cause of the major parties with wealthy contacts and interests.

I want to draw the attention of the House to an article by Marian Wilkinson in last Saturday's *Sydney Morning Herald* entitled 'Buying Power'. It relates to the American election funding process. I argue that unless caps are placed on donations here and all loopholes are closed down, then we risk going down the path of the United States, which has the best democracy money can buy. In her article Marian Wilkinson quotes one of American politics greatest bagmen, Mark Hanna. He said:

> . . . there are only two important things in politics. The first is money and I can't really remember the second.

Those words were not uttered in 1996. I notice the minister at the table, the Minister for Trade, has a wry smile on his face. Hanna was not a bagman for Bill Clinton or Bob Dole. Those words were stated in 1896 during which year Hanna raised a then staggering $10 million from America's business tycoons to put Republican candidate William McKinley into the White House.

Several years ago, I quoted in this place how it takes $600,000 per congressman to get elected into the US equivalent of our House of Representatives. Full-time fundraisers are part of the candidates' and members' staffs, no doubt paid for in turn by the well connected and well moneyed friends of the political system. Not only independent candidates and the general public are alarmed at the increasing divide between the dream of political representation and the financial reality in America. Republican presidential candidate Senator John McCain last week described America's system of financing elections as:

> . . . nothing more than an elaborate influence-peddling scheme where both political parties conspire to stay in office by selling the country to special interests.

That seems relevant to other countries, I might say. Democrat Senator Ross Feingold goes so far as to describe the American system as 'legalised bribery'. The farce of the recent Iowa straw poll convention where republican candidates spent millions of dollars buying up $35 tickets for their supporters to cast votes is but the first round of a spending frenzy that makes it absolutely impossible for anyone of modest or lower means to even contemplate political representation. After an estimated $400 was spent by candidates to obtain each and every vote at the Iowa straw poll, republican candidate George Bush Jr described the poll as a 'great festival for democracy'. Senator John McCain, who stayed away from it all, described it as 'an undemocratic sham'. I wonder which version the public of America would accept.

There is a chilling parallel between the American system that is evolving here despite these, and maybe because of these, amendments before us. In the US, direct corporate donations are technically illegal and individual donors are supposed to give a maximum of $1,000 per election. But individuals within corporations can bundle individual donations to bypass that law. The same can happen in this country. A bit of organisation, perhaps subsidised by the resources of party funds, could take care of that little item. There is also the soft money loopholes in the United States where large donations can go to parties from corporations but not to individuals. What the heck, it is all honey in the pot.

We are told that bipartisan attempts by Senators Feingold and McCain to progress reform of campaign finance laws are stalled in the US Senate because key powerbrokers in Congress depend on their fundraising ability for their positions. Pray that executive positions are never awarded nor promotions sought and granted in our political system by virtue of the fundraising ability of senators or members. Heaven forbid we ever have bagmen at our dispatch box. Pray we never hear one of our latter day re-founding fathers of our attempted constitutional reforms in their all power to the executive republican model repeat the words of US founding father John Jay, who said, 'The people who own the country ought to run it.'

So we turn to the Taxation Laws Amendment (Political Donations) Bill 1999 in the Australian parliament. The numbers of dollars we mentioned here and the cost of election campaigns pale somewhat compared with the

US but the inclinations are definitely there. Only a public uproar and the Greenfields scandal pulled back the provisions of a $10,000 rather than a $1,500 threshold above which disclosure was necessary. We have seen this parliament argue over the merits of federation grants in recent days as we saw a similar political stoush several years ago on the sports rorts. The so-called guidelines to prevent a recurrence are all too easily flouted when there is a vote to be bought.

I have released in this place figures on the gross overspending of travel allowances and overtime during election campaigns by staff of members not up for re-election. Again taxpayers' funds are used to top up a system that already provides for public funding of election campaigns. Even without these amendments there is grave concern among ordinary people at the level of big business, and in former times big union, influence over government in this and other so-called democracies.

Small business and individuals are right to feel they have little, if any, political clout. This bill represents a transfer of taxpayer funds to the benefit of the political establishment at a time that establishment is attracting fewer and fewer votes. The member for Grayndler calls it Robin Hood in reverse. It is good to see him sensing the public mood.

We have taxpayer funded processes to bail out stevedores to settle political accounts, but we have to drag the government kicking and screaming at the behest of a media campaign to allow sacked workers to access adequate retirement rights. Before we continue down the path towards a democracy only money can buy, before we reach the point where only those of means, favours and inside influence can run for parliament, before we reach the point where only those with the correct political and social connections are nominated for President of the Establishment's republic—pray it never gets up—we should stand back and ask why the public is so cynical about the political process and why the Minister for Foreign Affairs described his shadow in this place this week as 'just about as low as a politician gets'. Yet I have been accused of smearing my colleagues.

If we are to lift the standards and the public estimation of our job, we should all ensure absolute transparency in the use of public moneys and in the funding of our political processes and, most importantly, campaigns. I have suggested a legislated cap on individual campaign spending, donations and the entitlements of MPs after the dissolution of parliament. That would need a far more independent auditing process than we have at the moment, which we have seen in recent days can so easily be overridden if that is the wish of the government of the day. Any amount of donations over and above the cap should be subject to personal income tax. In fact, that is what now occurs in my own case with anything left over from very modest campaign donations fully accountable as income—no trusts, no hidden accounts, no think tanks and none of the other things subsidised indirectly by the taxpayer. Fifty thousand dollars per individual candidate or sitting member would be very adequate for any federal campaign.

We have in this bill the amendments required to account for the changes to donation limits before disclosure included in earlier legislation, but those changes did not include any cap on upper limits for donations. While speaking on this issue at another time, I pointed out how the major banks in this country made donations to the major political parties in 1996-97 of $1.2 million. I said then that in the public's mind, and particularly for small rural communities, the major parties seemed to be more interested in helping the banks become bigger and more profitable than they were in ensuring that they provided an affordable and accessible banking service to the Australian people.

Thankfully, these taxation provisions no longer include the outrageous and excessive amounts before which disclosure was required, as included in the original political donations bill brought into this House. But it is still unacceptable and would receive the deserved condemnation of the ordinary taxpayer if passed. It certainly has not been for want of trying that those amounts were reduced. I welcome the inclusion of Independents in the legislation, but the legislation is

flawed. I welcome it only as a matter of principle. I do not support any increase in the tax deductible amount. One hundred dollars is a substantial donation for the average person interested in the political process and, as I have pointed out, there are far ranging and wide processes for the taxpayer topping up this process through other means, transparent and otherwise.

The vast majority out there would much rather see this $45 million tax concession granted by way of job generating programs in the bush. If a political candidate cannot win the support of an electorate through hard yakka, the media, personal representations and a modest election budget—already subsidised by the taxpayer to the tune of $34 million last election—he or she does not deserve to be in the race in the first place. The will for transparency and accountability for not dipping into the public's back pocket is not in this bill. It never is among major political parties when it comes to winning and holding on to power. I give credit to the opposition for showing signs in this debate of waking up to the fact that the public is absolutely fed up with self-serving deals and the lurks and perks that have been part of our political process for too long, now running the risk of aping the worst of the American system that I have outlined. The motto, as it was with Mark Hanna back in 1896, is 'Whatever it takes, whatever it costs'. I condemn this bill.

Ms HOARE (Charlton) (11.34 a.m.)—I am pleased to have the opportunity to rise in this place to speak against amending the taxation laws to enable contributors of large sums of money to political parties to avoid some of their taxation obligations. The Taxation Laws Amendment (Political Donations) Bill 1999 was first debated in June 1998 when the government tried to ram it through the parliament in order to increase from $100 to $1,500 the amount attracting a tax deduction for donations to political parties and independent candidates.

The government failed in its last attempt to push this bill through and is reintroducing it with retrospectivity to July 1998. We might ask the questions: why is the government pursuing this now? Why the retrospectivity? One possible answer to the first question is that they are on a winner with the Democrats. At the moment, Meg Lees and her party are signalling that they are the third party in the coalition. The government wants to make the most of this situation before Meg changes her mind. Maybe this legislation has been the subject of some of those backroom deals between the Prime Minister and Meg Lees. Another possible answer to these two questions is that, because of this bill's retrospectivity, it must pass through the parliament quickly and soon to ensure that all donors to political parties or independent candidates can claim their donations of up to $1,500 on their tax returns for the last financial year.

We all know these donors would be fairly well-off individuals supporting the party of capital. I am sure the majority of small donors supporting the Labor Party would not be affected as greatly because these battlers would not be able to afford to give more than $100. The people this bill is seeking to assist to pay less tax are those who are more likely to further reduce their taxable income by all kinds of other means that the PAYE taxpayer does not have access to. Let us not forget that during the original discussions on these issues the coalition wanted the threshold raised not to $1,500 but to $10,000. I do not know of any individuals who could have contributed to my campaign in 1998 to the tune of $1,500, let alone $10,000. However, I could name some individuals who could have contributed up to $10,000 to my Liberal opponent's campaign.

In the second reading speech delivered when this bill was first introduced in 1998, the Parliamentary Secretary (Cabinet) to the Prime Minister, Chris Miles, the former member for Braddon, said:

> . . . an increase in the threshold will encourage small to medium donations, thereby increasing the number of Australians—including companies—involved in the democratic process and reducing a political party's reliance on a small number of large donations.

We must question why the current Minister for Financial Services and Regulation, Joe Hockey, did not repeat these pearls of wisdom in his second reading speech. Maybe it was because he witnessed the way that his prede-

cessor went at the last election following his participation in the debate.

Let me turn to the waste of government revenue this bill will accrue—$45 million, or $15 million per year over the next three years. I can only surmise how well this gem would have gone down during Chris Miles's election campaign in Braddon. My colleague the current and enduring member for Braddon would be able to more accurately portray the position. How did the electors of Braddon feel when told, 'Even though you have one of the highest rates of unemployment in the country, the coalition government is going to give a $45 million tax break to those people wealthy enough and willing enough to donate to the Liberal Party'? I am sure the Labor opposition's position on this bill will further enhance and consolidate my colleague's position in Braddon. That is because the electorate is discerning; the electorate will not be conned into thinking this legislation is a boon to democracy. The electorate will see that this is a boon to the politicians at the expense of a raft of government services which would be enhanced by an injection of $45 million.

Prior to the last election, in the previous debate on this bill, my colleagues indicated that, while opposing this bill, the Labor Party promised to spend the $45 million our government would have saved over three years on child-care services—just one of the many social services for which the coalition slashed funding during its first term in office. There are many other areas which could do with a similar injection of resources: health, to reduce the hospital waiting lists; aged care, so the elderly would not have to sell their family homes to enter nursing homes; affordable child-care services, to enable parents to have a real choice; training and development programs for the unemployed; research and development incentives for industry; and increased funding for universities and TAFE, to educate and skill our future work force. The list could go on.

One of the arguments raised in the previous debate is that relating to the transparency of political donations. The electorate will be looking at this legislation and listening to this debate to try to ascertain the true intent of the government in introducing it. Politicians of any persuasion are not exactly the flavour of the month, and the constitutional monarchists' scaremongering that any politician who advocates change is corrupt in some way is playing on the insecurity that people and their communities are living with under this government.

I will turn now to the broader issue of political donations. The electorate will see this legislation as a means of providing more benefit and privilege to the elected representatives. Although there may be no realisation of what that benefit may be, there is a perception that these law changes must be good for the legislators or they would not be introduced. They do not have an immediate impact on Joe and Jane Blow in the street, other than that they, along with all other Australians, are being deprived of a much needed $45 million boost to social services. This debate will once again put back into the public arena the issue of transparency and propriety in relation to political donations.

No debate on the transparency of political donations would be complete, however, without a discussion of the elusive Greenfields Foundation. The Greenfields Foundation is one of those elusive secret organisations located somewhere between anonymous donors and the treasurer of the federal Liberal Party. In May 1998, around the same time as this bill was first introduced into the House, there came an amazing revelation that the Greenfields Foundation made a loan of over $4.5 million to the federal Liberal Party to help pay off a debt to the National Australia Bank.

Mr Murphy—Disgraceful!

Ms HOARE—It was a disgrace. It was a debt which the federal Liberal Party had accrued from the 1996 election campaign. This government cannot continue to say that it ensures the integrity of the electoral system when it uses facades such as the Greenfields Foundation—and the Free Enterprise Foundation before it, which was used to launder over $10 million of donations to the Liberal Party in the late 1980s and early 1990s—to sidetrack donations so they are not disclosed and

the public remains unaware of some of the major financial contributors to the Liberal Party.

If there is some scrutiny given to those organisations which the Liberal Party does declare as donors, there must be some truly sinister reason why it continues to use operations such as the Greenfields Foundation to literally hide some of these donors. Some very wealthy and very large donors were publicly declared to the Australian Electoral Commission's 1997-98 returns. Donors that the Liberal Party did not seek to hide include Amcor, who donated $70,000; the ANZ Bank, who donated $100,000; Grocon, who donated $100,000; Lend Lease Corporation, who donated $80,000; the Macquarie Bank, who donated $50,000; the Free Enterprise Foundation, who donated $400,000; Western Mining, who donated $50,000; and Westpac, who donated $105,000.

These are only the federal donations. The federal Liberal Party feels quite relaxed and comfortable about disclosing these and many other similar donations from companies and groups which logically could benefit and have benefited—particularly the banks, which have been recording massive and sometimes obscene profits at the expense of the poorer people in our community, a situation which the coalition finds itself unwilling to stop. If these organisations can be publicly declared, it is a downright dangerous situation to have others who must remain a secret for whatever reasons.

With this amendment bill to increase the tax deductibility threshold of political donations from $100 to $1,500, the government claims to be enhancing the democratic process. I say that it is enhancing the Liberal Party's coffers and the pockets of those who donate to political parties, particularly to the Liberal Party, to the tune of $45 million. The increasingly cynical electorate—and they have every right to be while the government parties are blatantly feathering their own nest—continues to be provided by the coalition government with reasons to remain cynical about governments and politicians. Members who are participating in this debate or who are interested in it would be aware that two bills were introduced prior to the last election which, if passed, would have assisted the coalition's efforts at the last election. One was the bill we are debating now. The other was the Electoral and Referendum Amendment Bill (No. 2) 1998, which has yet to pass the Senate after considerable toing-and-froing in relation to amendments put by the Labor Party to try to ensure a fairer and more democratic proposal than was originally proposed by the Liberal Party. Fortunately, Labor has had the support in the Senate to be able to make that bill a bit fairer and pursue greater transparency in our electoral system.

While the bill being debated today increases the tax deduction threshold for political donations, in the Electoral and Referendum Amendment Bill (No. 2), the coalition attempted to weaken the disclosure laws—the rules which are in place to allow for transparency in this process. The Electoral and Referendum Amendment Bill (No. 2) increased the threshold for donations before they have to be declared to the general public. So, in effect, we have a conservative government attempting to change the laws to gain political financial gain for the conservative parties and their supporters. There can be no argument that the changes in these laws affecting donations to political parties, both by raising the level for disclosure as in the Electoral and Referendum Amendment Bill (No. 2) and by increasing the threshold to allow for greater tax deductibility for donations to political parties, clearly benefit the conservative parties, the parties which protect the interests of capital.

However, this is not the reason that we in the Labor Party are opposing this taxation amendment bill relating to political donations. We are opposing it because it diminishes the transparency of our political process. It rewards those in the community with wealth who donate to political parties—whether they do so for an ideological purpose or a perceived personal or capital gain. This legislation will reduce the taxation bill for those donors. Those who cannot or will not donate are rewarded with the knowledge that a select few in the community have reaped $15 million a year over three years minimum in

tax breaks, while they have kids to educate, elderly parents to care for, health bills to pay and job security to worry about. We oppose this bill and will be voting against it. There is no fair, reasonable and transparent logic applied to this proposal of increasing the threshold for political donations attracting a tax deduction from $100 to $1,500. We do not support it, our supporters do not support it and the majority of the electorate will reject this proposal.

Mr MURPHY (Lowe) (11.48 a.m.)—I join with my ALP colleagues on this side of the House in opposing this frightening bill, the Taxation Laws Amendment (Political Donations) Bill 1999. I oppose it because of its policy implications, especially in the message it is sending to the Australian and worldwide community. We are witnessing here a conspicuous use of the legislative drafting process in a way which detracts from the very purpose of law and offends the very foundations of our democracy for reasons that I wish to direct to the attention of this House.

I am compelled to remind the House of what a statutory law is. A statute serves two purposes. First, a law may prescribe rights and obligations. A statute may prescribe punitive punishment for wrongs and bestow benefits for actions which society judges to be beneficial conduct. Second, statutory law serves as a conspicuous indicator of the values derived from our culture and ethics as a people. When I peruse any bill in this House I ask myself, 'What is the ethic being demonstrated here?' Let us take a close look at this bill's operative parts and determine the ethic underlying the changes to law.

The bill proposes amendments to the Income Tax Assessment Act 1997 to increase the maximum annual tax deductibility threshold for donations to political parties from $100 to $1,500. What ethic is being exhibited here? The threshold of annual tax deductibility has been dramatically increased with the following logical consequences: (1) those who make larger donations are likely to benefit more, thus increasing the cash flow of those political parties that attract a wealthier support base; (2) those with more disposable income will be capable of donating more; and (3) those who donate more will be subsidised by those who do not pay donations to any political party but are subsidised through the taxation system by all Australians. As my colleague the member for Melbourne, Mr Lindsay Tanner, has noted:

> Here is a proposal to spend an extra $15 million a year of your money. What is the most important way you would like to spend it?

That is a good question. At a time of razor-gang cuts, the most brutal of financial squeezes and decimation of the Australian Public Service, here is a proposal that will increase the tax deductibility for the benefit of—yes—the Australian Labor Party, the Liberal Party, the National Party and other political parties. Further, the increase in tax deductibility will increase the influence of a wealthier constituency. Those who have more money will thus carry more clout in the formulation of policy within parties. Thus the directives that govern the ethics of political policy formulation will be even more contaminated by financial imperatives and the hip pocket of all political parties.

These benefactors in fact gain political influence over and above their vote at the polling booth. The issue of funding is fundamental to any political party's survival. To permit even greater financial influence in the affairs of political formulation is anathema to the mandate upon which our political system is based; that is, representative democracy by electoral franchise. Let us not mince words here: the bill is basically an attack on the Australian Labor Party and on other smaller parties whose support base is from the rank and file, the battlers, the low income earners and those who do not have a large cash base from which to give large donations.

I turn now to the new allowance that permits companies to make tax deductible donations. This provision is further evidence of the completely erroneous message we are sending to the Australian community and the world. What is our democratic franchise in Australia? Are we elected by companies? No. Are we responsible to shareholders? No. We are elected by natural persons in electorates determined by the Australian Electoral Commission. These voters are the democratic

franchise from which each and every one of us in this chamber—you included, Mr Deputy Speaker—draw that rare privilege. That is the democratic process for Australia.

To permit a company tax deductibility for a donation is anathema to one's sensibilities. It is anathema to the public interest. Who will be the next to enjoy tax deductibility for political donations—foreign companies, trusts, partnerships, non-Australian citizens, persons with no legal identity, such as unincorporated bodies or trading name entities? This law sets a diminished standard of law because it diminishes the primary recognition of the natural person-cum-constituent-cum-voter in the Australian democratic process. We have lumped the natural person voter into a larger group of financial benefactors who do not vote and who may not even exist in Australia.

But there is a further and more sinister aspect of this bill. This decision fundamentally compromises the public interest. Whose public interest are we representing when our parties are contaminated by financial bidding? What happens to the weight placed on our roles as parliamentarians when our collective minds are contaminated by financial imperatives which distract us from our true political mandate, the voting public—the people of Australia? I will tell you: we reduce ourselves to the same utilitarian ethic that seems to grip every facet of our lives. We as parliamentarians cease to be focused on the immediate public interests of our constituencies and become more interested in the financial influence of donations. This bill cannot be allowed to be passed, for its implications and direction are very disturbing. It is wrong!

I now turn to another impact of this bill, namely, to broaden the definition of 'donation' to cover contributions as well as gifts. The repercussions of this provision will certainly be exposed to abuse. I need only peruse the donations to both major parties and see the largest corporations giving massive donations to political parties. Many major corporations already donate to both the Labor Party and the Liberal-National coalition. These incluse the major banks, insurance houses, airline companies, major industrial agglomerates, not to mention the media tycoons and so-called trusts that are really blanket organisations to obfuscate the real identity of other benefactors—the dreaded Greenfields Foundation. I will say something about that later.

What will the public think if a major airline company donates free travel to politicians and then claims a tax deduction? What about free bank services? This legislation ensures that 'payments in kind' will become the biggest perks scandal in living memory. There will be one scandal after another as politicians are seen to be taking all manner of goods and services from corporations as donations. Such images will further disgust an already disgusted public in their cynical perception of wheeling and dealing—a view that all politicians are on the take.

Whether these perceptions are true or not, the rule to be applied here should be the functional equivalent of the bias rule. That is, politicians must not only be actually clean of any adverse influence that would change the member's disinterested outcome of the matter before him or her but also be constructively seen to be free from such influences. If that means enshrining legislation that prevents the temptation of perks through this legislation, then this is what we must achieve. What will the voting public think when we tell them that a major bank was responsible for making them pay for a tax deduction? What if that bank was a foreign bank or foreign commercial entity?

These amendments are more than disturbing. This bill is a backdoor attempt to undermine and destroy the public interest factor input into our decision making. Following the near disastrous impacts of privatisation, corporatisation and general diminution of public interest participation in the political process, it is a deliberate attempt to destroy the last vestige of public participation. This bill, if passed, will signal the final death knell to public interest as a tangible factor input into political decision making. The bottom line is that the public interest is being compromised by interests other than those of the public.

Money can never ever become the basis for political mandate. The Australian Labor Party

has a proud tradition of fighting for a broad political franchise. We have spent more than a century seeking political emancipation from voting regimes based on financial franchise. This backdoor method of financial influence of political parties is becoming all the more pervasive. Parties are directing their attention at conducting more elaborate publicity campaigns rather than seeking greater victory over the hearts and minds of constituents. The political spin doctors need more money to run slicker advertising campaigns rather than do the hard yards of ground-level political formation. That is why we have this push for increasing the tax deductibility threshold. The key issue is a political one—that is, the advantage lies with the two major conservative parties, the Liberal-National Party coalition.

The bill was first introduced on the eve of an election with the intent of ramming it through to help the government in its election fundraising efforts. The reintroduced bill retains application from 1 July 1998. This is disgraceful. It allows the government to reward its rich mates for donating generously to the Liberal and National parties before the last federal election. I commend the previous speaker, the member for Charlton, for going into some detail about the Greenfields Foundation in her speech—and I will say a few words about that.

But, effectively, this bill is about attracting larger donations to political parties at the expense of the ordinary taxpayer. It makes it easier for the Liberal-National coalition to raise election funds to help it remain—as the member for Charlton said—relaxed and comfortable. The Greenfields Foundation rort was proof of the rape of the public interest. The Greenfields Foundation was all about allowing phantoms to donate large amounts of money to the government, the Liberal-National party coalition. As was pointed out earlier this morning by the member for Melbourne in his speech, it is disgraceful that people can make donations and then hide their donations behind this particular foundation. Obviously that foundation's sources, where the money was derived, should be public knowledge.

So much for the government coming in here day in, day out, talking about honesty, integrity, political accountability and raising the standards. It goes on and on and on ad nauseam. This is disgraceful.

In concluding, I will address another element of this bill, and that is the provision which allows for tax deductible donations to be made to political parties registered under state or territory electoral legislation. This provision will only exacerbate the already appalling precedent being set in this bill's amendments. I will refer to part of the government's second reading speech, which sums up why we should oppose this bill. That speech says, amongst other things:

> . . . an increase in the threshold will encourage small to medium donations, thereby increasing the number of Australians—including companies—involved in the democratic process and reducing a political party's reliance on a small number of large donations.

The estimated cost to revenue is an average of $15 million per year. On 15 June 1998, the Labor opposition announced that a Labor government would dedicate, to outside school hours child-care services, the $45 million over three years earmarked by the government for political tax donations. I emphasise that this funding would be better directed to social services, such as child care. Child care is a major election commitment. I remind the House that we in the Labor Party consider this generous tax deduction to be of far less importance than more pressing needs such as those issues listed in our 1998 election commitment, one of which was child support.

You have only to walk around the electorate of Lowe in suburbs like Burwood, Five Dock, Drummoyne or Strathfield and talk to families about the importance of child care and the way they are struggling because of the shortfall in government funding. I can assure you that those families who have kids and rely on child care are absolutely horrified at this legislation.

Finally, I wish to raise the issue of donations to independent candidates in line with political parties. The extension of tax deductibility of political donations to independent candidates was considered by the

Joint Standing Committee on Electoral Matters during their deliberations on the 1996 federal election. This implements a recommendation by the JSCEM which was supported by Labor committee members. This is one aspect of the bill that enjoys bipartisan support. However, in concluding, the bill remains anathema to the public interest. I therefore urge this House to oppose the bill outright and call on the Senate to do the same.

Mr KERR (Denison) (12.07 p.m)—It is not a bad little approach that the government has put up in the Taxation Laws Amendment (Political Donations) Bill 1999. It asks the parliament to endorse a proposition which would mean that substantial donors to political parties could have a large refund by way of a tax rebate. Presently, donors can give up to $100 and still claim a tax deduction. That means that people of moderate means can make what I think they would see as a quite substantial donation and get a reasonable benefit when they submit their tax form. But I think most people would say that when you are making a donation in the order of $1,500 you have moved out of the range of the ordinary political donor.

I think I am greatly loved in the electorate of Denison, but in my working-class northern suburbs I do not get many large donations in the order of $1,500. Indeed, even amongst those who are my affluent friends, I would be enormously pleased if I got more donations in the order of $1,500. I get very few of them, regrettably. So what do we find? Really, we are actually looking to expand the group of those who will get substantial benefits to a group of people who I think would be looking for something in return.

This government is not bad at taking advantage of the power of incumbency, not bad at all. We saw it in the last parliament with the abuse of the Natural Heritage Trust Fund, where a program was allocated on the basis that the great proportion of the funds given out by the then ministers responsible—Senator Hill and the now Leader of the National Party—went to coalition held seats, with the usual defence that the allocation was defendable; we see it now in the way in which the Centenary of Federation Fund has been misapplied in the course of the last election. So the government does have a bit of a record of trying to skew towards its own interests the advantages that being in government can provide and of doing so in ways which are deceitful and—at least in respect of the Centenary of Federation Funds—are almost certain on investigation to be found to have been corrupt.

But, turning to this bill, we are asked to actually give a retrospective tick off to those who supported the coalition at the last election by making big donations. It is not just future donations that would be picked up in this legislation; it goes back to 1 July of last year. That means that those who in the lead-up to the last election kicked in to the Liberal Party cause can write off against their tax a quite substantial sum of money.

Let us get some perspective of what the sum of money is. It is about $15 million a year, according to the explanatory memorandum. It is true that the Labor Party has some substantial donors also, and it is true that some of the minor parties and Independents would get some component of that. But let us be quite frank—and most of us, I think, would acknowledge this in the parliament if they were being honest—the lion's share of the tax deduction that would be allowable under the act, the cost to the revenue, would be because of donations that were actually made to the coalition parties, the Liberal and National parties. If that is the cost to the revenue, what it probably means is that you multiply that figure by, on average, about 60 per cent to get the actual gains that the political parties make out of the exercise.

So, if you are talking about $15 million a year, you are really talking about donations in the order of an additional $30 million, $35 million, maybe $40 million going into political parties, with a kickback being provided by the public purse. That is not a bad little scam if you were one of the donors who kicked in to the Liberal Party's last election campaign—you have paid your money, and you get your refund in the mail.

That leads us to issues of principle. Australia has been fortunate in the past that we have not had to answer the question about whether

we are going to be captive to our donors. It is very different from the United States, for example, where the really successful big hitters and players are actually trying now to move outside the public funding system because it is such a difficult system and so hedged about with problems. The chase for the Republican Party nomination through the primaries was essentially seen as a lay down misere until George Bush apparently had a bit of a memory problem about whether or not he had 'snorted' as a youth. It was seen to be a lay down misere that he was the frontrunner, because he actually had sufficient resources coming through donations to blow away the other Republicans. The only other person who was said to have a chance was Forbes. Why Forbes? Because Forbes is a multimillionaire in his own right and able to finance his own campaign.

So, essentially, if you read any of the campaign literature, direct marketing literature or other material coming out of the United States, it says that direct political participation there has gone out the door in favour of indirect solicitation of funding through donors. The whole effort of political parties now is to get passive mailing lists—not to solicit commitment to political objectives, but to get them to kick in on a regular basis as much as they can so that they can get up their party preferred candidate. It has become a very slick marketing exercise where the process is being driven by the money and not by the objectives of the ordinary citizens whose interests are supposedly represented through the democratic process. I am not so strong as some of my colleagues in this debate in describing the motives of those on the other side as wrong.

Mr Slipper—You are too kind.

Mr KERR—I may be too kind, as the parliamentary secretary says. I believe that the motives in the first place were to make it easier for people to make donations of a substantial kind and to facilitate the fundraising objectives of political parties, which are quite legitimate. But let us have a moment's reflection and think through what it would mean if we were to move further towards the US model, where essentially the whole raison d'etre of the political strategy that organised political parties follow is that of the pursuit of money to secure a basis for their participation in the electoral process. If we did that, we would be setting ourselves back a very long way. Whilst our process has a lot of faults—it is not perfect—it is a damn sight better than most.

We do not suffer the kind of politics that the United States is now prone to where, unless you are enormously wealthy, have family connections that go back into political lineages or are one of those rare individuals that becomes the subject of public notoriety—for example, as a star wrestler—you cannot get into the political system. The ordinary citizen just does not get in. We like to call our opposition 'silvertails' and 'the sons of the wealthy' and the like, but there are one or two of them who are ordinary citizens and, under the parliamentary system of the United States, they would not be here as members of either the House of Representatives or the Senate. There are many on our side who would never get a look-in in a system that operated on the basis of money politics, like it does in the United States. We are fortunate.

The second point it is important to make is that whilst $15 million per annum or $45 million over three years is not a huge amount in the overall budget figures it is nonetheless a fairly substantial amount to commit to this objective—unless it can be seen to be necessary, and I do not believe it is necessary. If you compare it to the other potential uses of public expenditure, it does look pretty obscene. For example, compare it with our commitment to the earthquake circumstance in Turkey, where we have pledged $1.5 million. That is one-tenth of what would go back each year, under this proposed legislation, to taxpayers in rebates for their donations to political parties in this country.

I suspect that far less than one-tenth would go back in the retrospective application of this legislation to the run-up to the last election, because I have no doubt that at that time the Liberal Party was going around soliciting substantial donations from a whole bunch of its followers on the basis of this expectation: 'If you kick in up to $1,500, just you wait

and we will get back into government and you will get about half of your kick-in back, because we will put through legislation to give you a big tax deduction.' I think it is a useful comparison that—in a major crisis where thousands of people died and where the eyes of the world were on Australia to see how our response compared with that of other nations because we are a rich nation with some historical relationship with Turkey and many people of that country's background have settled in Australia—we gave $1.5 million to the earthquake relief program but we would in our own interests, were this legislation to pass, provide some $15 million—that is, ten times that amount—each year to our political parties for their own purposes.

My colleagues have addressed the subject of the Greenfields Foundation and other issues which are relevant to the ways in which political fundraising in Australia needs to have greater openness and transparency. The whole purpose of the move over the last decade for disclosure of fundraising for political parties has been to minimise the possibility of money politics, to make it virtually impossible—or, as impossible as it can be—for those who make large donations to political parties to have secret influence. Secret influence is the most dangerous kind of influence.

If it is possible to give money to political movements of a substantial kind, it is silly to pretend that that will not become known to the leadership of the parliamentary party, even if it is given to the organisation. To pretend there are Chinese walls so that it would never become known that somebody had made a very substantial donation is patently absurd. The public has an interest in knowing who is making large donations. All we know about the Greenfields Foundation is that substantial donations are being made and that they are being funnelled through a secret mechanism, in the form of soft loans that have the same practical effect—in terms of the party's capacity to fund its business—as a direct grant. I understand the Electoral Commission is looking at that matter, and not surprisingly so. It is important we do not try to get too tricky about this business.

Some of my colleagues have made the point that amongst the general public the regard that is held for those of us who practise in politics is not as high as it should be. I see that as a matter of real regret because I believe that, whichever side of the House people are on, the vast majority of us come into this place seized with the initiative and the motivation of making a contribution for the greater good, and I include in that those on the other side. We have our fierce arguments about outcomes and policy but when you sit down with most of those who make up the parliament you will find that their fundamental motivation—absent a few, and we all have our lists—is similar. Their intentions are good. It is not something for us to do, to place ourselves in circumstances where that quite unfair characterisation of our roles can be further built on.

It is a matter of regret that once the government became aware that we were opposing this legislation, that this was not a matter where there could be agreement, they proceeded with it. They sought to obtain agreement through the committee process and then, not having obtained that agreement, they went further.

Mr Howard—Do you want to seek leave to continue your remarks?

Mr KERR—Thank you, Prime Minister, but I was really winding up my remarks. The opposition opposes this legislation. There are some specific components of the legislation which are agreed, and one would hope that they can survive this process of controversy and go forward on an agreed bipartisan basis.

But it is a great misfortune that once the government became aware that these matters were not the subject of agreement they were proceeded with. I think this whole debate will only lower the regard that the community has for us. They will see the political parties seeking to advance their own interests, and that is not something I think we should be sewn up with. We do not want to be in a situation where our own political funding rules become as discredited as are those which apply in the United States. We have a

system which largely has had public support until now, and this opposition will not connive at something that will allow that regard to be undermined.

So we will be opposing the extension of the deductibility of donations to political parties from $100 to $1,500, and we will continue to press for accountability from this government in relation to all those other elements which they have so unfairly sought to take advantage of using the power of government through programs like the Centenary of Federation and all the other programs where what is within the power of government has been distorted to their own partisan interests rather than the interests of the nation as a whole.

Debate (on motion by **Mr Slipper**) adjourned.

MOTION OF RECONCILIATION

Mr HOWARD (Bennelong—Prime Minister) (12.24 p.m.)—by leave—I move:

That this House:

(a) reaffirms its wholehearted commitment to the cause of reconciliation between indigenous and non-indigenous Australians as an important national priority for Australians;

(b) recognising the achievements of the Australian nation commits to work together to strengthen the bonds that unite us, to respect and appreciate our differences and to build a fair and prosperous future in which we can all share;

(c) reaffirms the central importance of practical measures leading to practical results that address the profound economic and social disadvantage which continues to be experienced by many indigenous Australians;

(d) recognises the importance of understanding the shared history of indigenous and non-indigenous Australians and the need to acknowledge openly the wrongs and injustices of Australia's past;

(e) acknowledges that the mistreatment of many indigenous Australians over a significant period represents the most blemished chapter in our international history;

(f) expresses its deep and sincere regret that indigenous Australians suffered injustices under the practices of past generations, and for the hurt and trauma that many indigenous people continue to feel as a consequence of those practices; and

(g) believes that we, having achieved so much as a nation, can now move forward together for the benefit of all Australians.

It will be no secret to the House or, indeed, to many Australians that over the past few days—indeed, over the past few weeks—I and a number of my colleagues and others have been giving thought to the issues that are the subject of this motion. It is a historic resolution. It is a very important resolution because it goes to the issues of the spirit and the heart and the character of our country in a way that many of the issues we debate in this chamber, important though they are, do not.

As all members know, we are approaching that momentous event in Australia's history when we will celebrate 100 years of Federation—100 years of the Australian nation. That will be an occasion when all of us will want quite legitimately to focus on what this nation has achieved. We will quite legitimately in the year 2001 celebrate with pride in an unqualified way the immensity and the scale of the Australian achievement. And that has been a great achievement. It has been an achievement that has delivered to our country a reputation for achievement, for tolerance, for understanding, for compassion, for independence of spirit, and an ability to work together to overcome adversity. I would imagine that, whatever our views are on political issues, whatever our ethnic or national origin might be, whether we practise this or that religion, or whether we profess no religion at all, we would want in the year 2001 to focus overwhelmingly on those things that unite us as Australians and not those things that divide or set us apart as Australians.

I have come to the view that an important element of that celebration of the unity of the Australian nation is undoubtedly achieving an effective and lasting reconciliation between indigenous Australians and other members of the Australian community. I know that is a desire that everybody in this chamber shares because, in reality, there is an extent to which the sense of the unity of the Australian nation is qualified and diminished so far as indigenous Australians are concerned unless, in their hearts and in their understanding, there is a proper basis for achievement of reconciliation.

It is that context and that background, the desire on the part of the government to make the maximum contribution towards achieving the conditions of reconciliation, which will enable all of us—whatever our views are on constitutional forms, whatever our views are on taxation, whatever our views are on foreign policy, health policy or all the other things that we debate so passionately in this chamber—to pause in the year 2001 and reflect unqualifiedly and without any sense that one sector is diminished or restrained because of unfinished business and to celebrate the scale and the immensity of the Australian achievement.

We need to do that as a people. We want to do that as a people. I want all of the Australian people to feel an equal measure of pride and satisfaction in the Australian achievement. We in this chamber must recognise that that cannot be done in quite that unqualified way by indigenous Australians without a sense of reconciliation.

In approaching this motion today, people are entitled to reflect on what I have said in the past. People are entitled to say that I said this on one occasion. Some will criticise me. Some will say that I have changed my position on some aspects of this. I do not mind if they do. I do not think changing your position on something really matters, unless you are changing to a less worthy position. I have sought to bring to an understanding and a comprehension of this issue what I can to make, as Prime Minister, a practical contribution and a genuine contribution to the cause of reconciliation.

When my government was returned in the election last October, I spoke on election night and said I wanted to commit the government to achieving reconciliation between indigenous and non-indigenous Australians. I believe that the motion that I am putting to the House today, if carried, will make a very significant contribution towards that cause. I do not pretend that this is a perfect motion. I know there will be some in this House who would want it expressed in a different way. There will be some who will say it does not go far enough, and there will be others who will say that perhaps it goes too far.

But it is an honest and sincere attempt on the part of the government to make a genuine contribution to the reconciliation process and to genuinely empathise with the sense of alienation that many indigenous Australians continue to feel within our society. It is also a recognition of the magnanimous way in which many leaders of the indigenous community have sought to approach this issue over the last couple of years. Of course I have to some degree moved my position, and I do not deny that, but so have significant figures in the indigenous community. I respect them for that, and we should respect them for that. That they have done it is a measure of their commitment to the essential unity of the Australian nation. It would be a strange government and a strange Prime Minister who did not reciprocate that act of generosity on their part.

The Australian achievement, as I said, is of a scale that should make all of us proud. This country has achieved enormous things. This country has won itself great repute and great credit around the world. Just as we as a nation are entitled to draw pride from the triumphs and the achievements of Australians, so we must in a completely unvarnished fashion confront both dimensions of our national story. We must not only confront and embrace the dimensions which give us pleasure and pride and a sense of achievement and a sense of satisfaction but also confront the uglier parts of our national history.

Like all nations' histories, ours is a history that has not been without blemish. Without any doubt, the greatest blemish and stain on the Australian national story is our treatment of the indigenous people. I do not think that can be seriously argued against, and that is not the first time I have said that, and it will not be the last. I am not the first Australian political leader or the first Australian Prime Minister to have said that, and I will not be the last.

It is important in this motion that we recognise, confront and acknowledge that and in the process express, as the motion does:

> . . . that the mistreatment of many indigenous Australians over a significant period represents the

most blemished chapter and our international history;

Then we go on in this motion to express:

> . . . deep and sincere regret that indigenous Australians suffered injustices under the practices of past generations, and for the hurt and trauma that many indigenous people continue to feel as a consequence of those practices; . . .

We can debate the detail of this or that practice. We can argue about the detail of particular reports and particular propositions, but the purpose of this motion is to generically express in relation to a number of issues the regret that the people of Australia feel for those past practices and the continuing consequences of them.

I have frequently said, and I will say it again today, that present generations of Australians cannot be held accountable, and we should not seek to hold them accountable, for the errors and misdeeds of earlier generations. Nor should we ever forget that many people who were involved in some of the practices which caused hurt and trauma felt at the time that those practices were properly based. To apply retrospectively the standards of today in relation to their behaviour does some of those people who were sincere an immense injustice, and I think that is understood by most people within the Australian community.

But that does not mean that we ought not to address the issue. That does not mean that we ought not to, on reflection and in generosity and with good heart, express a regret, and a sincere regret, for what has occurred in the past. Part of the process of bringing about an effective reconciliation, and part of the process through that effective reconciliation of making a contribution to the unity of the Australian people, is to do what this motion seeks to do.

Mr Speaker, all of us know as practising politicians that we argue, debate and differ on issues and we feel passionately and strongly about them. I know that those who sit opposite will have a different emphasis and a different view in relation to some aspects of this motion—and that is their right. The opposition are perfectly entitled in the context of this debate to criticise me, to say that this does not go far enough, to say that I should have done it a couple of years ago. They can say all of that, and I frankly do not mind and I do not think the Australian people will take much notice of it, either. I think what the Australian people will do is that they would make an assessment of the sincerity of the Australian government, they would recognise that this government has been able to meet the aspirations of many people within the Australian community and they will recognise that this motion more effectively expresses what they want to say about this issue than any alternative.

The Australian people do not want to embroil themselves in an exercise of shame and guilt. The Australian people know that mistakes were made in the past. The Australian people know that injustices occurred. The Australian people know that wrongs were committed. But for the overwhelming majority of the current generations of Australians, there was no personal involvement of them or of their parents. To say to them that they are personally responsible and that they should feel a sense of shame about those events is to visit upon them an unreasonable penalty and an injustice, and that is why this motion does not seek to do that. Indeed, I am not alone in saying that; it has been recognised by a number of representatives of other parties who have spoken to this issue.

I hope that this motion is, in the end, carried unanimously by this House and also by the Senate. I hope, if that occurs, that it will be seen by the Australian community as a genuine, generous and sincere attempt to recognise past errors, to make a contribution to the cause of reconciliation and to bring about a better understanding. Importantly, I hope that it lays the foundation for a future focus on those things that will really affect the quality of life of the indigenous people of Australia—the quality of their health care services, the quality of their educational services, the quality of their employment opportunities and the extent to which they are to participate fully in all other aspects of Australian life. Perhaps, having been able to find the right words to express the collective view of the Australian people on this issue

rather than a narrow view of the Australian people on this issue—having done that—we can then move forward more effectively as a community to achieve those objectives.

I would like to acknowledge in this speech the contribution that Senator Ridgeway and the members of his party, the Australian Democrats, have made to putting together this motion and the contribution that he personally has made as an undisputed leader of his people in the time that he has been in this parliament. It is a matter of satisfaction, a matter of very considerable pride to me, that the government has been able to reach agreement with him and the members of the Australian Democrats on this issue. He is only the second indigenous Australian to sit in the national parliament. The first was the late Senator Neville Bonner, who represented the Liberal Party from the state of Queensland. Those two men in their particular ways—Neville and now Aden—have made and are making a very special contribution to this place. I do not think it would have been possible to put this motion together and to have gathered the right spirit, the right sense of occasion and the right sense of unity to bring this motion forward without Senator Ridgeway's contribution.

Senator Ridgeway came halfway and many of the indigenous leaders with him have also come halfway. They have recognised that, in order to move forward, there has to be an understanding of some of the concerns and some of the reservations that were genuinely felt by people in the Australian community on this issue and which prevented them, and continue to prevent them, from embracing, in quite the terms that were asked for several years ago, the sort of reaction and the sort of formal national responses that were called for then and may still be called for today by those who sit opposite. But they made the decision, they extended the hand of friendship and the hand of cooperation and they said they would travel part of the journey if we would travel the other part of the journey. As I said a moment ago, for us to fail to do that would be lacking any sense of generosity or any sense of a decent spirit.

The most important thing to me about this motion is that it not only expresses regret, which is important, and it not only in its terms demonstrates an understanding on our part of how our fellow Australians who are indigenous feel about certain past practices but, importantly, also talks about the future. That really takes me back to what I said at the beginning of my remarks—that is, as we come towards this great exciting moment in our history when, whatever our differences on other issues, we can all come together as Australians to celebrate the centenary of our nation, we want every Australian to feel that they can unqualifiedly and without any constraint, without any hesitation, participate in that great national celebration. In order to do that, our indigenous Australians must feel a proper sense of reconciliation and a proper sense of being, in every way and totally, part of the Australian community. This motion will make a contribution towards that.

I do want to thank Aden Ridgeway. I want to thank other leaders of the indigenous community of Australia for their generosity of spirit. I think it is important that I say that. I also want to thank two of my parliamentary colleagues for the contribution they have made in this area. I want to thank Senator John Herron, the Minister for Aboriginal and Torres Strait Islander Affairs. John Herron, in my view, has brought sincerity, decency and dedication to the discharge of his responsibilities. He enjoys my total confidence and support in that portfolio. In his life he has demonstrated in so many ways a depth of humanity and decency and understanding of human adversity which is superior to many I have known in public life.

I also want to thank Philip Ruddock, to whom I gave the task of assisting me with reconciliation after the last election. Not only has Philip brought very great skill to the discharge of his responsibilities as Minister for Immigration and Multicultural Affairs but also he has brought a very special understanding to the discharge of his responsibilities in that area.

I do not pretend that when this motion is passed every obstacle on the journey towards reconciliation will have been removed. I do

not pretend that for a moment. There will be argument and debate about the form of the document. There will be criticism of me. There will be criticism of the government. There will be legitimate exchanges of passion and vigour in this place. But by passing this motion I think we all understand that we have a watershed in the process towards reconciliation. By passing this motion we give reconciliation its best chance. By passing this motion we display a generosity, an understanding and a capacity to compromise between two genuinely held but different views.

In passing this motion we express to the Australian people once again that those things that bind us together are stronger and more important than those things that might push us apart. In passing this motion we say to the indigenous people of our community that we want you in every way to be totally part of our community. We want to understand you. We want to care for you where appropriate. We want you to be in every way part of the Australian achievement and part of the Australian story. I think we owe that to them as the first people of this nation. I think all the Australian people will support the passage of this motion.

Mr BEAZLEY (Brand—Leader of the Opposition) (12.48 p.m.)—I move:

Omit paragraph (f), substitute:

(f) unreservedly apologises to indigenous Australians for the injustice they have suffered, and for the hurt and trauma that many indigenous people continue to suffer as a consequence of that injustice;

(fa) calls for the establishment of appropriate processes to provide justice and restitution to members of the stolen generation through consultation, conciliation and negotiation rather than requiring indigenous Australians to engage in adversarial litigation in which they are forced to relive the pain and trauma of their past suffering; and

that paragraph (g) becomes new paragraph (h).

The Prime Minister, once or twice during his remarks, made defensive statements about anticipating criticism from this side of the House by a failure to respond to the *Bringing them home* report a couple of years ago and views that we on this side of the House might express for attitudes he has adopted in relation to matters of native title and other Aboriginal issues during the last couple of years. It is not my proposal to canvass any of that. So the Prime Minister, at least in relation to remarks I might make, need not be so defensive.

My concern is a different one. My concern is that this issue should genuinely be placed in a situation where it is behind us so we can move on. The Prime Minister used the analogy of a journey. He said it was a journey in which he went halfway and in which members of the Aboriginal community went halfway and they arrived at a motion that all could agree upon. I am afraid, Prime Minister, that the task before us is to take that journey all the way. The obligation is on us, not on the Aboriginal people as far as this issue is concerned. The obligation is on us.

Recollect where all this came from. This motion—though it is slightly broadened out in the content of the motion that is before us to capture a great deal more of our history—arose directly out of the *Bringing them home* report, the recommendations that came down from the *Bringing them home* report and the requirements that were found by the commission that investigated those cases that part of the process of healing required an unreserved apology and required other actions as well.

The Prime Minister places the issues of the stolen generation a long way in the past, beyond his generation and mine and beyond generations of Australians now constituting the Australian electorate. I would urge him to read that report again. If he reads that report again, he will find that that is not the case, as indeed I did when I read it the first night it came down. What I read about were events and institutions in my life—my life—and people who had been in those institutions in my house—my house. I never suspected. I was a kid at the time. But, if you go through dates and places and times, you see that that report takes us well into the 1970s. As I recollect, the Prime Minister himself became a public official during the 1970s. I was seeking to be a public official during the 1970s. I was an attendee at Labor Party conferences during the 1960s and 1970s.

We are dealing not with far past history; we are dealing with contemporary history. These are things on which we must make atonement if we are to move on. I appreciate the fact that the Prime Minister sought to discuss this matter not just with Senator Ridgeway but with other Aboriginals. I appreciate the fact that they are prepared to discuss it with him. But they should not have had to. They should not have had to be in a position to compromise with the Prime Minister on these words of restitution.

It is unfair to them. It is unfair to make them the arbitrators of our apology. It is unfair to make them the drafters of our apology. That is our job. That is the job of every person in this House. It is unfair to compromise them in relation to other members of the Aboriginal community for whom this may not be satisfactory. It is unfair. This is our job. The job is ours to make the journey. We are the people who are obliged to make the journey.

When I responded initially to the *Bringing them home* report and offered an apology from the Australian Labor Party, I said there was an easy way and a hard way to deal with this process. I recommended the easy way. I recommended an apology and a process by which people who were affected by the events detailed in that report could seek justice outside the judicial system. I moved motions in that regard and those motions were carried by the Senate. They were not carried in this House of parliament. That is what we moved at the time. I said that was the easy way.

What we are now going through is part of the process of the hard way. Part of the process is in this motion—a motion which as a statement to move us on is manifestly inadequate. But it also contains no reference to what Treasury now identifies as part of the hard way. Let me read from the Treasury documents from the last budget brought down by the Treasurer. It states in the area where it outlines the risks to the budget numbers:

> Separation of Aboriginal children from their families in the Northern Territory.
>
> Earlier laws, policies and practices led to the separation of many Aboriginal and Torres Strait Islander children from their families. Some 2,200 claims for damages are under way against the Commonwealth in relation to alleged forced separations. If the applicants in the two test cases proceeding in 1999 are successful, the Commonwealth may be liable for substantial payments in relation to these and other claims which could amount to hundreds of millions of dollars.

That is the assessment of the Treasury about what we could be up for in relation to this matter. That is the hard road.

It would not matter so much if it were us who were walking down the hard road. But it is not us who are walking down the hard road. Ultimately, the taxpayers may find themselves at the conclusion of the hard road. The hard road is being walked by the stolen generation of Aboriginal people. They are the ones who are having to dredge into memory. They are the ones who are having to go through trauma in the courts. They are ones who are having to translate experiences that are very real to them into evidence that means something in the court of the land that they must appeal to. They are the ones who are being forced to go through that process. They have to dredge in their memory and if they do not they get 'sincere regrets'. This is not the response we need to place this issue behind us.

We have had a lot of argy-bargy in the media over the last little while about, 'Isn't it good, the Prime Minister is talking to Senator Ridgeway. Isn't it terrific, we are going to cobble together a deal.' A lot of people think that I mind deals done by the Democrats and the government. I really could not care less. That is their problem. We are an alternative government. We put forward our views in an alternative way. I do not even resent the fact that the Prime Minister did not bother to consult us on the motion. I have long since given up worrying about those sorts of things.

For most things that we consider in this parliament, the course that is described is entirely appropriate. Politics generally is about compromises—compromises often in terms of principle. Politics is often about getting the best outcome that you can get. I do not blame anybody for going into the business, looking for the best outcome they can get, as opposed to the outcome that they really want.

For 99.9 per cent of the things that we consider in this place, as far as all that is concerned, 'Well bully for us.' But this is national honour. This is dealing with our history. In about another 50 or 60 years from now nobody is going to know anything about John Howard just the same way as we are trying to get people to know something about Edmund Barton. Nobody is going to know anything about Kim Beazley just as we find it very hard to get anyone to know anything about John Watson. Nobody is going to know anything about the pair of us.

But in the history of our nation, if we got this right people would know something about this parliament. This can be part of the passing parade or it can be 'a solid mandala', a solid outcome in the guts of Australian history. That is exactly where it could be. It will not be on the words that are before us today.

The words that are proposed here are not new. They are the words that were entailed in the Queensland National Party response to the stolen generation report. I give Borbidge this credit: at least there was a response. Borbidge moved:

> . . . the Parliament of Queensland on behalf of the people of Queensland expresses its sincere regret for the personal hurt suffered by those Aboriginal and Torres Strait Islander people who in the past were unjustifiably removed from their families.

That was the Borbidge response. Senator Ridgeway last night called it by far the worst of the state responses. But it is the response we have here. It is the response that we are confronting here to vote on.

Even though the Borbidge response was a response with alacrity, like all the state governments at the time that found absolutely no problems with coming up with some sort of response, the Australian Senate did it. We were unique. We were the only house that did not actually get anywhere as far as this was concerned. But Peter Beattie corrected the problem when he attempted to move to that which I have just read out an amendment:

> This House apologies to the Aboriginal people on behalf of all Queenslanders for past policies under which Aboriginal children were forcibly separated from their families, and expresses deep sorrow and regret at the hurt and distress that this caused.

He moved it then unsuccessfully, but when he became Premier of that state he moved it and carried it successfully. That was an apology. We now have before us the Borbidge resolution in essence, though broadened out to cover other aspects of our history. So it is a somewhat broader motion than simply just that in relation to the stolen generation.

As an initial response, I suppose if the Prime Minister had got up and moved an amendment to my motion to go on down that line at the time I would have fussed and grizzled about it but at least it would have had the value of an immediate response. I would not think it had done the job, but I think we can do better than to actually have to come back to the Borbidge response two years later in the national parliament. We can absolutely do better than that. There will be tomorrow not an outpouring of good regard in the Aboriginal community to this. There will be some credit given to the Prime Minister for having come halfway, but there is not one person the Prime Minister negotiated with, and there is not one Aboriginal who talked to Senator Ridgeway and said, 'Do the best you can, mate. Get whatever you can out of the old bloke,' who would not prefer something better. There is not one who negotiated with you who would not prefer something closer to the words which I have entailed.

But, in a sense, that is not their problem; it is our problem. It is our problem to be big enough to acknowledge past error in the way every child is obliged to, every person who commits an offence against another person is obliged to, and in the way every family ensures happens. I know when there are a few problems in my family, I do not go around and say, 'What you have got to do is go and express to Jessica, Rachel, sincere regret.' I say, 'You go and say, "Sorry, Rachel."' Every single family understands that part of the process of restitution, of changing the environment, if you like, of shifting the chess board or changing the ball game, is an apology—that is all.

But on this occasion we have to do a bit more than an apology. We actually have to deal with the problem. There is a public policy problem here as well as a historical problem. I was a history teacher once of sorts and I am a history fanatic. I spend my life reading into the history of this nation and others. I take enormous joy, to the frustration of many of my colleagues, in Australian military history. I take immense pride in the achievement of the Australian nation and the Australian people. I take pride beyond the costs that we have inflicted on others getting to that process because I am proud of that outcome. I am proud to be an Australian. I am proud of the national achievement. But part of being proud is my understanding of that rock hard, steel spine there is in the average Australian that when we are told that there is something for which we must make an atonement we are prepared to cop it. It does not have to descend to what is the lowest common denominator acceptable in the ordinary political process on this one. You can get away with a statement that much more accurately reflects the requirement we have here to establish our national honour to deal with the issues of our past so that we can genuinely move on.

My fear in the Prime Minister's proposition, and in the absence of an appropriate response for what successive generations right up to and including this generation in politics have been responsible for, is that we have not done the job yet on that one part of the Prime Minister's speech I really identified with—the absolute desire that we should move our history forward, that we ought to be able to treat the next year or so with unalloyed delight in celebrating the substance of the achievement of the Australian nation. I know with absolute certainty that, instead of being a ringing clarion call, this motion unamended will simply be part of the passing parade of national politics, of the deals and counter-deals, the quiet backroom discussions of which we are all a part all the time, and all of it is ordinary and all of it is normal in a democratic political process. We had a chance here to lift things out of it. If we do not amend this motion, we will have failed.

Mr SPEAKER—Is the amendment seconded?

Mr Melham—Mr Speaker, I second the amendment and reserve my right to speak.

Mr ANDERSON (Gwydir—Minister for Transport and Regional Services) (1.06 p.m.)—I want to say at the outset that I support this motion and that the National Party supports this motion. I do not intend to respond to those heated points made by the Leader of the Opposition, except to make one observation. He purports to be a keen reader and a man interested in history. Can I, in good faith, suggest to him that he read Solzhenitsyn's *The Gulag Archipelago*. In that book, that remarkable man records how he found freedom in a salt mine in Siberia when he realised that the dividing line between good and evil lay not between captor and captive, or black and white, or Catholic and Baptist, but somewhere across every human heart. I do not believe that any of us can claim to have a total monopoly on either right or wrong, and we need to work forward constructively against that essential understanding of the lot of humanity.

I believe that this is the right statement, made at the right time, to help us in this country deal with the past—and by that I mean our broad past, not just one or two aspects of it—so that we are better able now to move towards the future. It represents a new and more constructive recognition, by all sides, of the need to move away from our rigidly held views and our inclination to stand off, and move to a more sensible accommodation of the reality that there are matters that we deeply regret, just as there are achievements of which we are enormously and justifiably proud. In reality, there are those on all sides who have behaved appallingly, and we want to openly acknowledge that and express our sincere regrets. However, there are those on all sides who have behaved nobly, courageously and magnificently, and we want to draw hope for the future from the example that they have set.

The National Party does not believe that people should personally apologise or be held accountable for actions and injustices that they themselves are not responsible for. Nor

does the party believe that we should too hastily judge those who pursued those policies which we now condemn with—may I say with a certain inappropriate smugness—the benefit of hindsight. We now see that some of the policies caused great pain and suffering to many people. Yet, for example in the case of the separation of children, they were often motivated by good intentions on the part of individuals, organisations and governments. Just as we are not personally responsible, we cannot walk in the shoes of those who sought to grapple with seemingly intractable social problems and who did so in the context of the values and beliefs of their time.

That does not mean that we should fail to express our deep and sincere regret for the hurt and trauma of many Aboriginal people that resulted not just from the breaking up of families but also, more widely, from some of the other tragedies of our past. In the early days there was little doubt—Europeans felt secure in their sense of the intrinsic superiority of their culture, a view that was unfortunately increasingly supported in the 19th century through the appalling perversion of Darwin's scientific theories into vague and sometimes not-so-vague concepts of social superiority.

We rightly and roundly reject those views. We regret that many of our forefathers held them. In fact, I am incredulous as well as disgusted that those views were once held—in some cases, no doubt, by my own forebears. Those views were to undoubtedly produce some outcomes that we now deeply regret. Every time I drive on the quiet road between Bingara and Delungra in my electorate, I go past a magnificent homestead, Myall Creek Station. No Aboriginal people visit that area any more and have not since 1838, because of the massacre of 27 Aboriginal men, women and children by seven whites. John Harris, in his book *One Blood*, called it brutal and cold-blooded. I think that is reasonable; it was. He writes of an affair in which, the first time round, those responsible were released and of the intense interest and extraordinary views that were expressed at that time. He quotes the *Sydney Herald* of 5 October 1838 as referring to Aboriginals as:

> . . . a degenerate, despicable and brutal race . . . [who] stand unprecedented in the annals of the most ancient and barbarous histories for all the anti-civilising propensities they put forth . . . .

One of the jurors said:

> I look on the blacks as a set of monkeys, and the earlier they are exterminated from the face of the earth, the better. I knew well they were guilty of the murder, but I, for one, would never see a white man suffer for shooting a black.

On this occasion, the anti-Aboriginal lobby did not prevail. Attorney-General John Hubert Plunkett, a devout Catholic, laid a new set of charges against the men. A new jury convicted them, and the judge sentenced the seven men to hang.

In that incident you see the very worst behaviour, but you also see the very best behaviour. You see the judge and his supporters establishing that all were, on the basis of shared humanity, entitled to the rule of law, and that is a good thing. I deeply and sincerely regret the worst, but I celebrate the hope that the best gives us. As I have often commented with regard to my own views on reconciliation, I believe that it is very important that we seek deep, worthwhile and substantial improvements in the relationships between Aboriginal and non-Aboriginal people in the communities where they live, in a practical sense, cheek by jowl across this nation. That is where this improvement in relationships has to happen. That is where the outworkings of reconciliation must be, and must be seen to be carried forth.

There is no doubt that there is a long way to go. There is no doubt that we must all accept our responsibilities as well as exercise our rights in this matter. I note with very real pleasure the increasing acceptance that rights bring with them responsibilities and that both need to be exercised appropriately and in due measure.

But there are great positives. There are some very encouraging things that we can look to that remind us of what can be achieved with goodwill and what we must strive for. In my own electorate, at Moree, there is a very large Aboriginal community and a horrendous problem of unemployment. The cotton industry has started to work with the leaders of the Aboriginal community to

develop jobs that benefit both sides. As a result of that process, there are now about 80 Aboriginal people in full-time, private sector employment who otherwise would not have been. This was because of a meeting and an accommodation and a coming to a sensible middle position where we recognise our strengths, our weaknesses and our respective positions.

I reiterate that I believe this statement to be very worth while. I believe it can help give us a springboard for moving forward in a more positive way and, in essence, that is why I strongly support it. In closing, I say that it would indeed be an abrogation of our responsibilities not to seize that opportunity. I believe that, together, we can now seek to continue building our nation in something of a more enlightened, better informed and more constructive atmosphere. That is the challenge before us. I relish it, and I commit myself and my party to working for it.

Mr MELHAM (Banks) (1.14 p.m.)—I support the amendment moved by the Leader of the Opposition for the insertion of the following paragraphs into the parliamentary motion:

(f) unreservedly apologises to indigenous Australians for the injustice they have suffered, and for the hurt and trauma that many indigenous people continue to suffer as a consequence of that injustice;

(fa) calls for the establishment of appropriate processes to provide justice and restitution to members of the stolen generation through consultation, conciliation and negotiation rather than requiring indigenous Australians to engage in adversarial litigation in which they are forced to relive the pain and trauma of their past suffering . . .

If the government and, in particular, the Prime Minister were gracious enough to accept that amendment, then this country can truly move forward together as a reconciled nation. Let the record show that the opposition was given notice of the government's motion at only 10.30 a.m. It was not involved in the process; it was not consulted in any way in any attempt to reach cross-party support. And this the Prime Minister says is the way to rule off the ledger to go forward.

When the Council for Aboriginal Reconciliation Act was passed in 1991, it was passed without dissent in the House of Representatives and without dissent in the Senate. It was seen as an effort to remove reconciliation from the political process and to put it above politics. We set a goal and had a vision. We put representatives of the then government, the then opposition and the Democrats on the Council for Aboriginal Reconciliation. The words were exciting, they were uplifting and they were an attempt to move the country forward in a difficult time.

This debate has taken place behind closed doors. Genuine people have been to the table in an attempt to move the Prime Minister. He has moved, but he has not moved far enough. The facts speak for themselves. As Aboriginal affairs spokesman, when you are not Aboriginal, it is hard to be heard, to be listened to and to advocate on behalf of Aboriginal people. Senator Ridgeway made a powerful speech last night, but he acknowledged that he was not part of the stolen generation. He had this to say about the Queensland government's apology when Mr Borbidge was Premier:

Sometimes governments inspire contempt by their stupidity.

As the Leader of the Opposition rightly points out, the apology was subsequently amended by Premier Beattie. The Labor Party stands ready to be above the process, to be a part of it and to send the message that this is above politics. And what happens? We get two hours notice. This is not an attempt to unite us and to bring us together to go forward. This is a backroom deal that seeks to divide.

The tragedy is the double standard. We, the non-indigenous community, know we do not speak with one voice, but the perception out there is that the Aboriginal people speak with one voice and that migrants speak with one voice. They do not. It is hard when you are under attack to keep unity.

Today is a tragic day and not a day of rejoicing. Today in a New South Wales court, Joy Williams lost her case and had costs awarded against her. Many of the stolen generation who take their cases to court will lose them because there is no legal liability.

Governments of the past acted with honest and decent intentions in a way that they thought was best. But we now know, as a result of a 2½-year inquiry and the tabling of a report, that those actions of past governments wrought havoc in indigenous communities. Some people were traumatised. Why? Because they are different. I am not Aboriginal. I cannot profess to speak on behalf of all Aboriginal people; I do not try to. I try to consult across the community. I can empathise because I have Lebanese heritage. I am proud of my Lebanese heritage. My father and mother came to this country, and I and all my brothers and sisters were born here, but merely because I have Lebanese heritage does not mean that I can speak on behalf of all of the Lebanese community. I cannot, and I have never sought to.

The tragedy here is that in this motion there is no reference to the stolen generation. The silence in relation to that reference is an indication that the shame remains. In our amendment we at least acknowledge that.

While this government says, 'We are bringing forward a motion that will put the matter behind us,' it has instructed its legal representatives in the Northern Territory to cross-examine those of the stolen generation in court in a way that forces them to relive the trauma and that I, as an Australian, am ashamed of. I join with former Prime Minister Malcolm Fraser in his condemnation of the way the stolen generation are being forced to relive the trauma. That is not the way to finish this, and it does not have to happen. And it is the expensive way.

One person, if he shifts a little bit more, can bring it to an end, and he will have us with him, and that is the Prime Minister. I acknowledge that Dr O'Donoghue and Gatjil Djerrkura have shifted, but it is not up to them to shift. The onus is on the Prime Minister because he holds the office on behalf of the nation.

The tragedy is that, as we are coming up to the turn of the century, we are going for the second best option. Why is it the second best option? Because it is a compromise. It is not an apology from the heart. Why can the current generation no give an apology from the heart and without fear of compensation? Because we are not responsible. An apology from all of us is not an acknowledgment of shame or guilt. It is an acknowledgment of empathy and of understanding the trauma and suffering. Saying 'I am sorry, I apologise' costs the nation nothing. It enriches the nation.

This is not a motion that will finish the matter. The Prime Minister says that he does not want unfinished business. Why was it not then a transparent process? Why were members of the Northern Territory stolen generation group and others not brought together in an attempt to move forward? What we have here is not an apology from the people: this is blaming the victim. This is a politician's apology, not a nation's apology, not a people's apology. It is Aboriginal people being made to feel guilty because they were taken away, they suffered, and they are still suffering.

Dr O'Donoghue and others have moved vastly, I acknowledge. They should not have had to move one inch: they have nothing to be sorry about, and nor does this generation. But what we have to be sorry about is that there is an attitude problem pervasive in the Lodge and in the Prime Minister's office. This is not learning from the mistakes of the past; it is repeating them. The mistakes of the past were that we did not listen to Aboriginal people. We thought that they were the same as us and we tried to make them like us. They are not like us, and they do not want to be. Today, sections of the Aboriginal community are grieving because this is the second-best option. It is not the best option. The victims of the stolen generation, who have even been party to this compromise, know that it is not the best option. They are trying with their hearts.

What is wrong with this Prime Minister? He would be enriched if he stood back from the process, and if he initiated a transparent process. There was undermining of Sir Ronald Wilson, a conservative judge who was an author of the report, and Mick Dodson. That was a traumatic experience: time after time then Commissioner Dodson broke down and could not continue with the hearings. But a

lot of healing went on. This motion will not heal the nation. This is a shabby backroom deal not to take the nation forward but to marginalise sections of the Aboriginal community—who are seen as proponents for the Labor Party—and to marginalise the Labor Party. If this is so crash hot, if this is something that we can have pride in, why did we, the Labor Party, get less than two hours notice to sign up to it? We will not sign up to it. It will go through because the government has the numbers, but it is unfinished business.

It is unfinished business because of the way in which it was conducted. This is not something of which I am proud. This is a political deal. I am not signing up to it and nor is the Labor Party. That is why we are moving the amendment. We say to the Prime Minister, 'If you accept our two paragraphs, then it will not stop there.' You cannot have an apology like this and then send off your legal representatives. At least in New South Wales, they did not require the victims to come to court; they allowed affidavits. It was done in a sensitive manner: they narrowed the issues and they did not force the victims to relive the trauma. This is hypocrisy. We are told that this is the way forward, but at the same time this government is giving instructions in a case in the Northern Territory, about which, frankly, if it did not concern indigenous people there would be national outrage. There is a double standard operating.

That is why today I am ashamed. I am ashamed that we, as politicians, have let the nation down. It is not the stolen generation who has let it down. The trauma will continue; this is not where it will end. It is the second-best option, but we will get there. We will get there eventually with open hearts and open minds, and history will judge this Prime Minister as the one who, despite the weight of evidence, could not bring himself to apologise. That is what he will be remembered for.

So it is unfinished business because it does not come from the heart. The tragedy is that there are now divisions in the indigenous community—let us not kid ourselves. People will latch on to that—as if there is not enough trauma out there at the moment. We now seek to put people up on a pedestal. I do not. People can be held to account for their actions—I do not condemn them for them.

In all conscience, in my heart and my soul, I cannot support this motion. If it remains unamended, I will be remaining silent on the third reading. I will be voting for our amendment. Those are my instructions from the indigenous people I have managed to talk to in the last two hours since I had notice of this motion. They want me to remain silent because they are outraged and appalled by this process. It speaks for itself. They have nothing to defend; history will vindicate them. Truth and justice will prevail. We are not shifting. I am not shifting. If that diminishes me in the eyes of others, then I accept that judgment. This is a rotten process. I think it has been unfair on those indigenous people who have been involved in it. We can do this better—we should do this better.

I implore the Prime Minister to pick up our amendment, and then we can go forward. Do not force the trauma of continued court cases. Do not force the trauma on us, as a nation, so that we have to relive this and the stolen generation has to relive this. That is why the second paragraph that we have moved is important on top of the apology. That is how you go forward. Learn from the mistakes of the past—do not repeat them.

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs and Minister Assisting the Prime Minister for Reconciliation) (1.30 p.m.)—The motion moved by the Prime Minister today reaffirms the government's wholehearted commitment to the cause of reconciliation between indigenous and non-indigenous Australians as an important priority for all Australians. This motion needs to be seen in that context because it plays a very important part in furthering the process of reconciliation.

The difficulty we have always had to grapple with is the extent to which there is a divide within our community. Reconciliation itself is about achieving a unity. It is not a question of an approach being better in one person's eyes than others. It is a question about how you can bring everybody on board in relation to the process in which we are engaged.

I have been given the privilege by the Prime Minister to play a part in the pursuit of the reconciliation process. The most important part of it is the extent to which it is becoming a people's process, one in which the hearts and minds of the Australian people are very much involved. It is instructive to look at our history as we approach this issue of reconciliation because there have been attempts earlier in our history to try, in small ways, to pursue these matters.

In my own district we are very much familiar with Bennelong, a Kuring-gai man who was captured in 1789. Governor Phillip tried to learn his language and his customs as well as winning his friendship and utilising his knowledge of the country and resources. There were obviously a range of different elements and motivations in the relationship, without trying to read too much into it. There was at that time obviously a genuine desire to understand the first people of this country, their complex language, their social structures and their culture. It was also motivated by the desire to develop a new and successful settlement.

Macquarie was regarded as more sympathetic than many of his contemporaries on these issues but, sadly, in 1816 he was the instigator of an action at Appin where many people lost their lives in a massacre at that place. The *Encyclopedia of Aboriginal Australia* states that he actually held a meeting of reconciliation in that same year—1816. He established a close relationship with a man called Bungaree. He established Bungaree's people on a farm in the hope that there might be a settlement there in which more indigenous people were involved. He made efforts at education. Even though there were these good intentions, obviously they were fraught with the sorts of difficulties that we have seen dotted throughout our history.

The efforts at understanding and the sympathy that many had with indigenous people's culture and how they fitted into the new settlement were mixed with death and displacement, battles, disease and, later, destructive policies of removal of children and other paternalistic practices. What we have in this motion is an effort to acknowledge each and every aspect of our history and according to it the concerns that we have about aspects of our past.

The situation of Aboriginal people over the time from 1788 has changed step by step to become a very sorry situation for today's generation. The new Europeans tried at times in different ways to ameliorate and prevent what they saw occurring, but we know that we have ended up here in the 20th century with significant issues to address through the reconciliation process.

One of the significant issues that has propelled the debate is that over children who were taken from their families. There are strong personal views on this. We do come together today as representatives of the Australian people to express our regret over the particular mistreatment of our indigenous people and over a range of other historical mistreatments and the consequences which are flowing from those actions.

There has been a litany of past wrongs and mistreatments. There have been killings and massacres, some wrongs motivated by bad motives but others well intentioned. It is unfortunate that at times when people were well intentioned the outcome has sometimes been the opposite, but it is part of our shared history.

There are settlers who have dark reputations for some of their actions. We have had noble indigenous people and leaders who were part of the conflict—the Kalkadoons who were well known for their fight and bravery and others who fought until the end, like Pemulwuy and Jandamarra. We had those times of killing which resulted in more killing. In contrast we gradually moved to where European people tried to help Australian Aboriginal and Torres Strait Islander people, but most of what they saw was a continuing decline in their situation.

In more recent times we have seen significant changes in our history. For example, we had the decision of the McMahon government to move away from the policy of assimilation. That was probably one of the more significant steps and one that is often not acknowledged or understood. More recently there have been the policies which we have developed to

address the Mabo and Wik decisions. These types of changes have been perceived as dramatic and generally positive. They have held out promise, but the progress has not come as quickly as we would have liked. The development has often been painful, and of course implementation is still before us. At times when we have thought new policies and approaches were going to bring about very significant change in the daily lives of our indigenous people, if we look at the outcome it is very hard to see where they have been able to achieve those ends. The lessons of history are that we have a hard road in front of us with a lot of hard work all round to see that indigenous people have the opportunity and the means to take up those opportunities in Australia today.

There have been steps forwards and backwards. I think it should be understood that the direction has been positive. We grapple with the issues of health, education and employment, and in each of the areas of public policy to which this government has given a priority—and it is important to recognise that over time there have been appallingly low levels of performance—there has been significant change but not enough. There were times when we had few indigenous people with tertiary education. Today we have many hundreds, if not thousands, and we have young people like Aden Ridgeway emerging. But he is one of many who have taken education and used it extraordinarily effectively to become more effective spokespersons for their people. These changes are much more than just symbolic. They are about implementation and change, and the necessary improvement is coming about. But unless we deal with our history, of course, the capacity to implement those changes more effectively is hampered.

And so we come today at a very historic occasion, one which I hope will help very much in the process of reconciliation on which people's minds have recently been focused. We have an indigenous people and a wider community that need to relate to and embrace each other. We are working with the Council for Aboriginal Reconciliation to set up a framework in which that can happen, where we can have real outcomes.

I have been very cautious about how that is going to work. The government is very much committed, but the task is difficult and long and it needs to be one which ultimately influences the hearts and minds of the people. We cannot afford to pass each other by in the streets without our eyes meeting and without understanding each other. The effort for reconciliation is taking place through the very public consultations occurring right now in the country towns, in more remote centres and in our great cities. People are coming together, meeting with each other and trying to talk through the document that has been drafted and the strategies that have been developed. That is the process of making it far more of a people's movement.

This government has had a very strong focus, of course, on practical improvements to the lives of indigenous people and we have put in place a range of programs designed to ensure that. I have been very gratified, as a member of the government, to see the efforts my colleagues have been making in the areas of employment, education and health, in particular. These programs that they have worked on are important on a very practical basis.

Here today we have this very important symbolic step with the focus very much upon acknowledging our history and expressing our deep and sincere regret that indigenous Australians have suffered injustices over past generations but where we seek very much to move forward as a nation. Those last words in the motion—'believes that we, having achieved so much as a nation, can now move forward together for the benefit of all Australians'—are summed up not only in the reconciliation process but also in the prospect we have of voting for a new preamble for our Constitution. This will be an important opportunity for the Australian people as a whole to be involved.

I want to conclude my remarks today by noting that the practical and symbolic mix to bed down the issues that have divided us for so long need agreement and unity. It is preferable to bring all Australians on board. I am not talking about Australia reaching a position where the parliament or the govern-

ment has finalised its action and its decisions; I am talking about moving on with the process of the reconciliation document that is before us, with all members of parliament being involved with their communities in bringing along all of the individuals who are so important to changing attitudes within this community.

Going back to the lessons of history, I think now is the time to challenge the earlier outcomes of that history. The history of the relationship between indigenous people and the wider Australian community is dynamic and changing now. But we want the changes talked about in this House to be accompanied by a belief in the hearts and minds of the people across the country and a recognition that indigenous people are visibly and actively part of our national life and are recognised for their culture and their achievements in Australian life. In that sense this motion is enormously positive. This is a day when we have heard a great speech from our Prime Minister, complementing a great speech last night—a magnanimous speech—by our second indigenous representative in this national parliament.

Mr SNOWDON (Northern Territory) (1.44 p.m.)—I first came to this parliament in 1987 and I have seen some very important days in the life of the parliament. A resolution passed by the parliament in this House in 1988 was one of the most important days of my life. But I cannot say that I am proud to have been here to listen to the Prime Minister this afternoon, because I think he has diminished us. I am concerned because I do not think our Prime Minister understands—I genuinely think he does not understand—the gravity of some of his words, when he uses a voice which has a lot of gravitas and talks about making maximum contributions to achieving reconciliation. Words must have meaning; making these sorts of statements without accompanying actions is meaningless.

When he talks about making a practical contribution towards reconciliation, he must have something in mind about what that is. What genuine actions is he taking, is his government taking, are we as a parliament taking? When he says we should confront the uglier parts of our national history, I agree. But I recall a speech in which the Prime Minister talked about the black armband view of history. I recall a speech in which the Prime Minister was very uncharitable about people who adopted a view that somehow or other the rights of indigenous Australians needed to be redressed. I recall those speeches. I recall the times when, in this parliament, this Prime Minister has not been able to bring himself to accept, as a fundamental principle, what justice is all about—a simple expression and a simple apology to indigenous Australians, particularly the members of the stolen generation.

The Prime Minister lauded a speech by someone who I think is a fine man, Aiden Ridgeway, in the parliament last night. But I do not agree with Aiden Ridgeway, and I certainly do not agree with the Prime Minister. There is no way in the world, as my leader said this afternoon, that this can be seen as anything other than indigenous Australians being required to come the distance and the Prime Minister effectively doing nothing, because the words which are being proposed by the Prime Minister's proposed resolution appease him. They are an action of appeasement. Because you, Prime Minister, cannot bring yourself to apologise, we will appease your will. We understand that you are blinkered and blinded by the contradictions which are your make-up: the inherent conservatism; your inability to understand and comprehend or know Australian history or to understand the implications of the actions of past governments and what they have meant to indigenous Australians. I do not think you really know, and I am sorry for that.

I have to say that I see this proposed resolution as a cynical political exercise; nothing more. It does not achieve the fundamental objective or the demand which has been made by indigenous Australians across the nation for a national apology.

This Prime Minister can have severe regrets. 'I'm sorry, I sincerely regret not making it to your party on Saturday night.' 'I can regret something'; but he is not prepared to apologise for it. 'I regret the fact that you have suffered hurt but I won't apologise for it.' What does this say about our Prime

Minister? What does this say about this man? And we are asked in this parliament to accept that this speech that he has given this afternoon and the motion which he has put before the House will achieve some fundamental objective in terms of reconciliation. Well, reconciliation comes at a price, Prime Minister. It comes at the price of your walking those extra yards, and you are not prepared to walk those extra yards.

Why is it that only a few short months ago you were not prepared to do what you have done today, as our leader said this afternoon? Because you are incapable of doing so. I feel sorry for that, and I feel hurt that I have got to sit in this parliament and listen to a Prime Minister who asserts that he is concerned about the rights and interests of indigenous Australians, yet he cannot apologise.

He says he has spoken to indigenous leaders. I will tell you something, Prime Minister: so have I. I spoke to those people in my electorate who started this process about the stolen children, the 'bringing home' conference, which I attended in late 1994, which stimulated the discussion and caused the then Keating government to bring about the inquiry which was launched by this parliament in 1995. The report was brought down in 1997.

One of the people who was crucially involved and centrally engaged in that report was a very good friend of mine and a great Australian, Mick Dodson. This morning we have had some correspondence from Mr Dodson. In this correspondence, Mr Dodson says:

> I have some comments about the proposed motion. I think at first it is useful to be reminded of the relevant recommendations of the "Bringing Them Home" Report.

Remember this report? We debated it here in the parliament. He then quotes recommendation 5(a), which talks about this apology. Of course, he has got access to the motion that has been moved today. He says this:

> The proposed motion provides no apology, which is so central to the principle of reparation.

Understand that it is 'central to the principle of reparation'.

This Prime Minister and his government do not understand what this debate is all about. They think it is about mouthing words in the parliament which are effectively meaningless because they will be accompanied by no action. This is occurring at a time when the Attorney-General, who was in the House just a while ago, is responsible for prosecuting a court case in Darwin in which members of the stolen generation are having their backgrounds impugned, their personalities denigrated and their insides gutted by a merciless Prime Minister and his government through their actions in the court.

I spoke to a member of the stolen generation this afternoon—Harold Furber, a very good friend of mine. He said to me, 'What's the use of someone expressing regret while at the same time they're kicking you in the guts?' That is exactly what is happening. While this Prime Minister is saying, 'I offer my sincere regrets,' outside this place he is putting the boot in like a great bovver boy. Let us be clear about it: that is exactly what is happening in this Federal Court case in Darwin. If you read the transcripts and find out the instructions which have been given to the Commonwealth's representatives in that court, you will understand what is happening. The Commonwealth is running this case and further harming the plaintiffs and their witnesses.

I know these plaintiffs. They are members of my community: Mr Peter Gunner and Mrs Cubillo. The claimants, Peter Gunner and Lorna Cubillo, have had to give evidence for many days. Reliving their experiences under extensive cross-examination conducted by the Commonwealth's lawyers is only compounding the damage caused by the original wrongdoing. It should be understood that it is compounding the damage, just as the inability of the Prime Minister to say sorry is compounding the damage.

The Commonwealth's lawyers are picking up every technical point. In his opening, the QC representing the Commonwealth, Douglas Meagher, cast serious aspersions on Aboriginal women and their sexuality and made offensive comments about the Aboriginal race at the time. These are the Commonwealth's

actions in the court, while we speak, while this Prime Minister is saying that we should accept this action of his today, this motion, as a sincere act of reconciliation. It is nothing like a sincere act of reconciliation, because it is accompanied by no action.

What they have done is to delve into the private lives of these people in a most pernicious way. We have had vicious and personal cross-examination and a win-at-every-cost approach being adopted by the Commonwealth. This is the reality. This is what is happening now, today. And we are being told by the Prime Minister that somehow or other his motion is a genuine act of reconciliation. It is nothing of the sort, unless it is accompanied by what we in the opposition have asked for—that is, the establishment of appropriate processes to provide justice and restitution to members of the stolen generation through consultation, conciliation and negotiation, rather than requiring indigenous Australians to engage in adversarial litigation in which they are forced to relive the pain and trauma of their past suffering.

Let us not believe that other indigenous Australians are not of like mind on the views that I have just expressed and the views of Mick Dodson. Let me read a statement from the stolen generations group in the Northern Territory which is dated today, 26 August:

> The Northern and Central Australian Stolen Generations Aboriginal Corporations have questioned the Federal Government's commitment to an apology to the Stolen Generations.
>
> "On the one hand we have a Government in Canberra trying to find the right words for an apology whilst in the Northern Territory, expensive Commonwealth lawyers are conducting a vicious and aggressive legal defence against two elderly members of the Stolen Generations . . .
>
> "How can they be serious about regret while they pour millions of dollars into fighting our compensation claim tooth and nail? How can they be serious about atonement if they will not consider some form of compensation to the individuals whose lives were devastated . . .
>
> "We estimate . . .

And it goes on to refer to the cost of litigation. That statement was signed by Lyndsay McGuinness and Harold Furber. I have another statement signed by Richie Ah Mat from the Cape York Land Council, Archie Tanner from the Cape York Land Council, Galarrwuy Yunupingu from the Northern Land Council, Mary Yarmirr from the Northern Land Council, Norman Fry from the Northern Land Council, Murrandoo Yanner from the Carpentaria Land Council, David Ross from the Central Land Council, Brad Foster from the Carpentaria Land Council, Peter Yu from the Kimberley Land Council, and Pat Dodson. What do they say? They say:

> We call upon the Australian People and all political parties to stand by the recommendations of the Report of the 'National Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from their Families' in relation to an apology to the Stolen Generations. Do not be caught up in this hasty and disgraceful pretence when members of the indigenous peoples have already suffered so much indignity. The word 'sorry' must be used—nothing less is acceptable on behalf of our peoples.
>
> The apology has to be one that is unreserved and that has a commitment to restitution for hurt and trauma that was caused to, and continues to be suffered by, the Stolen Generations. This should include compensation, without requiring Indigenous Australians to engage in adversarial litigation. We should not forget that the separation of indigenous children from their families is an act of genocide.
>
> We call upon all parties in the Parliament to acknowledge that saying sorry removes a heavy burden that the Stolen Generations has been carrying and involves giving something back to those who have suffered.

Is that too much to ask? The Prime Minister comes into this House with a backroom deal which does not acknowledge any of those things, which does not get to the heart of the matter, which does not deal with the proper issues involved with reconciliation. We need to move forward, Prime Minister. But to move forward requires your action—not this sorry approach and attitude you have adopted to this issue. What you must do is to go to the Northern Territory and sit down with members of the stolen generation. Why can't you do that? Why can't you bring together members of the stolen generation and negotiate terms with them, instead of forcing them through litigation? Why can't you do that, Prime Minister? Why can't your government do something meaningful for indigenous Australians? Why can't your government do something meaningful for reconciliation,

instead of these empty words? I can't support your proposed resolution, Prime Minister, and I won't.

Mr ANDREN (Calare) (1.59 p.m.)—Mr Speaker, I would like to reserve my right to speak after question time. No-one could disagree with paragraphs (a), (b) or (c) of the government's motion. While we are arguing about the differences between various words, we should look at the reference in paragraph (d) to 'shared history', which began in 1770 or thereabouts. That very mention of shared history reflects, I suggest, concerns over prior occupation and the fiction of terra nullius that was exposed by the Mabo judgment. I will reserve my comments on the motion and the amendment until after question time.

Mr SPEAKER—Order! It being 2 p.m., the debate is interrupted in accordance with standing order 101A. As the member for Calare is aware, he will have leave to continue speaking when the debate is resumed.

CONDOLENCES

Gullett, Mr Henry Baynton Somer

Mr SPEAKER—I inform the House of the death on Tuesday, 21 August 1999 of Henry Baynton Somer Gullett, a member of this House for the division of Henty from 1946 to 1955. As a mark of respect to the memory of Mr Gullett, I invite honourable members to rise in their places.

Honourable members having stood in their places—

Mr SPEAKER—I thank the House.

QUESTIONS WITHOUT NOTICE

Economy: Capital Investment

Mr CREAN (2.01 p.m.)—My question is to the Treasurer. I refer to the Treasurer's latest gold medal performance, this time on capital investment. Does the Treasurer recall saying on 1 June 1994, 'You can't run sustained economic recovery without growth in business investment'? The next day he said, 'Without investment you don't get real jobs.' Treasurer, don't today's investment figures show a 16 per cent fall in private investment spending in the June quarter, a 13 per cent fall in investment on equipment, plant and machinery and a 17 per cent fall in investment intentions? Isn't this the biggest quarterly fall since the series began?

Mr COSTELLO—We know that the Australian Labor Party will try to jump at every perceived negative, but I am afraid that they draw a blank again, as per usual. The Australian economy is growing at about 4.8 per cent, which of course is faster than the United States, Britain, France, Germany, the OECD, G7 and all of Asia. The government has forecast that in the course of 1999-2000 economic growth will 'slow' to about three per cent. Such a slowing would still make Australia probably the fastest growing developed country in the world. The CAPEX figures which were released today illustrate the reason why the government forecast a slowing in the economy. After record years of business investment in the midst of the biggest downturn in the economy that we have seen since the Second World War, the government forecast in its budget that CAPEX would slow in 1999-2000. In fact, we forecast that the rate of increase would be zero. For all those economists who have been saying in recent times that the government would be exceeding its forecasts in 1999-2000, the business investment figures which we see today reinforce the forecast which the government put out.

Mr Crean—So you expected this?

Mr COSTELLO—We forecast this. We did not expect it; we forecast it.

Mr SPEAKER—Order! The Deputy Leader of the Opposition has asked his question and will listen to the answer in silence or I will take action.

Mr COSTELLO—You open up your budget papers, turn to that part called 'forecast' and you read it.

Mr SPEAKER—The Treasurer will come to the question.

Mr COSTELLO—That is normally what shadow Treasurers do rather than get themselves engaged fixing up problems with the ACTU, which is comprehensively left out in the cold by the Australian Labor Party. As stated in the budget, the weak international environment has affected business investment,

particularly those parts of the economy exposed to overseas markets. This comes after six years of strong growth which carried business investment as a share of GDP to historical highs. Positive fundamentals continue to underpin investment with strong corporate profits, business confidence and low interest rates. I said yesterday in the House that official interest rates in Australia are now some 50 basis points lower than in the United States. Of course, home mortgage interest rates—

Mr Crean interjecting—

Mr SPEAKER—By any measure, the chair extends to the Deputy Leader of the Opposition a great deal of latitude. If he wishes to continue interjecting, he will be treated as all other members are treated.

Mr COSTELLO—Mr Speaker, he is a hereditary peer!

Mr SPEAKER—The Treasurer will come to the answer to the question asked. Any suggestion of reflection on the chair will be dealt with appropriately.

Mr COSTELLO—Mortgage interest rates are at 6½ per cent or a little under from the 10 per cent plus that they were when the government came to office. Data released next week are expected to show that the current account deficit in the June quarter will be somewhere in the sixes as a percentage of GDP, again consistent with a budget forecast of 5½ per cent for 1998-99 as a whole. From 1 April 1999, coking coal producers are receiving prices on average 17 per cent lower in US dollar terms than they were in March, with steaming coal prices down by about 13 per cent on average.

Following two years of very solid growth in excess of four per cent on a one per cent inflation rate, with unemployment the lowest in the decade, with mortgage interest rates the lowest since man walked on the moon, with nearly 500,000 new jobs created over the last three years, with a budget now in surplus, with $24 billion of Beazley debt repaid and with a path to eliminate Commonwealth debt by 2003, a slowing in 1999-2000 to around three per cent is forecast before a pick-up with the international economy in 2000-01, with the introduction of the new taxation system, with personal income tax cuts and with a modernisation of the indirect tax base—all reforms which this government has been putting in place and which will carry Australia into the next century.

Regional Forest Agreement: Eden

Mr NAIRN (2.08 p.m.)—My question is addressed to the Prime Minister. Can the Prime Minister inform the House of any further progress in generating jobs in regional Australia? Has the government been able to balance the importance of jobs with legitimate concerns on the environment?

Mr HOWARD—I do have good news for regional Australia. I particularly have good news for the people of Eden-Monaro, who are so magnificently represented in the national parliament by the member who has just asked me the question. I am very pleased to say that the Commonwealth and New South Wales governments have now concluded the Eden Regional Forest Agreement. This is the sixth regional forest agreement to be signed during the time that the government has been office. Between 1992 and 1996, there were no regional forest agreements signed. We have been able to balance the interests of the environment and the interests of employment and industry. We always do, because we believe in jobs. We believe governments have a responsibility to protect and, where possible, to generate jobs in regional Australia. That will happen in relation to the regional forest agreement that has just been signed.

Of the six regional forest agreements that have already been signed, almost 1,500 direct jobs are expected to be created, with many more indirect jobs to flow. The six RFAs have added around 850,000 hectares of new reserves, and almost $360 million of new investment in Victoria alone can be traced to the RFA signed in that state. Some 100,000 hectares of new reserves come out of the RFA for Eden. Fifty new jobs will result. Once again, we have achieved a balance between jobs and the environment. We are not unbalanced in our approach. We seek balance. We believe in the environment, and we believe in jobs. We are hitting runs on both grounds. We are hitting boundaries in both games. We are

creating jobs and we are looking after the environment.

The reason we do that in regional Australia is in no small measure due to the quality of regional representation in the government ranks. When I look around behind me, I see all of these people who represent in a magnificent way the regional electorates of Australia. There is no finer example than the member for Eden-Monaro, who has campaigned tirelessly for the interests of the people whom he represents. This regional forest agreement is good news for Eden-Monaro. It is more jobs, more investment, more reserves and more win-win outcomes for the people of Eden-Monaro. He deserves a lot of the credit for what has been achieved.

Aged Care: Fees and Payments

Mr SWAN (2.11 p.m.)—My question without notice is directed to the Minister for Aged Care. Is the Minister aware that federal health department officials are advising nursing home residents to get divorced to avoid paying nursing home fees? Minister, do you agree with your officials that advising an elderly couple to divorce is an appropriate way of avoiding paying your fees? Are you aware of the Prime Minister's recent announcement that marriage and relationships are central to a national families strategy? Why are you forcing elderly Australians to divorce in direct contradiction to your own family policy? And when are you going to apologise to the families who have been given that advice?

Mrs BRONWYN BISHOP—This man never learns. Part of his problem is that he has bothered to pick up an elderly report—and I use the word advisedly—in a newspaper but has not bothered to follow it through to see what the response is. The response is very simple. The Department of Health and Aged Care gives no such advice. An allegation was also made that there was some evidence that Centrelink had given some advice along those lines. The fact of the matter is that there is some confusion—and obviously in your mind as well—that Centrelink could well be advising people in accordance with the instruction that, where some people are still partnered but are separated by illness, a separate payment is made to those people which increases the pension entitlement they have.

Just so you will know for future reference and you can deal with it, for a single home owner with a family situation where no pension is paid and where the assets are above $250,000, that threshold rises to $426,000 where a person is partnered but separated by illness. In other words, a person who is partnered but separated by illness is treated with compassion, is treated as being in that difficult circumstance for the purposes of the assets test and is in no way conditional upon somebody purporting to be told they have to divorce, which is clearly not the case.

Mr Howard—You ought to apologise to them. You're the one that owes the apology.

Mrs BRONWYN BISHOP—What is required here is that the member who asked the question needs to apologise to the elderly whom he is confusing and upsetting. And, of course, we have a long record of that, don't we? We have a long record from the Labor Party, which went around scaring all the people with mistruths and lies to the extent that the dimmer of the glimmer twins is still trying to learn from the former—

Mr Swan—Mr Speaker, I raise a point of order on relevance. This concerned advice from Centrelink on divorce and I seek leave to table that advice.

Mr SPEAKER—On the point of order—

Mr Beazley—He has sought leave to table that advice.

Mr SPEAKER—The member for Lilley rose on a point of order and said that the point of order was on relevance. I will deal with the point of order. If the member for Lilley seeks leave to table the document, he may do so separately. The member for Lilley asked a number of questions and the minister's response is entirely relevant.

Mr Beazley—I seek leave to table the document which the member for Lilley wished to table.

Mr SPEAKER—As was self-evident to everybody in the chamber, I was perfectly happy to hear the member for Lilley and determine whether or not leave would be

granted. It was not necessary for that action to be taken by the Leader of the Opposition. Is leave granted?

Leave not granted.

Mrs BRONWYN BISHOP—I would simply say to the opposition that, if they really had the interests of older Australians at heart—particularly those who are separated by illness—they would learn some compassion and not seek to fill them with fear. They should let them know the facts, let them know the truth, so that they are not misled by those who simply want to peddle fear.

East Timor: Ballot

Mrs MOYLAN (2.17 p.m.)—My question is addressed to the Minister for Foreign Affairs. Can the minister inform the House of the government's response to developments in East Timor in the lead-up to the historic ballot on 30 August? What has the Australian government done to help bring this ballot about?

Mr DOWNER—First, can I thank the honourable member for Pearce for her question and interest in this historic process in East Timor. Members of the House will be aware that on Monday the people of East Timor will have a once in a generation opportunity to resolve the problem of East Timor. I can say to the House that there are risks, of course, but the government is cautiously optimistic about the ballot itself on Monday. We are very proud of the role that Australia has played in this historic process—from the Prime Minister to the secretary of my department to our ambassador in Jakarta to the task force in my department and to the many other officials in Australia and abroad who have helped with this process. We are also very proud of the Australians in East Timor including the 107 Australians in the United Nations mission, UNAMET. Those people are very much in our thoughts and we will continue to fully support UNAMET after the ballot has taken place.

A difficult and possibly dangerous period still lies ahead. Continuing levels of militia violence and intimidation, especially in the western part of East Timor, are unacceptable. I told Foreign Minister Ali Alatas on Monday evening that it is absolutely critical that the Indonesian authorities take decisive steps to stop militia violence. The world is watching events in East Timor very carefully and Indonesia's international reputation is very much at stake. In this difficult environment, we are particularly concerned about the safety of the many Australians in East Timor and we are advising them of the potential threats to their safety. The Australian government has also made clear to the Indonesian authorities that any threat of death or injury made against Australians in East Timor is completely unacceptable and that the consequences of any harm befalling an Australian would be very serious indeed.

Let me make one final point: this is a tense and difficult time. I urge members of this House and the Senate and the media and other commentators to avoid statements and claims which may be excessive and inflammatory. This is not a time for hyperbole or beat ups for the sake of a headline by anybody. We want to see this ballot happen and happen successfully. We want to see the issue of East Timor, after a generation, resolved once and for all.

DISTINGUISHED VISITORS

Mr SPEAKER (2.20 p.m.)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from Ireland led by Mr Seamus Pattison, the Speaker of the Dail Eireann; Senator Brian Mullooly, the Chairman of the Seanad Eireann; and Dr Rory O'Hanlon, the Deputy Speaker of the Dail Eireann. May I indicate to our guests that it is always a pleasure to have a delegation from Ireland visiting us, and a delegation led by the two presiding officers and by a deputy presiding officer is one that is particularly welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Nursing Homes

Mr JENKINS (2.20 p.m.)—My question is directed to the Minister for Aged Care. Is the minister aware of the 100-year-old World War I veteran from Victoria who was unable to get a bed in a nursing home last week? Is it not

a fact that the government has cut 7,846 aged care places in the last three years and that waiting times for a bed have blown out to nine weeks? Very much with the interests of elderly Australians at heart, I ask you to explain to elderly Australians why, despite all your graphs and rhetoric, they are forced to go on radio to plead for a nursing home bed under the Howard government's continued maladministration of aged care.

Mrs BRONWYN BISHOP—Yes, I am aware of that story that was heard on the press. I am also aware of the action that was taken. Indeed, that particular person, who was in a hospital and was looking to be moved from a hospital to an aged care facility, was offered first—

Opposition members interjecting—

Mr SPEAKER—Order! The minister has the care—the call.

Opposition members interjecting—

Mrs BRONWYN BISHOP—I find it quite appalling that these people on the other side find that amusing. This 100-year-old veteran was offered alternative places where he could have gone. They were not found to be satisfactory. Subsequently, one was found that was satisfactory, but the veteran has subsequently passed away. That is a cause of sadness for his family. But the fact of the matter is that, before that occurred, he was offered a place but the family did think that they wanted something else. So it was a question of choice. Finally one was found, but unfortunately the veteran died. In other words, proper action was taken—

Ms Macklin—After the radio.

Mrs BRONWYN BISHOP—No, the place was offered prior to the radio, but the family did not like the place that was offered. Subsequently, one they did like was offered but, unfortunately, he then passed away.

East Timor: Safety of Australians

Dr SOUTHCOTT (2.24 p.m.)—My question is addressed to the Minister for Defence. Can the minister inform the House what steps the government is taking to ensure the safety of Australians in East Timor?

Mr MOORE—I thank the member for his question. Only this morning the member was in my office pursuing a defence issue, and I am very appreciative of that. As the Minister for Foreign Affairs has made clear, we hope that the upcoming ballot in East Timor will be conducted peacefully and we are generally optimistic about the prospects. However, the security situation in East Timor is tense. There has been continuing violence and intimidation in many parts of East Timor and there is a real risk that the violence could become more widespread in the lead-up to and after the ballot date.

There are many Australians in East Timor at present, including those participating in the United Nations mission, aid workers, journalists and, as of today, official observers. The government is concerned about the possibility of violence directed at Australians, and we continue to urge restraint on all parties. Both the foreign minister and I have emphasised to the government of Indonesia in recent days that ensuring security in East Timor remains the responsibility of the Indonesian army and police. The government has urged the Indonesian government, on many occasions, to take the necessary steps to restore law and order in the province and to ensure the safety of Australians. We have also been in close consultation with the United Nations on the situation in East Timor.

In addition, the government is taking prudent precautions to ensure the safety of Australians. I have today as a matter of routine precaution directed the Australian Defence Force to be prepared to assist in the evacuation of personnel from East Timor, should that be needed. We are informing the Indonesian government and the United Nations of these preparations. I want to stress that we are making these preparations to allow us to respond in the event that we are called upon to secure the safety of Australians, as we have done in the past whenever unrest in our region has put the safety of Australians at risk.

Nursing Homes and Hostels: Surprise Inspections

Ms GERICK (2.26 p.m.)—My question is to the Minister for Aged Care. Isn't it a fact

that the Commonwealth can no longer carry out surprise inspections of nursing homes and hostels but has to write a letter to aged care providers asking them for permission to enter a nursing home, and only after a complaint has been made? How can you claim to be cracking down on poor quality nursing homes when you have effectively nobbled the powers of the Commonwealth to properly investigate complaints made by residents?

Mr SPEAKER—The member for Canning will come to the question.

Ms GERICK—Will you change this new rule, or is this yet another example of the criticism of you by the aged care sector that you 'have the power to act decisively now and are failing to do so'?

Mrs BRONWYN BISHOP—In one word, the answer is no. Indeed, the Accreditation Agency can inspect a facility when they wish. Yes, they may take a letter with them but, no, they do not have to give an extended period of notice. They can go when they wish.

Mr Zahra interjecting—

Mr SPEAKER—The member for McMillan!

Mrs BRONWYN BISHOP—No, they do not have to give notice. The fact of the matter is this government will not tolerate what you as a government tolerated. This government is demanding that there be a proper standard of care. Under the Labor Party—let me remind the House that in 10 years they closed down four homes. Not only did they not meet their own benchmark for the right number of places to be in place and left us 10,000 places short, which we are making up, but they now have the sheer hypocrisy to come into this place and try to defend a system that they had in place, which left people in nursing homes which quite frankly I will not tolerate. The new system of accreditation has the strong support of the consumer groups. I am delighted to say that I am obliged to the Democrats for working together with us to have a good outcome, so that the new accreditation principles will be in a position to be signed—in all probability—next week. Then we will have in place the new system, which will simply outlaw the sorts of conditions that you people let stay in place.

Let me tell you from a very personal point of view that, having looked at more nursing homes than you obviously ever did when you were in power, there are places where you simply would not have someone you loved be placed. If it is not good enough for my family or your family, it is not good enough for anybody else's family either. That is precisely what, once we have our new system in place, will no longer be tolerated. I welcome these sorts of questions because they allow me to expose the sheer hypocrisy of these people who put up with these sorts of conditions for that length of time and who did nothing about looking after older Australians—their welfare, their dignity and their quality of life.

Industrial Relations: Junior Wage Rates

Mr NEVILLE (2.30 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Minister, could you inform the House of the practical application of the government's efforts to provide for the continuation of junior wage rates?

Mr REITH—I thank the member for his question. The practical implications are that we will see the preservation of existing jobs and also the prospect of more jobs being created for young people—and that ought to be welcomed by everybody in the House. This is a very high priority of the government.I thought it was very well summed up by a young lady,

Tamarin Herich, who is quoted in the *Advertiser* this morning. Talking about the decision on junior rates, she said:

I think they should leave the system as it is. It's an incentive for employers to hire young people.

She is on a junior wage and sees the benefit of that system in her own circumstances. I think she speaks on behalf of a lot of young people who take the same sensible attitude. Timothy Piper from the Australian retailers said:

It's a recognition that the retail industry is helping young people get started. We employ 48 per cent of people aged between 15 and 19. Those figures

wouldn't have been maintained unless this arrangement had gone through.

That decision, that policy direction and that leadership of this government have protected literally hundreds of thousands of jobs. We have corrected a mistake made by the Labor Party six years ago, and it is a fantastic win for young people. The *Australian Financial Review* said as the heading of its editorial, 'A sensible deal on junior pay'. It remarked in passing:

The world is moving on. Only the unions are left behind looking ridiculous and irrelevant.

Clearly, the unions are not happy. Doug Cameron said that it was a 'reprehensible decision'. One of the things that I think annoyed Joe de Bruyn, who is a well respected leader of the largest union in the country, was that the Labor Party was simply not prepared to sit down and have a fair discussion with the ALP affiliates. They did not tell them; they did a deal with us before they even talked to their own mates in the trade union movement. Don Farrell, the national president of the shoppies, said that he was 'shocked and appalled' at this decision of the Labor Party.

We welcome the decision. Clearly, one of the practical consequences is that it has set off a few ramifications within the Labor Party. I was interested to note this morning that we had the full range of emotions within the Labor Party backbench. First of all, there was confusion. As one Labor backbencher has been reported as saying, 'I had people screaming at me down the phone.' We know that was coming from Swanston Street and the ACTU.

Mr McClelland—Mr Speaker, I raise a point of order. How can this possibly be relevant to the subject matter of the question?

Mr SPEAKER—The minister is responding to what is a newspaper reaction to the announcement made yesterday. The question was entirely about the announcement yesterday.

Mr McClelland—Mr Speaker, I raise a further point of order. How is newspaper reaction relevant to the subject matter of this minister's portfolio?

Mr SPEAKER—I have ruled on the point of order and it is very difficult, clearly, for any reference to an announcement made yesterday and contained in today's newspapers to be deemed out of order.

Mr REITH—On one hand, confusion; on the other, reality. One backbencher, one senior Labor Party figure, has said, 'We're not a union bosses party,'—well, that is news to us—'we're a party for workers and their families and they want junior wage rates.'

Mr Horne—Mr Speaker, I raise a point of order. You have ruled that the minister is being relevant. But the question that was asked was not on a newspaper response but on the practical implications of the continuation of junior wage rates. We are all capable of reading the papers.

Mr SPEAKER—The member for Paterson will resume his seat.

Mr Neville—Mr Speaker, further to the point of order: I asked the minister about the practical applications, and that is precisely what he is answering.

Mr SPEAKER—As all members of the House know, rulings on relevance are always difficult. But it would create a precedent for the Speaker to determine that the newspaper articles so directly related to the question asked were not relevant in the context of the answer.

Mr REITH—Mr Speaker, I will happily keep the pain to a limited level: confusion on the one hand, reality on the other and seriously, because it does go to the policy issue, opposition within their own ranks. As one who was not prepared to be named said anonymously, 'We're supposed to be on the same side'—referring to the trade unions. There is a pressure on the Labor Party to reverse this position. It seems that the Labor Party has stuck to the agreement that we have got. In fact, so keen is the Labor Party on the agreement that the Leader of the Opposition yesterday said that the words in the amendment were his words. I am happy to accept that; it is not actually true, but if he thinks the words that we have drafted are so good that he is prepared to personally endorse them as

his own that is excellent. Now the trick for him is to stick to it.

Child Care: Fees

Mr SWAN (2.37 p.m.)—My question is to the Minister for Community Services, and I take the opportunity to congratulate him on his appointment. Minister, will you end the government's denial over the rising cost of child care and admit that many families can no longer afford to put their children into child care and have reduced their working hours or dropped out entirely? Minister, is it not a fact that this graph, based on your own report, shows just how sharply the fees have grown?

Mr SPEAKER—The member for Lilley will return to his question.

Mr SWAN—It shows that fees have grown by 20 per cent, while government assistance has been frozen. Minister, now that the government has admitted that child care has become unaffordable for most families, what are you planning to do to keep the cost of child care down?

Mr Pyne—Mr Speaker, on a point of order, the member for Lilley in his question quite clearly was referring to graphs and argument. Under standing order 146 that is not allowed, and I would ask you to rule either that part of the question or the entire question out of order.

Mr SPEAKER—Members would have noted that when the member for Lilley referred to the graph I did, in fact, draw his attention to the fact that—while I did not say it was out of order, he was aware of what I was indicating to him—that sort of behaviour was not acceptable. I have allowed the question to stand, because he did, in fact, do as the chair suggested he ought to do.

Mr Price—Mr Speaker, on the point of order, standing order 146, which was the standing order quoted, says:

> A question fully answered cannot be renewed.

Government members interjecting—

Mrs Crosio—You just said 146.

Mr Tuckey—You don't quote any numbers.

Mr SPEAKER—The House will come to order! As the member for Chifley and anyone familiar with the standing orders will know, it is not appropriate to use graphs and illustrations. Standing order No. 144 is the appropriate standing order. I nonetheless have ruled—I believe fairly—in this case and call the minister.

Mr ANTHONY—Thank you, Mr Speaker. I would also like to thank the member for Lilley for his question; it has only been 74 questions before I have had one, so it is terrific. I did have a graph myself—but I will not table that—which outlines the cost. It is interesting that the member for Lilley should talk about the rising cost of child care, because for the last three years that the Labor Party was in government the cost of child care went up by 8.5 per cent, compared with four per cent in the last three years we have been in power. The other interesting point—which I know the Prime Minister knows only too well—is that we have actually spent $3 billion over the last three years, which is 20 per cent more than when the ALP was in government. Further, the red on this graph is actually the Labor Party. I do not want to embarrass you—

Honourable members interjecting—

Mr SPEAKER—The minister will resume his seat! The House will come to order! The performance by the Leader of the Opposition, the minister and members of both sides has been less than the constituencies of any one of us would expect.

Mr ANTHONY—Thank you, Mr Speaker. The point I was emphasising is actually that the coalition government have spent more in child care in the last three years—an extra 20 per cent more—than the Labor Party did when they were in government. Further, in the next four-year period there will be $5.3 billion spent in child care—and an extra $600 million when the child-care benefit comes into play at the beginning of the new tax system. So it is absolutely outrageous to say that fees have been increasing more since the coalition have been in government than when the Labor Party were there. My final point is that an extra 230 child-care centres have opened up since we have been in government.

Private Health Insurance: Lifetime Health Cover

Mr HARDGRAVE (2.42 p.m.)—My question is addressed to the Minister for Health and Aged Care. Can the minister please inform the House of the benefits of the government's Lifetime Health Cover proposal? Is the minister aware of any alternative proposals relating to this issue, and what is the government's response to these proposals?

Dr WOOLDRIDGE—I thank the honourable member for his question and for his interest in the subject. Lifetime Health Cover is a system that rewards people for getting into health care early and maintaining private health cover throughout their lives. It is an important structural reform that will lead to some stability in this industry and help improve the profile of people who have private health insurance. It is a fair system in that it maintains a system of community rating, whereby people are not discriminated against because of their sex, because of their claims history, because of illness or because of age, other than the actual age at which they enter the fund for the first time.

I must say that early on I was surprised to have the Labor Party give in-principle support to this. I thought it might be an end to their carping, negative, opportunistic interventions in health. But I must say that I should not have been surprised, because the Labor Party—true to form—is in fact proposing amendments that would destroy the very nature of the proposal. It is very simple, but it does not appear to be something the Labor Party understands: if you are going to offer discounts for people under 30 years of age, you cannot quarantine that to new entrants; you have to give it to existing members as well. There are some 500,000 people under 30 years of age with private health insurance. To give many of them a discount of two per cent a year would mean that you would have to put up premiums for other members to pay for it, because the money that would be forgone by reducing one lot of premiums would have to be paid for by another lot. So the fact is you would put up premiums about three per cent for everyone over 30 years of age to introduce this. That would mean another $80 per year for the average person paying for private health insurance if the Labor Party's proposals were implemented.

One should not be surprised by this because the Labor Party, of course, have form on putting up the cost of private health insurance premiums. They abolished the bed day subsidy, they took $100 million out of the reinsurance pool, and they reduced the Medicare rebate from 85 per cent to 75 per cent for inpatient services—all of which put up health insurance premiums 30 per cent more than they would have been otherwise. This is another example of the Labor Party not understanding health, and certainly not understanding the private health care sector and, in the words of Graham Richardson, 'They really do not like private health.'

Victoria: Government Schooling

Mr LEE (2.45 p.m.)—My question without notice is to the Minister for Education, Training and Youth Affairs. Is the minister aware of the most recent national report on schooling? Is he aware that this report shows that under Jeff Kennett—the man who closed 380 schools and sacked 8,000 teachers—Victoria now spends the lowest amount per child in government schools of any state in Australia? What action does the minister intend to take in response to these figures or does the federal government support Mr Kennett's attacks on children in government schools?

Dr KEMP—Mr Speaker, it is nice to see that the member for Dobell retains his interest in education. I wonder what has provoked the question. The federal government strongly supports quality education for all Australian children in government and non-government schools and so, I believe, does the Kennett government. In fact, the Kennett government is at the forefront of Australia in promoting reform within the government schools sector. As members of the House will know, this government is very strongly committed to making sure that every young Australian can read and write at an adequate level. When we came into office, some 30 per cent of young Australians could not read and write at a satisfactory level after 13 years of Labor.

The Victorian Liberal government has put into place what I believe to be the strongest program in Australia to lift literacy levels. In fact, every young Victorian is now required in the early years of schooling to do two hours of study on literacy every school day. I believe that is as a result of the leadership that the federal government has given in this vital area for young Australians. I have also been very pleased to see the commitments by the Kennett government to increased expenditure on schooling in vocational education for the 70 per cent of young people who are not going straight from school to university.

The shallow attempt by the opposition to raise the issue of education spending and performance in government schools, in the context of the Victorian election, will be seen for the utter hypocrisy that it is. Unlike the Labor Party, the Liberal Party—state and federal—is committed to results. It is committed to performance and to making sure that young people have opportunities. I am very confident that the Victorian people will be strongly supporting the education policies of the Kennett government.

Telstra: Second Share Offer

Mr SECKER (2.48 p.m.)—My question is addressed to the Minister for Finance and Administration. Minister, can you inform the House what steps the government has taken to ensure that the Telstra 2 share offer is accessible to people living in regional Australia?

Mr FAHEY—I am pleased to receive that question from a very good regional member, the honourable member for Barker. As I indicated to the House last week, during the pre-registration phase of Telstra some 1.8 million Australians pre-registered for the Telstra 2 share offer. That is in addition to the 1.3 million existing shareholders who are automatically pre-registered. This means that some 3.1 million Australians will receive details of the offer, with the prospectus, in a short time. The government will announce details of that offer some time next month.

In addition to that the government has, for the first time, appointed local stockbroking firms in regional Australia. This will ensure that access is given to Australians living outside of our capital cities to participate in the offer. A Western Australian firm, Hartley Poynton, a broadly based Queensland firm, Morgan Stockbroking, and 15 other stockbrokers have been appointed—through a very competitive process—to ensure that regional Australia is given that opportunity.

Those regional broking firms have networks that stretch from Cairns and Townsville in the north, right down the east coast to places like Rockhampton, Ipswich and Bundaberg, into northern New South Wales to Ballina, to Newcastle and Erina on the Central Coast and from Wollongong down to Mornington. Going across to the West, Hartley Poynton have offices in Bunbury, Albany and elsewhere in Western Australia. That gives access to people living outside of capital cities, should they wish to participate in the Telstra 2 share offer. The other thing the government is doing to give Australians access to shares is that on this occasion they will be allocating shares through the Internet. That complements the launch by the Deputy Prime Minister yesterday of Telstra's new high speed digital data service Big Pond Advance. This is a major step forward for 19 million Australians because it will give them the opportunity—in terms of price and in terms of speed—to buy shares through the Internet in Telstra 2. This again demonstrates that this government is constantly aware of the needs of regional Australia, and is always willing to respond to those needs, including with the Telstra 2 share offer.

Dairy Industry: Victoria

Mr O'CONNOR (2.51 p.m.)—My question is to the Minister for Agriculture, Fisheries and Forestry. Minister, have you seen estimates that the Kennett government's decision to fully deregulate the Victorian dairy industry on 1 July next year will force some 20 per cent of Australia's dairy farmers out of the industry? Are you aware that many of the dairy farmers who do manage to survive Mr Kennett's deregulation will almost certainly face a large drop in income? Minister, is it a fact that your backbench is split on various proposals put up by this industry to assist communities to cope with this situation? Why

is it taking you so long to respond to the proposals put by industry? When are you going to get off your hands and show some leadership that will give some comfort to Australia's 13,500 dairy farmers and the many rural communities who depend on the dairy industry for their survival?

Mr TRUSS—May I welcome the shadow minister to the dispatch box for the first time since I became Minister for Agriculture, Fisheries and Forestry.

Mr SPEAKER—The minister will come to the question.

Mr TRUSS—It has taken a very long time for him to get any agricultural issue whatsoever through the Labor Party's question time brief. Of course I am aware that the Victorian government have announced that they intend to deregulate the dairy industry in that state from 1 July next year. That announcement was made very publicly and very loudly, including at the meeting of agriculture ministers in Sydney recently. The dairy industry is responding to that decision and is putting together some proposals as to how the industry should respond to the new regulatory regime that will apply in the nation as a result of Victoria's decision. The government will naturally deal with that package when it is put to us. There is a lot of work being done on it at the present time, and we will deal with those issues at the appropriate time.

Mr O'Connor—We put it to you in April.

Mr TRUSS—Perhaps it might be appropriate, if the honourable member wants to make a constructive contribution to this debate, if he could declare where Labor stands on this matter.

Mr O'Connor—You have had it since April. The industry gave it to you in April.

Mr Vaile interjecting—

Mr SPEAKER—The member for Lyne!

Mr TRUSS—What is their reaction to the regulation of the dairy industry? I can tell you that the state ministers have varying positions, and it would be very interesting to know what your position is. So, when you have got a constructive contribution to make, we will be happy to listen to you.

Nursing Homes: Funding

Mr SCHULTZ (2.55 p.m.)—My question is to the Minister for Aged Care. Has the minister seen reports in the media about a Melbourne nursing home which closed voluntarily after running down care for and services to residents and putting them at risk? What plans does the government have to improve the quality of care for older Australians into the future, and what response does the minister have to the opposition spokesman's claims in relation to income for capital works?

Mr SPEAKER—Before the minister commences her answer to the question, I issue a general warning to all members in the House. Let the constituents of Australia note that any member who is named under standing orders 304A or 303 will have chosen to make sure their constituents are not represented in this place for a period of an hour or a day, as the case may be.

Mrs BRONWYN BISHOP—I thank the member for Hume for his question because I know of his concern that residents in nursing home or hostel care need proper standards. This report related to a home called Alimar. It was found by the accreditation board to be producing substandard care in October last year. By December last year, we had already put in place sanctions which resulted in funding for eight beds being revoked. An administrator was put in place in January. All the residents were moved to alternative care in February. The home was sold, and it is now being refurbished by new owners. It was certified on 19 August, and there are now patients in that facility. In other words, under this government we are making sure that those people who produce substandard care do not remain in the business—but I need the accreditation principles. Again I say that we have worked with the Democrats to get accreditation principles, and I am very grateful to them for their helpfulness in this endeavour. We look forward to having those in place in about a week's time and then the proper accreditation processes can begin.

With regard to the remarks made by the shadow minister about accommodation bonds, I spoke earlier today about hypocrisy—I will

mention it again now. He was concerned with what happens to accommodation bonds. The shadow minister made a comment that he was concerned about the proper use of accommodation fees; that they were being used for capital improvements when they should not be spent for that purpose. And yet this same shadow minister is holding up the legislation in the Senate which provides precisely for the insistence that those accommodation charges be spent on accommodation, retirement of debt or, indeed, care if there is no need for the other two. He has the hypocrisy to complain about protecting the spending of that money when the very bill that provides for its proper expenditure is being held up by the Labor Party. My voice is not going to hold any longer but, believe me, my determination and my anger at the hypocrisy of that lot have no bounds.

Honourable members interjecting—

Mr SPEAKER—I remind the House of a general warning!

Kennett Government

Mr KELVIN THOMSON (3.00 p.m.)—My question is to the Prime Minister. Will he confirm that, in January this year, the federal government announced a $12.59 million infrastructure tax break to Transurban for the E-tag technology to be used in the Melbourne City Link project? Is this funding presently helping to keep Transurban afloat now that the decision has been made not to levy tolls during the Victorian election campaign? Given the conflicting advice from Transurban to the transport minister and to the ASX concerning this issue, should the federal Auditor-General now investigate whether federal funding is being used to underwrite the coalition's re-election prospects in Victoria? Is this not even more important in the light of the strong criticism levelled yesterday by the former Victorian Auditor-General against the secrecy and non-accountability of the Kennett government?

Mr SPEAKER—I will allow the question to stand, but I would remind all members of the standing order that indicates that questions should not contain argument. There has been an increasing tendency for questions to be asked and in them an argument to be framed.

Mr HOWARD—I will make a heroic assumption for once and accept that what he said about something we said is right, and that is a heroic assumption. On that heroic assumption, the answer to the question is: I would not have thought so but, as you know from other answers I have given, what the Auditor-General does is a matter for the Auditor-General.

Australian Sport

Ms GAMBARO (3.01 p.m.)—My question is to the Minister for Sport and Tourism and Minister Assisting the Prime Minister for the Sydney 2000 Games. Minister, it has been a great week for Australian sport, particularly our swimmers.

Mr SPEAKER—The member for Petrie will come to her question.

Ms GAMBARO—Could you please explain what steps the government is taking to ensure that the momentum continues right up to the Sydney Olympics?

Mr Kerr interjecting—

Mr SPEAKER—The member for Denison will excuse himself from the House under the provisions of standing order 304A.

The honourable member for Denison thereupon withdrew from the chamber.

Miss JACKIE KELLY—I thank the member for Petrie for the question. I do not think parliament would be complete this week without some mention of Australia's outstanding sports performance, starting with Greg Alexander's retirement from the Penrith Panthers on Sunday, Kostya Tszyu's great performance, and the world athletics championships in Seville.

Mr O'Keefe interjecting—

Mr SPEAKER—Order! The member for Burke must know from the time that he has been in this House that that sort of interjection is quite unacceptable and that responding to the chair is even less acceptable. He too will excuse himself from the House.

The honourable member for Burke thereupon withdrew from the chamber.

Miss JACKIE KELLY—In relating our performances, special mention must be made of Australia's very own 'Thorpedo', Ian Thorpe. He produced a world record beating performance on four occasions this week. In the 400 metres freestyle, he set a new world record of 3 minutes 41.83 seconds. In the 200 metres freestyle he set two records, finally setting a world record of 1 minute 46 seconds. He was joined by his team-mates Grant Hackett, William Kirby and Michael Klim in busting the world record by three seconds in the 4 x 200 metres freestyle to set a new world record of 7 minutes 8.79 seconds.

Often when those sorts of world record breaking performances occur at international meets, all sorts of allegations are made regarding those performances. Can I assure the nation that, when we celebrate our victories in the pool, any athlete seeking selection in Australia to be part of the Australian Olympic contingent in the year 2000 and who elects to train in the Australian jurisdiction is subject to the most rigorous drug testing regime in the world.

Our athletes' performances are pure performance, and we can celebrate that in a way that is of particular concern to the Australian constituency in this day and age. We are doing everything to ensure that, at the 2000 Games, we provide a very level playing field for our athletes who elect to train in Australia and abide by our rules as opposed to those from other nations.

It is appropriate to mention a number of our other athletes in the pool, not just our major names, and they are: Susie O'Neill, Simon Cowley, Regan Harrison, Matthew Dunn, Elli Overton, who has also performed outstandingly well, Josh Watson, Sarah Ryan, Lori Munz, Rebecca Creedy—the list goes on. The Sydney 2000 Games is going to be Australia's year in the pool, and it is going to be pure performance.

Mr Howard—Mr Speaker, I ask that further questions be placed on the *Notice Paper*.

QUESTIONS TO MR SPEAKER

Question Time: Privilege

Mr TUCKEY (3.06 p.m.)—Mr Speaker, my question to you relates to the use of question time to record statements purporting to be facts which are subsequently proven to be untrue. Standing order 144 states:

> Questions should not contain—
>
> *(a)* statements of facts or names of persons unless they are strictly necessary to render the question intelligible and can be authenticated;

I am sure that that particular standing order was put there to ensure that question time was not used to give parliamentary privilege to statements that can then be published in the media which, on occasions, might be to the detriment of individuals unable to defend themselves. I ask: would you review today's question time and see how many times that device was used and make some ruling to this House for the future?

Question Time: Privilege

Mr LEO McLEAY (3.07 p.m.)—I have a question for you, too, Mr Speaker, arising from the last question by the minister. When the House resumes next week, would you advise the House when was the last time a minister tried to give an instruction to the Speaker in the guise of a question?

Honourable members interjecting—

Mr SPEAKER—Order! I remind members of a general warning that has been issued and that it applies equally to members of the frontbench as it does to anyone else.

The Chief Opposition Whip, the member for Cunningham and the present occupier of the chair know better than anyone else in this place that questions are frequently framed in ways which step just outside the standing orders. I will look at the issues raised by the minister, which were simply raised to draw my attention to what he felt was a tendency emerging, and I will report, at a time that I deem appropriate, back to the House.

MOTION OF RECONCILIATION

Consideration resumed.

Mr SPEAKER—Before I call the member for Calare, I would indicate to the House that I think it appropriate that a motion such as this be conducted in an atmosphere of quiet dignity, which has largely characterised the motion to date.

Mr ANDREN (Calare) (3.09 p.m.)—In my earlier remarks, I mentioned the reference to 'shared history' in the motion before the House. I pointed out that there are errors in that particular paragraph, as there are blemished chapters in our history. I do not know whether that covers the trauma of the lost generation.

The essential thing with this motion is that we are bogged down on 'sincere regret' versus 'apology' and the issue of justice and restitution. We have a political stand-off, and this motion is largely a result of the Senate balance of power situation and, as was the case in the preamble, there has been no process of consultation about this motion. Having said that, while the preamble should be the result of public input—and that is why I so strongly opposed the processes there—I do not believe we are ever really going to reach any sort of meaningful consensus in a statement such as this. But one thing we do need to do is avoid the counterproductive debate feeding the fires of racism right around this country.

When the *Bringing them home* report was released by Sir Ronald Wilson, he gave me and some other members in this House a briefing, and I will certainly never forget his comments, the emotion, the stories that he detailed and which I subsequently read in that report and the passion which he and others felt about the need for an apology. I also found nothing very much in *Bringing them home* that I was not already aware of, having back in the 1970s with Professor Elkin, I think it was, at Macquarie University studied the impact of European colonisation on not only the Australian Aborigine but the indigenous American native. I read and heard about the so-called punitive expeditions into the Kimberleys as late as the 1920s, and punitive expeditions were code name for massacres.

I think any person in this House who argues that an apology should not be forthcoming to those peoples should sit down and read some of the early history books of the impact of European colonisation on the Aboriginal society. *Outcasts in a white society*, I recall, was the name of one of those books; it should be required reading in any secondary school. Then perhaps we can move towards true reconciliation.

I can accept both the Prime Minister's motion and the Leader of the Opposition's amendment. As I pointed out, the reference to shared history and some other detail have not been challenged here today but I think there are flaws in that. But even with those flaws, I can certainly accept both of those, and I will support the amendment of the opposition as I will, in their loss, the motion of the Prime Minister.

Apology is a very personal thing. With the knowledge I have, with the background I have and with the understanding I think I have of the pain that the Aboriginal people feel, I sincerely apologise. But I will not presume to apologise on behalf of either my constituents or the Australian people. I do not think, with all respect, that Aden Ridgeway, Gatjil Djerrkura, Pat Dodson or Lois O'Donoghue can really expect to frame the words with which we apologise on behalf of the parliament and, by association, the nation. It is in the hearts of all of us to apologise, and only when we can look in the eyes of the Aboriginal people in Moree, Redfern, Orange or any part of this nation and see them as equals and only when they can read in our eyes that apology can we move on and can we as a nation progress.

I guess I am saying that I can certainly understand the sentiments in the Prime Minister's motion. I regret that we cannot say 'apology', but I do believe it is going to be hugely counterproductive if we do not move on in this debate. No-one has a mortgage over the language we should use. I would prefer 'apology'. If we cannot have that—and I will support that amendment to the motion—I am prepared at this stage to accept the Prime Minister's motion.

Question put:

That the words proposed to be omitted (**Mr Beazley's** amendment) stand part of the question.

The House divided. [3.19 p.m.]
(Mr Speaker—Mr Neil Andrew)

Ayes	77
Noes	63
Majority	14

Voting details are recorded in the Votes and Proceedings.

Question so resolved in the affirmative.

Original question resolved in the affirmative.

Mr Price—Would it be possible for a motion to be moved that the House take note of the resolution and that debate be referred to the Main Committee so that members can add their views to the important resolution carried today?

Mr SPEAKER—This is a matter that the member for Chifley may care to take up with the Deputy Speaker, as he is the person who, through the Selection Committee, is directly responsible for the procedure of the Main Committee. I do not intend to take any further action at this stage.

MATTERS OF PUBLIC IMPORTANCE

Telstra: 013 Service

Mr SPEAKER—I have received a letter from the honourable member for Perth proposing that a definite matter of public importance be submitted to the House for discussion, namely:

> The adverse effects on small business and Australian families of the Government's decision to allow Telstra to charge for 013 Directory Assistance.

I call upon those members who approve of the proposed discussion to rise in their places.

More than the number of members required by the standing orders having risen in their places—

Mr STEPHEN SMITH (Perth) (3.24 p.m)—A $3.486 billion profit for Telstra but up to a $100 million slug for small business and families. A $3.486 billion profit for Telstra but 013 cannot be free. A $3.486 billion profit for Telstra but up to a $100 million whack for families and small business. That is the stark reality of the government's craven green light to Telstra charging business and mobile customers for 013 directory assistance.

It gets worse. This is a clear breach of a government commitment—an election commitment, a prime ministerial undertaking in this House twice, a ministerial undertaking in the Senate once. As late as June this year, the minister lauded the fact that nothing would change until 30 June 2001.

Yesterday, the Minister for the Arts and the Centenary of Federation representing the Minister for Communications, Information Technology and the Arts, who is sitting on the front bench and I assume will participate in this debate, said in question time in response to a question from me, 'No-one gives open-ended commitments.' I suppose that is a bit like 'never ever': no-one gives an open-ended commitment; 'never ever' for the GST!

The government did give open-ended commitments on this matter on numerous occasions. Let us go through the record. In the 1996 election the coalition government made a commitment that it would not permit carriers to charge for directory assistance services. When that was challenged by Telstra and referred by the government to the ACCC, the Prime Minister, on two separate occasions, personally gave this House an undertaking that that commitment stood.

Senator Alston gave that same undertaking in the Senate in 1997. As late as June of this year when Senator Alston announced the government's price cap and control measures, he said, 'There will be no change to arrangements for Telstra's directory assistance.' The government has broken those clear commitments: a commitment given in the 1996 election; a commitment given by the Prime Minister in this House on 24 June 1996 and repeated on 12 February 1997; and a commitment given by the minister for communications in the Senate on 12 February 1997 and lauded by the minister in June of this year.

Having broken all those promises, it gets even worse. The government will not rule out allowing Telstra to go even further. Having cravenly given a green light to Telstra to charge mobile and business customers for

directory assistance, it now refuses to rule out the extension of the charge to residential customers, to families' landline telephones.

In the face of a $3.4 billion profit for Telstra, the government sits there in breach of commitments and whacks families and small businesses with an up to $100 million charge and then refuses to rule out an extension to residential landlined customers. Having given the green light for the $100 million sledgehammer, the government refuses to put up the stop sign for the steamroller coming down the track for ordinary families in their residential homes.

Let us have a look at the repeated refusal of the government in the last couple of days to rule out the extension of charges for 013 to residential customers. On the ABC's *PM* program on the night of the announcement of the decision on 24 August 1999, Matt Peacock asked Minister Alston:

I mean, are you ruling out any charge for residential users in the future?

RICHARD ALSTON: Well, there's no application put forward so it's an academic proposition.

MATT PEACOCK: And if it were, would you rule it out?

RICHARD ALSTON: Well, I'm not even considering it.

. . . . . .

MATT PEACOCK: So you'd rule it out in the future permanently, would you?

RICHARD ALSTON: . . . well, circumstances change and if applications are put forward we'll give them careful examination.

Minister Alston goes on to say:

Well, you are really talking about academic propositions.

The next day on Radio National with Fran Kelly, Minister Alston refused to give the same guarantee and said:

Well, the Minister of the day . . . has a statutory obligation to consider proposals that are put before him or her.

In the *Australian* on 25 August he is reported as saying:

. . . any application by Telstra to apply new charges would be "considered on its merits".

There you have the government saying, 'We refuse to guarantee or rule out approving an application by Telstra to extend 013 charges to residential landline customers.'

Talk about the thin end of the wedge—going from mobile customers and business customers to residential consumers. Does the thin end of the wedge also extend to the capped and controlled charges that the government recently approved, or are they up for grabs between now and 30 June 2001? Is it the thin end of the wedge for timed local calls? Are they up for grabs now? What about the GST consequences? Now that 013 is a fee for service charge, I assume that the 'never ever' GST will apply to that as well. We now see the thin end of the wedge in a range of possible areas, including residential customers' landline telephones and the price cap control basket applied to Telstra—in theory set to exist between now and 30 June 2001, but is that out the window? Does the 'never ever' GST now apply to service charges for 013? If we ever saw the thin end of the wedge, nothing was sacred in this context.

What sort of response have we seen from interested parties in respect of this decision? We have seen ATUG, the Australian Telecommunications Users Group, giving an estimate that this is a potential raiser of revenue for Telstra of up to $100 million, saying, 'This is craven double dipping.' Yesterday we saw Alan Horsley on the *Today* show on channel 9. In response to a question, he said:

. . . at the present time people are paying for the directory service in their line rental or their monthly charge. And this is now a new charge on top of that existing charge.

He has described it as double dipping. He says that it equates to about $100 million of revenue earning for Telstra, approved by the government in the face of a $3.486 billion profit announced today by Telstra. So, the Telecommunications Users Group describe it as double dipping and COSBOA, representing small business organisations, have described the decision as 'sneaky', 'short-sighted' and 'the first step towards timed local calls'.

Two of the most important industry or customer groups, the small business representative and the users group representative, have

been strongly critical of the decision by the government. If you want to see any of those comments reported, you can find Mr Bastian from COSBOA on the front page of the *Sydney Morning Herald* yesterday saying that it was 'particularly obnoxious'. You have Mr Bastian in the *Age* yesterday describing it as 'sneaky', 'short-sighted' and 'the first step towards timed local calls'. Mr Bastian is also reported in the *Age* saying it is 'the wrong decision and the wrong method'.

What rationale does the government give for this proposal? What is the rationale for flying in the face of this and breaching the commitment and the undertakings that it gave repeatedly? Firstly, it says there is abuse. If there is abuse, why use a sledgehammer to crack a nut? As the Telecommunications Users Group has said, why don't you think about some forensic targeted approaches that might have them interested in some consultations with you? They crack the nut with a sledgehammer and then refuse to rule out the steamroller coming down the track for families in their homes.

That is the rationale, but what is the real reason they have done it? You may not have noticed Telstra yesterday putting out a press release saying, 'The ads on 013 are out.' That is the deal—ads off, charges on. Telstra was quite rightly taking stick about the adverts on 013, led by the member for Griffith in this House. It is unquestionably very annoying to Australian consumers. It is very easy to see Telstra going into the minister's office and the minister rolling over, tickling Telstra's tummy and saying, 'Fine, off you go. We'll let you have everything that you want. By the way, on Thursday make sure you tell us how close to $3.5 billion your profits are.'

What is the inequity here? The government says, 'It is just for business and mobiles.' Firstly, it is very hard these days to describe business and not mean small business—on which this will impact adversely. Secondly, it is very hard to find the demarcation between office business and home business. So far as mobile phone users are concerned, these days just about everyone has a mobile phone. Every socioeconomic group, from the lowest to the highest, now utilises mobile phones. There is no equity there.

What is at the heart of this? Frankly, it is the government's failure to take seriously the things we take seriously on this side of the House. We have an absolute commitment to the universal service obligation; to decent service levels, particularly for rural and regional Australia; to customer service guarantees; and to making sure that Telstra satisfies its licence conditions. This obligation arises as part of Telstra's licence conditions. Telstra is under an obligation to retain or maintain what is known as the integrated public number database. The intent for mandating the public directory services was that the provision of vital contact information for all phone users, regardless of circumstances, location or relative socioeconomic status was regarded as essential. Telstra is charged with maintaining that database. Part of Telstra's licence conditions include establishing the industry wide public database and providing directory assistance services. Because the government does not take those sorts of obligations seriously, we see the government allowing charges to be applied to those for the first time. Mr Deputy Speaker, sitting where you are, I know you will not take this any way other than objectively, but I ask the question: where was the National Party in this?

Honourable members interjecting—

Mr DEPUTY SPEAKER (Mr Nehl)—The question was rhetorical and the minister should not answer it.

Mr STEPHEN SMITH—Across my desk came the flyer for the National Party of Australia's Federal Council 1999 on 11 and 12 September 1999 at Rydges Canberra. It states:

> We'll seek to ensure the National Party stands up at all times for rural and regional Australia, and make our Party the party of excellence for the bush.

That was John Anderson, federal Leader of the National Party, in July 1999 at Rydges Canberra—just down the road from Red Hill where the Ken of the National Party, the new leader, lives.

When I grew up, I used to listen to the parliamentary broadcasts. You would hear the National Party and tough men like Hunt, Anthony, Sinclair and Nixon pushing Liberals around. That was their role in life. What do we have now? We have the Leader of the National Party, the Deputy Prime Minister—'Ken from Red Hill'. We have the Minister for Trade earnestly trying to persuade himself that he is intellectually up to the job of trade minister when in his heart of hearts he knows he is best at standing at the corner deli undermining his leader. We see the new Minister for Community Services, the son of Doug Anthony. Doug Anthony never had delusions of grandeur; it is a shame his son has delusions of adequacy. No wonder caustic Causley, the member for Page, goes around bragging about the fact that he was less than three votes away from becoming leader. I am soft on the Minister for the Arts and the Centenary of Federation, who is at the table. I actually like him. His colleagues say that his brother, the senator, is intellectually more adept than he is. I am not that critical. He is the sole surviving card-carrying member of the ministers' travel allowance team left in this place.

These Nationals roll over at the first sight of a Melbourne or Sydney Liberal lawyer. I noticed yesterday when Telstra were launching their Internet satellite that they put up Deputy Prime Minister Anderson's four favourite songs. Like me, he is a son of the seventies. The song I was waiting for was the old Russell Morris song *Only a Matter of Time*. It is only a matter of time before the National Party roll over completely to the Liberal Party lawyers from Sydney and Melbourne and allows Telstra the green light not only to charge residential customers for 013 services and timed local calls but also to continue to denude service levels, to continue to ignore the universal service obligations and to continue to ignore the customer service guarantees. You should be ashamed of yourself for your disgraceful and contemptible performance and for failing to stand up for rural and regional Australia on Telstra. *(Time expired)*

Mr McGAURAN (Gippsland—Minister for the Arts and the Centenary of Federation) (3.39 p.m.)—You know how desperate an opposition spokesman is when he has to resort to personal invective and personal abuse of the kind the shadow minister has just debauched the proceedings of this place with. But that is a reflection on him; I am not going to lower myself on behalf of the government to respond in kind. Instead, I want to tackle the issues. Quite frankly, I was delighted when I was notified of this MPI soon after midday today, because it gives us a chance to place on the record the sensible, fair and equitable reasons for the government approving the Telstra proposal.

Let me deal with this National Party attack by the member for Perth. He has not done his homework in any way on this. During April and May of this year, Telstra surveyed their business and mobile phone consumers on their usage of directory assistance. They found that 67 per cent of rural and remote businesses made no calls to directory assistance. Almost 70 per cent of business callers in rural and remote areas made no call upon directory assistance. Why should they be subsidising the businesses that are totally abusing the system? There is a cross-subsidy under way from the National Party constituencies. So it is with farmers. In the same survey over the April-May period of this year, we found that, on fixed lines, 60 per cent of farmers made no calls to directory assistance.

Why should those farmers cross-subsidise some of these businesses—personnel agencies, debt collection agencies and security firms—some of them making up to 500 calls a day? Sixty-nine per cent of farmers made either zero calls or one call on mobile phones to directory assistance over the period of April-May of this year. So don't lecture us, the National Party, or my regional and rural Liberal Party colleagues. And, remember, we are scratching to find one representative of regional Australia in the opposition. We are properly representing rural and regional Australia. We have saved them from cross-subsidising big businesses, and a number of small ones, which will not use the facilities made available to them—the *White Pages*, the

Yellow Pages, CD-ROMs and the Internet. They are what businesses should be using instead of expecting others to cross-subsidise them in that way.

The shadow minister's attack on the National Party falls flat on its face. Sadly, today's ill-advised, ill-tempered and ill-delivered proposition by the opposition caps off a disastrous week for opposition tactics. Am I the only one who finds the opposition's tactics in question time and MPIs bizarre? In question time, there are always six or seven questions contained under one, which makes it somewhat easier—if I may confess—for government ministers not to answer. We simply cannot answer all of the questions they ask us. They are hopelessly written. I should not be pointing out their weaknesses, but surely the backbenchers are telling the tactics committee or the opposition frontbenchers that they have turned the opposition's performance in question time into a laughingstock.

Where is the press commentary on this? When we were in opposition, we used to get the *Sydney Morning Herald*, the *Australian*, a number of the tabloids and a number of the bureau chiefs in the electronic media making commentaries and editorials about our poor performance. We used to have a running commentary on how we were performing so shockingly in question time. You never hear it now. Question time is a joke from the opposition's point of view, because their attacks are so sprayed and so badly worded. Then the MPIs of yesterday and again of today are not supported by questions in question time. If this is such a burning issue, why have we had but one question over two days? They are all over the place. In what is an extraordinary act of personal inconsistency, the member for Perth is demanding assurances from the government as well as criticising alleged and perceived changes in government policy when yesterday he was reported in the *Australian Financial Review* as saying that he would not give a commitment to retaining free 013 services. He will not give an open-ended commitment.

Mr Stephen Smith interjecting—

Mr McGAURAN—Give it now—give us an open-ended commitment not to apply charges to 013.

Mr Stephen Smith—We gave a commitment not to apply 013 for this term.

Mr McGAURAN—Oh, it is this term. I see.

Mr DEPUTY SPEAKER (Mr Nehl)—The honourable minister will resume his seat. The honourable member for Perth, during his contribution to this discussion, got away with scorn, irony, derision, improper motives and personal reflections on members. I strongly advise him to remain silent for the rest of this discussion or his sins will catch up with him.

Mr McGAURAN—Thank you, Mr Deputy Speaker.

Mr DEPUTY SPEAKER—He got away with murder.

Mr McGAURAN—He got away with murder, all right. He certainly listed a category of charges and any objective, fair person listening to this debate would have found him guilty. The point is that he is not giving a commitment beyond the end of this parliamentary term and we are getting towards the halfway mark. The other thing is: who are Labor to talk of broken promises? Ask the ACTU, at this very moment, what they think about broken promises in regard to youth wages. They have overturned one of most basic tenets of their constituency, and aren't their labour union mates—indeed, their labour union bosses—letting them know about it. It is a point that has not been lost on the ACTU and which was not included in their election policies. But I support Labor's move yesterday—their shift, their somersault—on youth wages policy. I support it because the government's position was good for Australia and good for Australian jobs for young people. So well done to the Labor Party.

Similarly, in this case, the government accepted Telstra's proposal because it is good for consumers and Australia at large. It is a fair and sensible decision in the interests of consumers. Remember that this proposal does not impose a charge on residential users, charities, non-profit organisations or payphones. It is limited to mobile phones and

business usages. Bodies representing consumer interests have congratulated the government. Talk about the Labor government being out of step! They were out of step with the ACTU yesterday and today they are out of step with the Australian Consumers Association and the Consumer Telecommunications Network. The Australian Consumers Association has called this proposal 'a positive step' and 'terrific news'. The Consumer Telecommunications Network is reported as saying that this is good news for households and 'they were getting rid of the ads'.

Telstra committed itself to getting rid of those advertisements on 013 and to answering 70 per cent of calls within 10 seconds. It is also going to provide an Internet starter kit to assist small businesses to go online and access alternative directory assistance services. These are moves that have been welcomed by consumer representatives. The shadow minister, the member for Perth, also raised issues about other aspects of pricing of telecommunications such as untimed local calls. He totally muddied the waters; they are utterly separate issues. They are not before the government and, quite frankly, it is just blatant political opportunism on the shadow minister's part to extrapolate this debate out into other areas of telecommunications policy.

The shadow minister has not made out a case against the government. This is in the interest of consumers and he is totally out of step with those who represent consumer interests. The majority of small businesses who use directory assistance will pay around 40c per month under this new regime. The majority of farming businesses that use directory assistance will pay around 80c per month under these changes. Why should those nine per cent of phone lines that use 80 per cent of directory assistance go unchallenged? Why should they not have to pay, particularly those businesses that have built directory assistance into their business plans and business operations and that use the system at will to the cost of other consumers? Bearing in mind that fixed-line residential, charity and payphones are exempt, people who are unable to read, hold or use a directory will have access to a directory assistance disability hotline at no charge. This is a government that is acting firmly, decisively and progressively on this whole issue of rapidly changing telecommunications. We have seen evidence of it this week on more than one front. We have seen great changes introduced in regard to the phase-out of the analog mobile phone system and the introduction of CDMA.

As we all know, Telstra is to close all the metropolitan and some regional analog base stations on 31 December this year, with the remainder to close over the next 12 months. We have worked with Telstra to put in place a new CDMA system that will be operating in the third quarter of this year, which is well in advance of the closure of those base stations. Labor gave us a complete wipe out of the analog system with no replacement. We inherited that, and we worked very hard and swiftly to overcome it by the establishment of a CDMA system, which allows the CDMA network to extend over 100 regional areas that are not covered by Telstra's digital network. This year, we provided $630,000 for the Australian Communications Authority to undertake an analog closure public education program, which will focus on the specifics of the closure. The ACA has undertaken three state visits in the last month to talk with various bodies about the planned closure. So consumers are aware of what is going to happen and when, and what alternatives are in place for them. That is an initiative that is going to advance communication services in rural and regional Australia. The Labor Party have no alternative policy. On this matter, they are mute, they are silent, they are totally absent from the debate—as in so many other areas. Consequently, the shadow minister comes to this debate with no credibility.

My constituents, together with the constituents of the National Party and people in rural and regional Australia, have long battled this geographical isolation and the tyranny of distance. But our advancements in communications services mean that this distance, this hurdle in both social and economic terms, is being overcome. In fact, we are eliminating these disadvantages. We believe that communications has a key role to play in provid-

ing very equitable access to rural, provincial and remote Australia.

The Labor Party has no policies in this area. Instead, it brings forward to the House a meaningless MPI debate over 013 charges. The wording of the MPI in itself is misleading, because it states:

> The adverse effects on small business and Australian families of the Government's decision to allow Telstra to charge for 013 Directory Assistance.

It does not affect consumers in Australian families; it only affects businesses and mobile phones. The thing with mobile phones is that Optus and Vodafone are already paying 40c a call to directory assistance. Opposition members come in here not addressing these fundamental issues of telecommunications infrastructure in rural and regional Australia but, instead, making a jumped-up allegation, which they have not pursued in question time in the last two days except for one question only.

Moreover, we also saw this week the government honour its election commitment to provide a new satellite technology that delivers on our promise to amend the universal service obligation and provide a digital data service to all Australians of at least 64 kilobits a second. Four per cent of Australians had never had access to the Internet. Now all Australians have access—and high speed access at that—another reform, another breakthrough for rural Australia, another commitment promise honoured by the government. We are determined to provide that standard service and everything that people take for granted in urban areas to those of our constituents who live in rural and regional Australia. Unlike the Labor Party, we are not neglecting them with political stunts, jumped-up charges, that are blatantly shallow. Instead, we get on with the job; we deliver. Australians in regional areas will at every opportunity support us ahead of the Labor Party.

Mr WILTON (Isaacs) (3.54 p.m.)—We have seen in recent years slowly, little by little, the old, trusty government service we knew and loved as Telecom—the same sort of service for which the member for Perth's father worked; the same sort of service for which my father worked; and indeed for which I worked myself, given that nepotism was pretty rife in those days—is now mutating into a leaner and meaner privately owned communications giant that we now know as Telstra. Despite the fact that opinion polls show that most people want Telstra to remain in public hands, we see charges for directory assistance as yet another threat to Telstra's service arrangements.

But, as we know, there is almost no turning back on that road to privatisation. The paradox of privatisation is that the more a government surrenders ownership of its vital infrastructure, the more it is inevitably drawn to regulate it. Far from privatisation freeing Telstra to operate, by and large, as it chooses in the free market, it has become without doubt the most heavily regulated corporation in Australia. What does the Minister for Communications, Information Technology and the Arts, Senator Alston, do in his acquiescence to Telstra to introduce directory charges without, I might add, any reference at all to the ACCC? You guessed it—more regulation. I might mention that the ACCC first reported adversely on Telstra's proposal to introduce directory charges back in 1997.

But bear in mind that the government's fiddling does not end there. The Prime Minister's 'Mr Fix-it', Bob Mansfield, has now been appointed as the chairman of the board at Telstra. One may wonder—perhaps somewhat facetiously—why the government bothered to privatise Telstra at all! The member for Perth is dead right when he says that these charges are the thin end of the wedge, because how do you regulate these heinous imposts on mobile phones and small business users of this service? Because over time everyone will be back-scuttled by this. We will all be lumped in to the one group. The government will cast its net further because, if it does not, people who run a small business and need to use the 013 service inevitably will make those 013 calls from their home. And why wouldn't they? Again, it is over to the minister for more regulation.

As the member for Perth again said, today when Telstra announced the highest recorded

annual profit of any Australian company, it is slugging small business and mobile phone users, many of them students, with what can only be described as these rotten fees. Not only does the government have a problem because people are suspicious that, as Telstra becomes more privatised, it will start charging for everything—as Fran Kelly said in her introduction on the *Radio National* program this morning—but people also understand that they are already paying for the directory assistance services in their regular line rental call or monthly arrangements anyway. They also understand that this is a new charge, a new impost, on top of the existing charge.

The Australian Telecommunications Users Group put to Telstra 18 months ago that if it wanted to charge for assistance on a call-by-call basis, then it was appropriate to provide at least some refund on line rental. The then CEO, Frank Blount, agreed that a $5 rebate was reasonable. But that has now gone. This is all new costs against business and mobile phone users for absolutely nothing in the way of additional service.

Whatever really happened to Telstra's capacity to apply CSOs, particularly in traditional areas such as free directory call assistance services? By and large, I think Telstra is frustrated with the relatively modest level of consumer benefit in comparison with overseas experience that has emerged post deregulation. There is no doubt that the government and the ACCC are starting to act with greater urgency and conviction to try to strip the benefits that relate purely to its dominance of the industry infrastructure away from it. Introducing charges for directory assistance will in no way produce results which will ease the government's frustration as to Telstra's demonstrated level of consumer benefit.

Again it is interesting to note that it seems that Telstra can afford, for example, a special dividend to reward its shareholders, as reported in the Chanticleer column in yesterday's *Australian Financial Review*. Such a dividend is a change in company policy and reflects its short-term desire to help shareholders pay for shares in the new round of shares which are to be offered. So on a day when Telstra has produced a record profit of $3.4 billion—a 16 per cent increase concomitantly in revenue—the same day that special dividends are being touted for shareholders to 'buy more shares', the average mobile phone and small business user is being slugged. I can only surmise that the $100 million-plus that Telstra plans to recoup from these charges may be used to perhaps in some part pay that special dividend to assist existing shareholders buy more shares in this forthcoming second tranche.

It would appear that Telstra's corporate arrogance by and large knows no bounds, as it states further in that same Chanticleer article in yesterday's *Australian Financial Review*:

> Business is business and Telstra now has its foot in the door of the politically sensitive issue of charging for directory assistance calls. By charging only business customers first, the company has made it easier, inevitably . . . to later charge residential phones, leaving only pay phones to have free directory-assistance calls.

Even in today's *Age* we can see further evidence of what might be described as 'Telstra-government secrecy'. From an article headed 'Homes may pay for 013' by Jason Koutsoukis come the words:

> The federal communications minister, Senator Richard Alston . . . refused to rule out future charges on residential calls to Telstra's 013 directory assistance service.

The article goes on, quoting Senator Alston as stating:

> But the minister of the day has a legal obligation to consider matters that are put before him . . .

In an inquiry by the Senate Environment, Communications, Information Technology and the Arts Legislation Committee, Mr Ward of Telstra, when asked by Senator Allison whether or not Telstra had any intention of applying charges for these services, replied, 'No immediate plans, but of course it's constantly under review.' As Alan Jones on 2UE replied along similar lines in an interview with the member for Griffith today, 'We've heard that before.'

Under the performance standards determined by the ACA, Telstra is required to provide a free directory assistance service to the consumers of Australia. By and large, at the end of the day, Telstra management does

indeed hate providing this service on a no-cost or free of charge basis. Once again, this is evidence of its sheer corporate arrogance and indifference to the needs of battling small business and mobile phone users, many of whom may be students who carry a mobile phone for reasons of safety and who cannot afford to pay the impost these charges will apply to them.

To that end, some time ago Telstra wound back the number of staff it employed in directory assistance service arrangements, making it inefficient and hoping that people would indeed not use that service. But they did use it and they continue to use it, despite its increasing inefficiency, because they depend on it. What is Telstra's response to this continuing use? Its response is to introduce these charges.

There is no doubt that, while charges for directory assistance are not prohibited under the Telstra Corporation Act, it has always been the intent of policy makers—it was on that side of the House until recently, and of course it was and still is on this side—to ensure that a single coordinated public directory arrangement exists. It is recognised by us—but it would appear not by the government—that such an arrangement is indeed a fundamental right and a crucial asset of the Australian community. It is one that the Australian community has come to know, to love and to respect. It is one that the Australian community would be able to continue to enjoy, were it not for the rotten deeds of those opposite.

Mr IAN MACFARLANE (Groom) (4.04 p.m.)—I must admit that I found that last speech more confusing than enlightening. Of course, that just goes with the tenor of this MPI which indeed is confusing. It is either deliberately confusing or totally inept of the opposition to put up an MPI which contains the phrase 'that the decision by the government to allow 013 directory assistance charges to business will in some way adversely affect Australian families'. To put that in there is either caused through ineptness or it is straight-out scaremongering and political opportunism. They can make their choice; I can only be confused.

We know that hypocrisy is something which the Labor Party are good at. They stand here and call for a categorical undertaking, yet they will not give it themselves—not when they are in a position to make a difference. It is easy to say whatever you like when in opposition; but say it when you are in power. When the Labor Party were in power, they introduced the Telstra Corporation Act 1991. Did they exclude charging for directory assistance in that act? No. Did they, at any time while they were in power over that 13 years, specifically exclude directory assistance charging? No. Yet they come into this House and put up an MPI which is completely and utterly inaccurate, confusing and scaremongering, and they try to talk to us about hypocrisy.

They mentioned broken promises. Let us talk about broken promises. Let us just sit here and look at some of the promises that have been broken. Let us look at the promises they have broken on tax, the tax cuts that they promised all Australians. Where did they ever go? We never saw them.

Mr Ronaldson—The l-a-w ones?

Mr IAN MACFARLANE—Yes. We just sit here and wonder at their crocodile tears over what they see—quite incorrectly—as something that is going to disadvantage small business. Yet when they were in power they almost destroyed small business—22 per cent overdraft rates, I remember. Nothing destroys small business like that. Nothing will ever destroy small business like the economic policies of the Labor Party which destroyed consumer confidence and destroyed the opportunity for small business to grow. They come in here and they talk about the concerns of small business over this. I have not had one call on this matter. I get calls on things like industrial relations laws that the Labor Party will not let us change. Small business are going under because of the industrial relations laws introduced by the Labor Party.

What small business talk to me about is not the directory assistance charges that they mostly do not use anyway; they talk to me about youth allowances and youth wages. They want to be able to give young people a chance. They do not want to be tied down by

having to pay young people adult rates. They talk to me about unfair dismissal and the fact that they are not game to employ people because if something does not come up to scratch they cannot get rid of them. Their freedom as small businessmen is completely gone. Yet the Labor Party come in here with absolute hypocrisy, with a matter of public importance that does not reflect reality, and start talking to me about the concerns of small business. I just do not understand how they think the people out there are so gullible.

Mr Ronaldson interjecting—

Mr IAN MACFARLANE—And may that always be the case. They talk about the bush. Let us look at Labor's telecommunications record in the bush. Let us look at analog telephones, a system that works perfectly in the bush. It might not be totally private but, hey, it is only 15 years since most of us were on party lines, and it certainly gave you coverage. What did the Labor Party do? At a stroke of a pen, they ruled it out. And what was their replacement? Digital—the most consumer unfriendly technology ever introduced into the bush in this country. That is what the people in rural and regional Australia were left with.

This government has gone in and fixed those problems. It has fixed the economic problems for small business. It has fixed the telecommunications problems for the bush, and it will continue to do so. As we saw yesterday with the new Internet service that is being provided to people in the bush and in the city—because we on the government side of the House like to deal with everyone equally—the sorts of advances that we are seeing in telecommunications in this country have been without parallel.

While the Labor Party make false and misrepresenting claims—and when they run out of those they start on personal attacks and they draw into question the character of people who, in my opinion, are doing a fabulous job for not only their constituency but for all Australians—let us look at the core of this issue, which is that 80 per cent of business lines during April and May in this year did not use the 013 service. Sixty per cent of small business lines did not use the 013 service. Why then are these businesses—this 80 per cent and 60 per cent—along with all residential users being asked to subsidise those minority businesses who take advantage of this free service? Why are they being asked to subsidise the nine per cent of subscribers who make 80 per cent of the calls? That is not equity. That is not justice.

What we need in this country is a system where people in business who need to use the service and, for whatever reason, decide they do not want use the phone book and they do not want to use the CD-ROM are called on to pay for what they get—user-pays. I thought I heard the Labor Party once when they were in power talking about user-pays, just like I thought I heard them talking about privatisation. But, of course, now they are opposition they have forgotten that they were the ones who started the privatisation ball rolling.

Why should householders and the majority of businesses subsidise the 11 companies that make more than 200 calls a day to the 013 line or the one company that makes 1,730 calls a day? What we are going to get out of these changes is, of course, better service on the 013 line. It is only three days since the member for Griffith stood up and said he wanted changes to the way the 013 service was operating. So we give it to him. What happens? Typical, they just complain some more about something else. The ads will be removed from the 013 lines. There will be faster service on those lines. People who need to use the 013 service will get a better service with less delay.

Rather than standing up there and making up a ridiculous MPI which—as the Minister for the Arts and the Centenary of Federation quite rightly said—has not attracted more than one question in two days, I would have thought that at the very least the opposition would have congratulated the government on Telstra's move to improve the 013 service, just as the Australian Consumers Association have congratulated Telstra on the introduction of charges on 013, because they know that this is going to deliver to the majority of consumers a better service.

Of course, inevitably, when members opposite stand up they start trying to tell us that the profits of Telstra are exorbitant. Of course all that does is betray their lack of business understanding. If I were running a business that was returning 3½ per cent on capital, I would get rid of it. That is what I would do. You can get more putting it in the bank. Yet they stand up here and criticise Telstra because it has announced a profit which has returned less than 3½ per cent on capital.

One of the reasons that Telstra's profits are not up with the corporate sector as a whole, one of the reasons that Telstra has not yet reached its optimum in terms of profit, is that it has been expected to supply to the extreme minority services at a loss. We need to bring some reality and some facts into this argument. I do not doubt that the service offered by Telstra not just here in 013 but in all areas will improve with more and more consumer driven policies. Some of the other criticisms that have been levelled at the government by the opposition barely need to be responded to because, in the end, the coalition will always stand on its record, and stand on its record proudly.

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The discussion has concluded.

PETROLEUM (SUBMERGED LANDS) LEGISLATION AMENDMENT BILL 1999

Main Committee Report

Bill returned from Main Committee with amendments; certified copy of bill and schedule of amendments presented.

Ordered that the bill be taken into consideration forthwith.

Main Committee's amendments—

(1) Schedule 1, item 3, page 3 (lines 16 to 33) to page 4 (lines 1 to 4), omit the definition of ***infrastructure facilities***, substitute:

infrastructure facilities has the meaning given by section 5AAB.

(2) Schedule 1, item 15, page 6 (after line 30), insert:

5AAB Infrastructure facilities

(1) In this Act:

infrastructure facilities means facilities for engaging in any of the activities mentioned in subsection (2), being:

(a) facilities that are resting on the seabed; or

(b) facilities (including facilities that are floating) that are fixed or connected to the seabed; or

(c) facilities that are attached or tethered to facilities referred to in paragraph (a) or (b).

(2) The activities referred to in subsection (1) are the following:

(a) remote control of facilities used for the recovery of petroleum in a licence area;

(b) processing petroleum recovered in any place, including:

(i) converting petroleum into another form by physical or chemical means or both (for example, converting it into liquefied natural gas or methanol); and

(ii) partial processing of petroleum (for example, by the removal of water);

(c) storing petroleum before it is transported to another place;

(d) preparing petroleum (for example, by operations such as pumping or compressing) for transport to another place;

(e) activities related to any of the above;

but, except as mentioned in paragraph (a), do not include engaging in the exploration for, or recovery of, petroleum.

(3) Schedule 1, item 59, page 15 (line 23), omit "except under and in accordance with an infrastructure licence.", substitute:

except:

(c) under and in accordance with an infrastructure licence; or

(d) as otherwise permitted by this Part.

(4) Schedule 1, item 59, page 18 (lines 27 to 32), omit subsections 59F(2) and (3), substitute:

(2) To avoid doubt, the grant of an infrastructure licence is not a prerequisite to doing anything that could be authorised to be done by a permit, lease, licence or pipeline licence.

Amendments agreed to.

Bill, as amended, agreed to.

Third Reading

Bill (on motion by **Miss Jackie Kelly**)—by leave—read a third time.

TAXATION LAWS AMENDMENT (POLITICAL DONATIONS) BILL 1999

Second Reading

Debate resumed.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (4.16 p.m.)—Initially, I would like to thank the honourable members from Melbourne, Kooyong, Fowler, Grayndler, Calare, Charlton, Lowe and Denison for their contributions to the debate in the chamber. The Taxation Laws Amendment (Political Donations) Bill 1999 implements the government's response to the tax related recommendations contained in the report of the Joint Standing Committee on Electoral Matters on the 1996 federal election.

It ought to be recognised that this was a unanimous report and that Senator Stephen Conroy, the honourable member for Reid and the honourable member for Barton were cosignatories to this unanimous report. They joined members of the Liberal Party and members of the National party in recommending that the level of tax deductible political donations should be increased from $100 to $1,500. It is interesting that, as we listened to the debate, the honourable member for Barton and the honourable member for Reid were nowhere to be seen. Somewhere after they joined in this unanimous recommendation they were rolled—either organisationally or in the parliamentary Labor Party room—because the Labor Party, on both occasions that this legislation has come before the chamber, has opposed what the government is seeking to do. One of the Labor members actually suggested that the $1,500 included in the report was a compromise, but it was a compromise that all members of the committee were prepared to sign off on. It is fairly disturbing and perturbing and rather interesting that the Labor Party now seeks to renege on its joining together with the coalition in a joint report.

The report also noted that increasing the maximum deduction would encourage small to medium donations, increasing the number of Australians involved in the democratic process and decreasing a political party's reliance on a small number of large donations. The second of the tax related recommendations—recommendation 62—provided that the tax law be amended so that donations to an independent candidate in a state or federal election be deductible at the same level as donations to registered political parties. The government welcomes the support of the honourable member for Calare with respect to this aspect of legislation. The bill implements these recommendations in full, and the amendments are proposed to take effect from 1 July 1998.

The honourable members for Melbourne and Charlton suggested that it was in some way a retrospective application of a date and even suggested that the coalition was trying to curry support from those people who backed us prior to the 1998 election. The bill was originally introduced into parliament in May 1998 but lapsed owing to the dissolution of the parliament. The bill ensures that taxpayers who have made donations to any party or independent candidate on or after 1 July 1998, on the basis that the donations will be tax deductible, would not be disadvantaged. In effect, the government is keeping faith with people who acted in accordance with what the government announced would be the situation.

The honourable member for Grayndler referred to what he generally considered to be a lack of attention to social policy by the government. He also claimed that we were effectively heartless by reining in the $10.3 billion deficit which we inherited when we obtained government following the March 1996 election. Had the government not been prepared to grasp the nettle, and had we not been prepared to rein in Labor's debt and remove the $10.3 billion deficit, then this country would not have been firewalled from the impact of the Asian economic crisis and, I must say, our future as a nation would have been very much reduced.

The honourable member for Grayndler also suggested that we were not interested in helping the poor. I want to correct that furphy also. The government has a program of major reform in all areas of social policy, and we have a very great regard to those on lower incomes. We have a balanced approach to

raising living standards and responsible economic management. The government, in the 1999-2000 budget, has sought to maintain income security for Australians, including those on low incomes. The creation of the Department of Family and Community Services has presented a strategic opportunity to enable a focused whole of government approach to the development and delivery of social policy, and we are certainly proud of what we have been able to achieve in this area.

The honourable member for Melbourne in his speech suggested that extending deductibility to companies is in some way a bias towards the Liberal Party—nothing could be further from the truth. Large corporations that make substantial donations to political parties are unlikely to be influenced by the fact that a tax deduction is available for a donation of $1,500. Allowing companies to claim a deduction overcomes an anomaly in the existing law where trusts and partnerships, which conduct business activities and have financial resources similar to companies, are allowed a reduction whilst companies are not. It is simply inaccurate to suggest that this is all about filling the Liberal Party's coffers, as I think the honourable member for Grayndler mischievously suggested. This legislation does not provide any special benefits for the Liberal Party at all. It provides all Australians with the opportunity to contribute to the democratic process and make our democracy even more robust and participatory.

The member for Melbourne also queried clubs such as the 500 Club, and he asked whether membership fees paid to such an organisation would be tax deductible. The facts are that donations will be tax deductible if the donation is made to a registered political party. To my knowledge, the 500 Club of the Liberal Party—and I suspect that there is a 500 Club in the Labor Party—is not a registered party. On that basis, no tax deduction would be available for subscriptions to clubs of such a nature.

The Labor Party also claimed through the person of the honourable member for Melbourne that the *Tax Pack* is in some way misleading in areas of tax deductibility. *Tax Pack* 1999 informs taxpayers that, under the proposed legislation intended to apply from 1 July 1998, they would be entitled to claim deductions of up to $1,500 for contributions to political parties or independent candidates. Taxpayers are instructed to ring the ATO inquiries help line if this applies to them. Administrative practice is to advise taxpayers that, as the legislation is not yet passed, they should either lodge a late return or lodge an amendment after the legislation has been passed.

The honourable member for Kooyong, in his very capable contribution, pointed out that this legislation was all about making electoral laws more accountable and enhancing the democratic process and transparency. He recognises the contributions of the bill to these very positive outcomes, and the benefits to be gained by broadening the funding base of our democracy. He also referred, in effect, to how this strengthened our democracy.

The honourable member for Fowler made the most incredible claim in her speech. She suggested that the legislation has been brought into the parliament with undue haste. I have a high personal regard for the honourable member for Fowler but, regrettably, on this occasion what she has uttered in the chamber is nothing short of a pathetic suggestion. The proposals before the House have come from a unanimous report of the Joint Standing Committee on Electoral Matters, and this reference went to that committee in June 1996. Here we are in 1999, three years later, and we are still seeking to implement the unanimous views—including the views of the Labor Party members—of that committee.

The honourable member for Grayndler—I see he is still at the table—claims that Labor does not have a problem with the tax deductibility of political contributions. At last someone on the other side has recognised the central point of this debate. But it is interesting to note that underneath Labor's self-righteous opposition to this bill is their preparedness to accept donations from the public purse. I refer in particular to an *IPA Backgrounder* dated 23 July 1995—admittedly a few years ago—by Des Moore who said:

. Grants by the Federal Government to the union movement of $92 million over the terms of the Hawke and Keating Governments, are now running at around $16 million per year.

He was referring to features of the relationship between the Labor Party, the union movement and the federal government. Obviously, between 1995 and when Labor left office in 1996, many more millions of dollars were paid. But numbers of Labor members have come into the chamber, they have huffed and they have puffed and they have pointed out that the cost to revenue of this legislation over a three-year period would be $45 million. They suggest that this is wrong. They suggest that the taxpayer is in some way being robbed and cheated. But, at the end of the day, during the 13 years of Labor government millions upon millions of taxpayers' money found its way into trade unions as a direct subsidy from the Australian taxpayer.

The honourable member for Calare appears to be under a misapprehension that the bill as originally introduced proposed a $10,000 threshold for tax deductibility. The threshold in this and in the previous bill is $1,500, in accordance with the unanimous recommendation of the Joint Standing Committee on Electoral Matters. I also want to place on record that the government did offer the honourable member for Calare a briefing on the bill but he declined the offer. That is, of course, a matter for him, but we did seek to facilitate the understanding of this legislation by all members of the chamber.

The honourable member for Charlton also opposed the increase in tax deductible political donations to $1,500. I think that she is far off the mark. She obviously disagrees with the publicly expressed views of the honourable members for Reid and Barton. It is regrettable that Labor members will be joining with her to overturn the unanimous recommendations of that particular committee, including those of the Labor members of the committee.

There has also been running through Labor speeches a thread that somehow this legislation is not in the public or the national interest and that it could in some way just be in the interests of the various political parties. By removing a disincentive to donate, the bill spreads donations by the community more widely amongst individuals, groups and corporations. This will level the playing field in terms of participation in the democratic process. The increase in the threshold will encourage small to medium donations and reduce the reliance of a political party on a small number of large donations. This will encourage greater public participation in the democratic process. It will help reduce the reliance on public funding of political parties and independents, and the extension of deductibility for gifts will also benefit independent candidates and members.

This is very positive legislation. It is legislation which is much overdue. It is legislation which a joint standing committee of this parliament has unanimously recommended for implementation. But, regrettably, it is legislation about which the Labor Party have had a complete about face and we now find that they are simply not prepared to support the position taken by the members of the committee in the report.

The honourable member for Denison did in fact suggest that we were heading down the American road for political funding. Nobody wants to head down that road, and it is absolutely ridiculous to suggest in any way, shape or form that raising the tax deductible donations from $100 to $1,500 could in any way be akin to moving down the American road. This is positive legislation. It is much overdue legislation. It is legislation which has broad support in the Australian community, and I am very pleased to commend the bill to the chamber.

Question put:

That the bill be now read a second time.

The House divided. [4.35 p.m.]

(Mr Deputy Speaker—Mr H.A. Jenkins)

Ayes	75
Noes	60
Majority	15

Voting details are recorded in the Votes and Proceedings.

Question so resolved in the affirmative.

Bill read a second time.

Third Reading

Leave granted for third reading to be moved forthwith.

Bill (on motion by **Mr Slipper**) read a third time.

COMMITTEES

Public Works Committee

Approval of Work

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (4.40 p.m.)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Construction of replacement nuclear research reactor, Lucas Heights, NSW.

The Australian Nuclear Science and Technology Organisation intends to construct and operate a replacement research reactor at the Lucas Heights Science and Technology Centre. The new facility will replace the high flux Australian reactor, HIFAR, which is nearing the end of its operational life and is to be closed at the end of the year 2005. The replacement reactor will be a modern, multipurpose reactor with the performance and facilities necessary to maintain and enhance Australia's nuclear science and technology capacities and their application. It is expected to come into operation in the year 2005.

In 1997 it was estimated that the facility would cost $286.4 million. This figure was reviewed and endorsed by the Department of Finance and Administration. The replacement research reactor will meet the specific objectives of (a) ensuring Australia has a reliable supply of radio pharmaceuticals to maintain and enhance health care benefits provided to the community; (b) providing a neutron beam research facility that will not only meet Australia's own scientific and industrial research needs but also be a research centre of excellence; (c) providing research and research training facilities and programs to enhance the educational opportunities available to Australia's scientists and engineers; (d) providing industrial isotopes and facilities for neutron activation analysis, irradiation of materials and neutron radiography to support agriculture and industry; and (e) maintaining Australia's nuclear technical expertise in order to provide sound advice to government on nuclear policy issues of strategic national interest.

Leading scientific, technological and medical associations have publicly expressed their support for replacing HIFAR. They include the Australian Academy of Science, the Academy of Technological Sciences and Engineering, the Federation of Australian Scientific and Technological Societies, the Institution of Engineers Australia, the Australian Medical Association, the Australian and New Zealand Society of Nuclear Medicine and the Australian and New Zealand Association of Physicians in Nuclear Medicine.

ANSTO undertook a full environmental impact statement for the project in accordance with the provisions of the Environment Protection (Impact of Proposals) Act 1974. After considering the environmental impact statement, the Minister for the Environment and Heritage announced on 30 March 1999 that there are no environmental reasons—including on health, safety, hazard or risk grounds—to prevent construction of the replacement reactor at Lucas Heights. The minister made 29 recommendations to ensure that the reactor is built and operated in accordance with best international practice. In response, the Minister for Industry, Science and Resources on 3 May 1999 accepted all 29 recommendations. ANSTO is now implementing appropriate plans to give effect to these recommendations.

The reactor proposal was referred to the Public Works Committee on 17 February 1999. The committee has now tabled its report. I note the conclusion of the committee that a need exists to replace the high flux Australian reactor with a modern research reactor and that the new national research reactor must be operational some time before HIFAR is decommissioned. I also note the conclusion of the committee that the compa-

rable costs of locating the replacement research reactor at Lucas Heights or a greenfield site favour the former by a considerable margin.

There is one matter in the report which, on behalf of the government, I would like to clarify. The committee has concluded that a high level management structure will be established to oversight the project with representation from key departments. In fact, while a committee with that type of structure will certainly be established, its charter will be to oversee the tender selection process. The government would also like to place on record the contribution and the involvement of the honourable member for the area, Mrs Vale. The government also welcomes the committee's unanimous recommendation that the project should proceed.

In its report the committee made a number of recommendations. In response I can say that the government accepts those recommendations and will implement them as follows. ANSTO will provide the committee with six-monthly reports on progress during the design, construction and commissioning phases of the replacement reactor. All the recommendations in the environment assessment report will be implemented, including the commitments listed in appendix A of the report. The establishment of national repository and storage facilities for the various classes of Australia's radioactive waste is a high priority for the government. Once these facilities are established, all radioactive waste will be removed from Lucas Heights in a staged process for disposal or storage of them.

In its quarterly and annual reports to parliament, the Australian Radiation Protection and Nuclear Safety Agency will report on the implementation of all recommendations in the environment assessment report falling within its direct responsibility. In its annual report to parliament, ANSTO will provide a summary assessment of compliance and implementation of recommendations in the environment assessment report, including comments listed in appendix A of the report. ANSTO will provide these reports from 1999-2000 until all the recommendations have been addressed. All appointments to positions on committees identified in the ARPANS Act 1998 will be completed as soon as possible.

ANSTO will endeavour to finalise a community right to know charter in consultation with the Sutherland Shire Council and other local community groups before 30 March 2000. The funds for the construction of the reactor will not be found at the expense of other government science funding, and I am particularly pleased to assure the parliament of this. I thank the committee for its report and commend the motion to the House.

Mr MARTYN EVANS (Bonython) (4.48 p.m.)—On behalf of the opposition, I would like to respond to some of the remarks made by the Parliamentary Secretary to the Minister for Finance and Administration. It is very pleasing to note that the government has accepted the report of the Public Works Committee and, in particular, that it has accepted the recommendations which the committee has made with respect to protecting and safeguarding the local community and the environment, as well as the requirement that the government will guarantee the commitments that were listed in appendix A of the environmental assessment report and all of those recommendations set out in the original environment assessment report. It is also very important to note the government's commitment to establishing the national repositories for the various categories of waste which will arise when the fuel from the existing reactor is returned to Australia in some years time following reprocessing and that the new reactor will continue to produce spent fuel rods which will have to be reprocessed and storage found.

Having said that, I am afraid the opposition does have, and continues to have, concerns about the way this whole process has been brought into effect. We have here one of the most substantial expenditures of science dollars ever undertaken in this country. Nearly $300 million is to be set aside for this project. Unfortunately, when the project was first announced it was done not by a considered document and a substantial statement in this House but merely by a press release by the then minister for science. The justification for that massive expenditure was very thin on the

ground indeed. It is very sad to see that the government treated the matter with such contempt that it felt it necessary to only publish a single press release about this matter which failed to canvass all of the very substantial issues which arise in relation to the expenditure of $300 million on a nuclear reactor.

Obviously, the government should have canvassed publicly at the time the various alternatives which are available not only for the siting of the reactor, which is obviously a very significant question—whether it should be sited at the same location as the existing reactor or whether it should move to another greenfield site, and that is a very significant question which continues to exercise the minds of the local community—but also in both the medical and scientific areas. Spallation technologies are available to address some of the scientific and industrial issues and clearly the cyclotron technology can address some of the medical radioisotope issues. All of those factors were on foot in a public controversy at the time, and that continues to be the case. But the government failed to address those issues in its original statement to this parliament and to the public.

Subsequently—indeed, until this report came out—those issues have again failed to be properly addressed by the government and no public consultation of any substance has occurred in relation to having those kinds of issues debated. It is only because opposition members on the Public Works Committee raised many of those questions in the ongoing investigation of that committee, which has concluded with this report, and because the opposition moved in the Senate to establish a committee to inquire into the proposed new reactor at Lucas Heights—it is only because of the actions of the opposition in respect of those two matters—that we have been able to get any proper public debate at all about the very serious issues which underlie the decision before the parliament today. I would like to take this opportunity to congratulate my colleagues on the committee for the way in which they have raised those serious issues as part of this debate.

Some of them still remain to be answered. The original research reactor review of about six years ago said quite conclusively that before the government moved to replace the reactor—if that is what the government of the day decided to do—they should clearly establish what was going to occur to the reprocessed fuel and where the radioactive material was going to stored. All we have from the government—and again it was only evoked from them as a result of this committee's deliberations and the Senate committee's deliberations—is a commitment to make a decision about that.

They have agreed to decide on it in the future. We do not have a decision. We do not have a clear-cut plan. We do not have a statement of intent today. We just have an indication, an agreement—a guarantee, in fact—that they will make that decision in the future. That is not complying with the requirements of that research reactor review and it certainly does not meet the community concerns which are very valid in this area.

Obviously, that reprocessed fuel must be stored somewhere—everyone understands that. It must be stored in Australia and the site must be selected on scientific and objective grounds. But so far we have only seen a commitment from the government to make a decision about that in the future when everyone would have expected that that decision would have occurred at the same time as the decisions were being taken on the new research reactor. My colleagues on the Standing Committee on Public Works and my colleagues in the Senate have continued to raise that question, yet it still remains outstanding. I think that is probably one of the most serious issues that has yet to be resolved.

Speaking as a South Australian, the proposed site for the low level radioactive waste repository is in the far north of South Australia. That may end up being the site for the reprocessed fuel. We do not know, but many of the South Australian constituents I represent and many others in the area which the Minister for Industry, Science and Resources also represents would like to have a clear-cut statement on that. We know that we cannot always argue on the grounds of 'not in my

backyard'. The minister and I are both South Australians and I know that we are prepared to look at this in a rational way. The public has a right to expect the government to make their intentions clear. So far they have not.

There are many other recommendations in this committee's report which the government has accepted. Just having that report does not really address the many issues which the public would have expected to have been addressed in the intervening period. There were always questions about the alternative site. ANSTO and the government have failed to provide the Public Works Committee with any detailed information on the alternative sites that they say they considered. In evidence before the committee I understand that ANSTO and the government have maintained that they did look at alternative sites, but no information on those alternative sites has been provided in the public context and no real justification is available for saying that those other sites may or may not have been more or less suitable. I do not know what the answer to that question is because I do not have the benefit of the information that the government is keeping to itself on that question.

Obviously, it is cheaper to build the new reactor on the same site or adjacent to the existing reactor. That was always going to be true and we always understood that. The opposition went to the last election maintaining the view that it would not build a new reactor in suburban Sydney. We remain of that view. That is something which we were very clear about at the time. Obviously, though, circumstances have now changed. The government have let the tender process commence. They have allocated funds for this reactor and we now have the view of the Standing Committee on Public Works on this matter.

It is quite clear, as the minister has said, that the government intends to proceed with the construction of the new reactor adjacent to the existing reactor. Clearly, we have to start looking at some of the issues that surround that. It is very unfortunate that this government did not take the public into its confidence in terms of providing them with detailed information on the alternative sites, why they were not acceptable to the government and what the relative benefits of all of those sites were as against the existing site.

While we remain of the view which we took to the last election, the reality is that the facility is obviously going to be put there by the government. They intend to do that, notwithstanding the views of many of the local residents. I know that some support it, but many do not. I think they were certainly entitled to a more comprehensive understanding of what is occurring.

I also think that the people in that area are entitled to have a better idea about the timing of it and the mechanism which is going to be used to remove the existing waste from the spent fuel rods and the other radioactive waste which has accumulated on the ANSTO site over a very long period of time. In failing to make that clear as part of this process, the government is not being entirely up-front with the residents of that area. Obviously, no-one would want a nuclear reactor in their backyard, but someone in Australia has to wear that situation. We understand that. Many public facilities are in that context.

Sydney seems to have many controversial public works at the moment, whether they are airports or nuclear reactors. This site has been singled out by the government both for a potential airport, at one stage, which was then rejected, and now as a site for a new reactor, and they have obviously decided to go ahead with it. The whole process has been flawed because of the government's lack of commitment to openness about the process. We have an assurance from the minister that the $300 million will not come from other science projects. I sincerely hope that is true.

Mr Slipper—Of course it is true. He would not have said it otherwise.

Mr MARTYN EVANS—As the Prime Minister is fond of saying, one has to take what members opposite say with a grain of salt. I am afraid, parliamentary secretary, that that applies to you as much as it does to anyone, as much as the honourable member is a friend and colleague. One certainly has to look at that question and we will be examining future budgets with great care to make sure that that is not the case.

The parliamentary secretary should remember that this is the government that has quite dramatically cut funding to science in recent years. The parliamentary secretary may say that these funds will not come from the science budget, but the reality is that science under this government has declined significantly. Their funds have already been cut. How do we know that those cuts were not generating the savings which will now go to paying for the new reactor? I am afraid that that is a question that was asked some years ago when these cuts first started. The reality is that people will continue to ask those kinds of questions because science funding under this government is very scarce indeed. This is a very substantial new chunk of funding which may well be justified.

The opposition has never taken the view that we could not justify a new reactor. We have simply taken the view that this government have failed to justify the new reactor. It may well be that that case can be made, and many of Australia's scientific and industrial bodies do make that case. But the government have failed to present that to the public. They have failed to justify that decision in that way. I hope that we can be assured that the government will now reverse their past decision to cut science funding and will now embark on a process of increasing science funding in concert with this decision.

There remains some work to be done in this area. I expect the Senate committee report will be out in a few weeks time, and that will be able to canvass issues on a much wider front than this report does here today. I think those in the community who are critical of the Joint Standing Committee on Public Works for failing to address some of the issues that I have raised today misunderstand the nature of the committee's task. That committee is charged by the parliament with examining the public work which is referred to it by the government and the parliament. That is the nature of its task. I understand that it is a limited and technical task, and I am quite satisfied that it has done that work in that context and that the members of that committee have sought to raise all of the relevant issues that one could. It is up to the government to provide the political, public and scientific justification for this project, and that is a responsibility that it should shoulder, not the Joint Standing Committee on Public Works.

Members of the community who look at this report—and a few of them have been publicly critical of it—need to understand the nature of the committee and the task that is before it and the tradition behind the work of the Joint Standing Committee on Public Works. Indeed, arguments about the nature and function of the project need to be undertaken at a broader political and parliamentary level. That is a course which I am sure will be pursued in the Senate report and which any other honourable member is free to pursue in this place—as I have this afternoon—or publicly.

While we accept the report on the basis of what a report of the Joint Standing Committee on Public Works is, I think that I have adequately outlined to the House this afternoon the concerns which the opposition has had over time with this project and which it continues to have because of the failure of the government to take everyone into their confidence to explain exactly why this $300 million project needs to go ahead in the way that it is. I think it is unfortunate that the government has let ANSTO down. They do some very valuable work in the community, producing much needed radio-pharmaceuticals and doing a lot of valuable industrial work. The government has really failed the professional people and the many members of the work force at ANTSO by failing to properly justify this project and to put on the public record why the project should proceed in the way that the government wishes. That is a failure which the government must accept responsibility for. The Joint Standing Committee on Public Works has done its job, and I think the parliament will accept the report in that context.

Mrs VALE (Hughes) (5.02 p.m.)—Initially, I want to congratulate the Joint Standing Committee on Public Works on an excellent report. Indeed, the report could provide a model for other inquiries of this nature. Before I go into the report, I want to inform

the House that perhaps the member for Bonython has been misled in feeling that the members of my constituency are hostile to the building of a replacement reactor. As a matter of fact, I am not quite sure who advises the Labor Party on this issue, but I would have thought that they would have taken notice of the results of the last election in 1998, where they lost three per cent of their vote in the electorate of Hughes basically because their candidate made the reactor the prime local issue. I think they have severely underestimated the support and the loyalty for the reactor among the residents of Hughes.

The reactor employs over 800 constituents. Another 400 constituents who live in nearby areas derive their livelihood from the facility. There is a great deal of loyalty to ANSTO and an understanding of the importance of ANSTO in the greater scheme of things nationally as well as its importance to our particular local area. Economically—and I wanted to deal with the economics last, but it is to the point now—ANSTO puts $45 million in salary and wages into our local shire economy. It is very important to the residents of my constituency.

When I was first elected, I had three concerns about the facility: the first was about the health of my constituents, the second was the fact that there was no oversight agency of the facility and the third was the removal of the stored wastes. I was a child of about 11 when the facility was first built in Sutherland shire. Since then, I have continued to live in Sutherland shire. I have also raised my four children there. I am very much aware of the reactor and the facility and how important it is to the local constituents.

Regarding health—and I want to outline the concerns—there are many protesters at the moment who are making irresponsible and outrageous scaremongering accusations about cancer in Sutherland shire. This is an absolute untruth. As a matter of fact, the protesters, led by a current councillor who I am told is seeking re-election at the council elections in two weeks time, are alleging that no health studies have been done in the shire. This is untrue. There have been several health studies. Because health is such an important issue and a concern that I have for my constituents, I think that it should be recorded that independent health studies were carried out for the *Research Reactor Review* in 1993.

One of them was done by Dr P. Lancaster of the Australian Institute of Health and Welfare from the University of Sydney. Another was carried out by Associate Professor R. Taylor, who was head of the New South Wales Central Cancer Registry and Cancer Epidemiology Research Unit and is from the New South Wales Cancer Council. This study was revisited and updated in 1998, so we cannot say that these studies are six years old; they are very recent. There was also a third, Sir Richard Doll, who came from the Cancer Studies Unit of Oxford University. The general findings of these studies concluded that:

> . . . the health of residents in Sutherland Shire is not affected by any emissions resulting from the presence of the reactor at Lucas Heights.

In 1993, Dr Taylor concluded:

> The incidence of cancer and other related diseases in Sutherland Shire is not in any way abnormal.

In 1998, he said:

> The health of the people of Sutherland Shire is normal and compares with another equivalent Shire (Warringah) and NSW as a whole.

In September last year, Dr Richard Taylor, Associate Professor of Public Health, Department of Public Health and Community Medicine, Faculty of Medicine, University of Sydney, compiled a report on the incidence of leukaemia, lymphoma and all cancer in Sutherland shire compared with Warringah shire and New South Wales. Dr Taylor concluded that there were no substantial and significant differences in the incidence of leukaemia, Hodgkin's lymphoma or all cancers in the population of Sutherland shire. That is something that can be verified and is available for scrutiny by any of my constituents. I do not applaud a particular type of political campaigning by a certain councillor claiming that her allegations of any health problems in Sutherland shire should be relevant to her campaign.

I want to congratulate the government on the environmental issues. During the whole process since it was announced that the

government was looking at the reactor, I have bothered several of our ministers quite a bit. One of them was the Minister for the Environment and Heritage, and I want to congratulate him on an open, honest and vigorous EIS process. I approached the minister on the matter of having three peer reviews to oversee the EIS so my constituents could be assured that no stone was left unturned. As the proponent, ANSTO was responsible for the EIS study. The organisation engaged consultants, and they had to be satisfied of the veracity of the material before the EIS was lodged. ANSTO also engaged a wide variety of community consultation activities, the details of which are contained in the replacement reactor EIS. This included taking the issue out to the people, with graphic displays in local shopping centres and libraries. ANSTO also allowed its opponents to set up a stand at the ANSTO open day, which was quite an initiative. On their open day, ANSTO actually allowed the people who opposed the reactor going up to have a stand.

Twyford Consulting was contracted to audit the public consultation process. Its report is a public document and is available for scrutiny. ANSTO also adopted recommendations from that report for additional activities during the public review phase of the EIS that included advertised workshops and a public radio debate. This has been one of the most stringent, open and transparent EIS processes ever conducted under this legislation, and the public exhibition period on the draft EIS was lengthy. It was 85 days, which was 57 more days than the legislation anticipated.

I personally lobbied the Minister for the Environment and Heritage to arrange for the peer reviews so that my constituents could be assured that the legislative process had been comprehensively followed. These three peer reviews were carried out. The organisations—CH2M Hill, Parkman Safety and the International Atomic Energy Agency—enjoy a solid reputation in their field and are highly regarded internationally. These organisations audited the EIS process on all aspects of waste management and safety analysis, including the reference accident itself. Their reports are a matter of public record and are available for scrutiny. My constituents can be assured that every step has been taken to make sure that the community was totally involved in the EIS process.

The concern that my constituents have about the waste has always been at the top of the list. It has also been of great concern to Sutherland Shire Council and particularly to its mayor, Kevin Schreiber. The government has always been mindful of the waste issue and of the recommendations in the 1993 *Research Reactor Review*. I am delighted to hear the recommendations of this particular report, especially the recommendation which says:

> The establishment of a national repository and storage facilities for the various classes of Australia's radioactive waste is a high priority for this government. Once these facilities are established, all radioactive waste will be removed from Lucas Heights in a staged process for disposal and storage in them.

The member for Bonython understands that the government is researching the area in northern South Australia, and that is true at the current time. I am told that the research is well and truly under way. The government has given a commitment. Condition 29 of the EIS approval demands that a waste repository is located before the reactor is completed. That is something that the government has publicly committed to. Since my election in 1996, two shipments of the spent fuel rods have been returned to their country of origin, and I will be continuing to lobby for the return of the remaining fuel stored at the site. I am delighted to hear that the recommendations of the committee have been readily accepted by the government.

I am very concerned about the aspect of the oversight agency. I have bothered the Minister for Health and Aged Care about this to some degree. In the sitting just before Christmas last year, the Australian Radiation Protection and Nuclear Safely Agency came on line. This was also recommended in the RRR report. This will ensure the regulation of ANSTO activities. It is consistent with national best practice in safety management. This agency reports to the Minister for Health and Aged Care, not the Minister for Industry, Science and Resources. The agency must also

report to parliament on an annual basis. Individual members of the public can lodge a complaint or any concern that they might have with the operation of ANSTO, and they will be independently investigated.

The most important aspect of this is that there will be community representation on the committee. This is something that I have felt very strongly about. I welcome the announcement by the Minister for Health and Aged Care this week about the Radiation Health and Safety Advisory Council, which is under the auspices of ARPANSA. There will be local community representation on this particular council. This is the first time this has ever happened in the history of having a nuclear facility in my area. I know. It has been there since 1958; I hear the concerns the member for Bonython has expressed.

I know it seems repetitive to say that nothing like this has ever happened in our area. There has never been any oversight agency, nor has there been any local community involvement. The Labor Party had 13 years to do something very serious and very determined to make sure that local constituents were represented, but they never did—it took this government. I am very proud of the fact that our government has responded to my lobbying and the lobbying of Sutherland Shire Council.

On this committee there will be Dr Garry Smith, who is the Environment Services Officer from Sutherland Shire Council. He will have a place on this advisory council, as will a local representative by the name of Mr Peter Raue, who is a computer consultant, a long-time resident of Bangor—which is one of the neighbouring suburbs—and holds degrees in applied science. He holds graduate diplomas in training and development and in management studies. He is a past president of Menai Rotary—

Mr Albanese interjecting—

Mrs VALE—No, he is a very important person inasmuch as he is very committed to the local community. He manages his son's cricket team—the under-16s for Aquinas College—and he has had an active history of involvement in community affairs since he has lived in the area. He is also a retired lieutenant colonel, having served for 23 years in the Army. He is very much a community resident in our area, as are many other people.

I think it is very important to note that we have two community representatives on this committee for the first time ever, and that is something that the Labor Party cannot boast. It is something for which I applaud this government, and I know all my constituents will also because it will be something that will increase their sense of involvement. I again congratulate the committee for a rigorous and comprehensive investigation and take great delight in supporting this motion.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.16 p.m.)—What a wonderful member we have for Hughes representing the Liberal Party in this place. Is it any wonder that David Hill was defeated comprehensively at the last election and that in 1996 she defeated the then Minister for Aboriginal and Torres Strait Islander Affairs, Robert Tickner? The honourable member for Hughes is a wonderful representative of the people of the Sutherland shire. She is someone who is feisty and prepared to stand up and be counted. She is also prepared to give credit where credit is due.

The situation before the chamber is that we have a unanimous report of the Joint Standing Committee on Public Works. If one listened to the honourable member for Bonython, one could be forgiven for thinking that it was a partisan report with a dissenting report attached to it. The Public Works Committee has unanimously recommended that the works proceed and the government has accepted all of its recommendations.

The honourable member for Bonython criticised the government by suggesting that the decision to build the reactor was announced only by press release. I want to place on record that there has a been a full and open process leading up to the government's decision to build a replacement reactor at Lucas Heights. As far back as 1993, the McKinnon committee conducted the replacement reactor review with hearings in all mainland states and input from a multitude of scientific and environmental groups. That

review recommended that a reactor be built. The government agreed and, once that decision was made, we announced the decision via a media release, which is of course the appropriate way to go. All correct procedures have been followed and parliamentary approval has been sought. There was an investigation by the Public Works Committee. Even Labor members of that committee recommended that this work proceed. The government is therefore seeking the parliament's support in this expediency motion to ensure these important scientific advances continue as soon as possible.

In his contribution, the honourable member for Bonython also criticised the government for the fact that, as he claimed, no decision has been made on where to locate storage for spent fuel. Let us look at the facts. The government has contracts for existing waste to be reprocessed and returned to Australia, but it will not return until at least the year 2015. So the government has 16 years to meet its commitment to select a site for intermediate waste repository, to undertake all necessary consultation and environmental studies and to construct its store. There is no need for concern that the store has not been built, and I want to again draw to the attention of the House the fact that the government accepts and will implement the establishment of a national repository and storage facility for the various classes of Australia's radioactive waste as a high priority for the government. The government has given a commitment; it is not simply a promise. It has given an absolute commitment that this will occur.

The honourable member for Bonython also falsely sought to cast aspersions on the very important role that Australia's government gives to science funding and research and development. We have the runs on the board in this area. This government is proud of its record in the area of research, development and scientific funding. We have made some difficult and tough decisions with respect to the rebuilding of this reactor. This is close to $300 million of new money. But the honourable member for Bonython seemed to almost snidely suggest that the government was going to rob Peter to pay Paul—that the government was going to take this $300 million from some other science funding and reallocate it to the reconstruction of Lucas Heights. That is simply not the case.

We believe that the community does have a right to know about waste disposal. You would not consider that if you had listened to the words of the honourable member for Bonython. The government has accepted the committee's recommendation to implement the right-to-know charter by March 2000. We are very happy to work with the local community and the honourable member for Hughes, and we are very happy to be open about ANSTO's operations. The honourable member for Hughes, in her contribution, pointed out that there had been consultation. She pointed out that the government had done the right thing, and in doing so she has indicated what an outstanding member for Hughes she is and has been since her election in March 1996.

As I said, this is a unanimous report of the Public Works Committee. One would almost think that was not the case when one listened to the shadow minister opposite, but it is a unanimous report and I am very happy to commend the motion to the chamber.

Question resolved in the affirmative.

SOCIAL SECURITY (ADMINISTRATION) BILL 1999

Cognate bills:

SOCIAL SECURITY (INTERNATIONAL AGREEMENTS) BILL 1999

SOCIAL SECURITY (ADMINISTRATION AND INTERNATIONAL AGREEMENTS) (CONSEQUENTIAL AMENDMENTS) BILL 1999

Second Reading

Debate resumed from 3 June, on motion by **Mr Truss**:

That the bill be now read a second time.

Mr ALBANESE (Grayndler) (5.22 p.m.)—This package of three social security bills will take the current Social Security Act and

transform it into three separate acts: the Social Security Act, the Social Security (International Agreements) Act and the Social Security (Administration) Act. These bills also propose a number of regressive and draconian changes to eligibility for social security payments and of the system for review of decisions.

Before I discuss these changes, it might be useful to give a little history. For over 50 years, we have had a Social Security Act. The idea was that, whatever you wanted to know about social security, you had only to go to one act. In 1991 Labor introduced a number of changes to the then act, which dated back to 1947. These changes involved expressing the act in plain English and reorganising it so as to make it easier to find the law relating to a particular payment.

Now the government proposes to pull this act apart and replace it with three separate acts. What is the reason for that? In the second reading speech, the then Minister for Community Services, Mr Truss, referred to the government's commitment to a simpler and more coherent social security system. One has to question how this will be achieved by moving from a situation where one act contains all of the law relating to social security payments to a situation where this law is spread across three acts.

In some cases, it will be necessary to go to all three acts in order to work out whether a person is eligible for a payment. To work out whether a person has lodged a valid claim for a payment, you would go to the Social Security (Administration) Act. Then to work out whether they meet the eligibility requirements, you would go to the Social Security Act. If the person receives a pension from overseas, you would then have to go to the Social Security (International Agreements) Act to see whether their entitlement is affected by an international agreement. Nobody in this House should be fooled by the government's claims that this will make the law simpler and easier to understand. It quite clearly is just not the case.

I also want to raise the changes to time limits for notifying changes in circumstances. The Social Security (Administration) Bill also contains significant changes to the obligations of people receiving payments from Centrelink. The current act allows Centrelink to issue notices requiring recipients of payments to notify changes in circumstances and events relevant to their eligibility. The standard time limit for notification is 14 days. This bill proposes a number of changes to this system. Rather than having a simple, easily understood standard time limit of 14 days, there will now be a range of time limits, depending on the information required. If the person is providing Centrelink with information about a compensation payment, the time limit will be seven days. If the person is giving information about most other matters, the time limit will be 14 days. If Centrelink thinks that there are special circumstances, a delegate of the secretary can specify a time limit of between 15 and 28 days.

I remind the House once again of the former minister's claim that the government's aim in these bills is to create a simpler social security system. It does not seem to me that that will be a simple social security system. Currently, we have one standard notification period that is understood by most Centrelink clients and it is proposed to replace it with a raft of different requirements, depending on the circumstances of the individual client. Indeed, some clients will have to keep track of a range of different time limits for different types of changes in circumstance. A person receiving compensation payments as well as Centrelink payments will have 14 days to notify a change in address but only seven days to notify even the slightest change in compensation payments. How does the government expect ordinary people, the customers of Centrelink, to keep up with this complicated system?

I have a particular concern about the government's agenda of increasing the complexity of the social security system when I consider that 47 per cent of my constituents in Grayndler speak a language other than English at home and 39 per cent were born in a non-English speaking country. Of those born in Australia, 14 per cent come from families where both parents were born overseas. How are people with limited English skills—at a time where translation workers

have been cut back in Centrelink offices—meant to understand the distinctions between the different types of deadlines for notification of changes in circumstances?

It is also not surprising—the point has to be made—that at the time the government is tightening time limits for notification there has been the ongoing issue of people's ability to have access to Centrelink. People could phone a Centrelink teleservice centre, but we have already heard here just how difficult making a call to Centrelink can be. We have heard that some 80 per cent of callers cannot get through to Centrelink. If we give people only seven days to notify Centrelink of a change in circumstances, they will be lucky to get through on a Centrelink phone number within that time.

Of course, they could make an appointment and provide the information in person, but that is no easier. In my electorate, constituents face delays of around a week for appointments, and many Centrelink offices have greater waiting times than that. These changes are bound to trip up people who want to do the right thing but who are unable to understand the increasingly complex Centrelink system. Perhaps that is the government's intention.

On Monday, the Australian National Audit Office exposed a Centrelink problem with regard to privacy. The Audit Office released a report which expressed concerns that there was a high probability that privacy breaches were significantly greater than the more than 1,000 complaints which were lodged in 1997-98. The key concerns identified were: the transmission of customer details over unsecured email; the mailing of floppy disks with customer details through standard postal systems; photocopies of customer credit cards with full details, including expiry dates of those cards, were made available; the ability of personal information to be transferred on personal computers; and the identification of mechanisms to transfer, browse and print data for possible sale.

The Minister for Family and Community Services has failed to adequately respond to the Australian National Audit Office assessment of the agency's ability to safeguard the privacy of its 7.6 million customers. At a time when you have a cutback and you have more demands with regard to notification, it is very clear that the government cannot even get the fundamental issue of privacy right with regard to the operation of Centrelink.

Debate interrupted.

ADJOURNMENT

Mr SPEAKER—Order! It being 5.30 p.m., I propose the question:

That the House do now adjourn.

Howard Government: Employment Growth

Mr MARTIN FERGUSON (Batman) (5.30 p.m.)—I rise today to set out a few facts on the employment performance of the Howard government since its election in March 1996. I am pleased that the Minister for Employment Services is in here to listen to these facts. The truth of the matter is that in recent months we have seen the Prime Minister, the Treasurer and a number of government ministers making grandiose claims about the job creating record of the Howard government. In light of this, I wish to bring a few facts to the attention of the House and to the public debate.

Employment growth in Labor's last three years in office was 729,900. In the coalition's 3½ years, it has been 464,000. Yes, a comparison as to job growth throughout both periods coming from the same starting point: 729,000 under Labor and 464,000 under the coalition. That is right, we created 60 per cent more jobs—and I know that the member for Eden-Monaro is ashamed of this government's performance. We created almost twice as many full-time jobs. This is only if you believe the independent Australian Bureau of Statistics—not Martin Ferguson—rather than the government's rhetoric. When it came into office the Howard government cut $2.1 billion from labour market assistance. Alternatively, Labor's comprehensive commitment to the unemployed has since been replaced by the poorly administered Job Network. We can only hope they get it better in the second tender round.

Has this improved employment opportunities for people in the labour market? We know by the fall in the participation rate of almost one percentage point that there are fewer people in the labour market as many have given up hope. But that aside, what has been the impact of the Howard government? Again, according to the ABS, Labor reduced long-term unemployment by over 150,000 between November 1993 and May 1996. Since the coalition began to slash labour market assistance in the mid-1996 period, long-term unemployment has fallen by just 12,000. In 3½ years, it is fair to say that this government has reduced long-term unemployment by just 12,000, not 150,000 as occurred under Labor.

But what about the worst and most disadvantaged—the very long-term unemployed, the hardest cases? How are they faring under a Howard government? Is the Job Network really working for them? What have been the cuts to labour market assistance and what have they done for their job prospects? Under Labor's approach, the number of very long-term unemployed was reduced by over 70,000 between November 1993 and May 1996. From the time the Howard government began to cut labour market assistance, the number of very long-term unemployed has actually increased by 70,000, not reduced by 70,000 as it did under Labor. We are, therefore, talking about the most disadvantaged in the labour market. Surely that is an area of concern for the government.

Let us then go to the issue of youth employment. Let us again look at the facts. In our last three years we reduced youth unemployment by 31,000 and yet, according to the ABS, in 3½ years the Howard government has reduced it by just 23,000. In Labor's last three years we reduced youth unemployment by 30 per cent more than the Howard government has been able to manage in 3½ years. The Howard government's attitude to the unemployed—and I suppose it is best reflected by ongoing comments from the Minister for Employment Services—is that it would sooner insult them than assist them. Yes, that is what it is about: calling them 'job snobs' and 'people who depend on welfare' rather than realising that they are great Australians who actually want to work—insults rather than positive actions to assist them. I do not believe that that approach or definition can assist the genuinely long-term unemployed, the disadvantaged in the labour market.

So the next time the government want to crow about their record, ask them for the full story. Ask them for what the ABS says; ask them for the facts. Ask them why it is that they do not believe in a fair and equitable society where all Australians have the opportunity to work and to develop their skills. Ask them why it is that the world of work remains beyond the reach of so many Australians and ask them to verify their rhetoric with facts.

I raise these issues in the adjournment debate tonight because I think that the Australian community wants action rather than rhetoric and insults. It wants the facts rather than a deliberate misrepresentation, as occurs in this House—the facts going to the government's performance on the employment front from time to time during question time under the cloud of question time. *(Time expired)*

Eden-Monaro Electorate: Heinz Cannery Closure

Mr NAIRN (Eden-Monaro) (5.35 p.m.)—A couple of months ago in this House I raised the circumstance in Eden in my electorate when the Heinz-Watties group announced in May that they would be closing the Heinz Greenseas Tuna Cannery. It has been a real icon of Australia for many decades. Starting in the 1950s, it was initially owned by private people and then, ultimately, taken over by Heinz-Watties. That announcement was a real body blow to the town because, effectively, it put 145 people out of a job in the first week of July, and 145 direct jobs in a town the size of Eden is something like 12 per cent to 15 per cent of the town's work force. The flow-on effect into other services and beyond will obviously be devastating.

From the date of that announcement I have been working very closely with a number of people in the community, the local shire council and a variety of our ministers to put together some sort of assistance for the region

as a result of that quite devastating blow. I put it in the context of other areas around Australia that have had some pretty tough times as well. The Newcastle decision by BHP is one example of a notice of closure, although in that particular case people were given a couple of years notice and it was a couple of thousand jobs.

Clearly, the effect of the loss of 145 jobs in a town the size of Eden—with 3,000, 4,000, 5000 people in the region—is far greater even than a couple of thousand jobs in an area like Newcastle, so it was always going to be quite a devastating blow. I must say that the work of many ministers to help me through this has just been terrific—Ministers Nick Minchin, Wilson Tuckey, Ian Macdonald, David Kemp, Robert Hill, John Moore and the PM himself. I have not named all of the ministers who have had some involvement, but they particularly—

Mr Abbott—And me.

Mr NAIRN—I am getting to the Minister for Employment Services, at the table, who in fact is one of the ministers who went with me to Eden during that process. He pre-empted me. He was getting a bit worried that I was going to leave him out. Those ministers have been working together to put together a package. As I just said, I was in Eden with the Minister for Employment Services at one stage and the Minister for Industry, Science and Resources, Nick Minchin, came down there also at one point. Last week, along with Senator Ian Macdonald, the Minister for Regional Services, Territories and Local Government, we were able to announce an Eden adjustment package of $3.6 million. This is quite a significant package for the region, and it will be going directly into creating jobs.

I should stress that this $3.6 million is in addition to some of the other programs that have been announced since the announcement of that closure. For instance, $184,000 was announced for a rural plan which covers the Bega valley shire Eurobodalla, Bombala and down into Gippsland, and there is in excess of $80,000 under the Regional Assistance Program. The reason Minister Abbott was in Eden with me was to announce those two very good business development programs there. Also, there was $100,000 out of the Regional Tourism Program for the Aboriginal keeping place. Ossie Cruse down there in Eden was very grateful to get that additional $100,000 to get closer to the completion of the Aboriginal keeping place at Jigamy Farm.

The $3.6 million will be used to fund projects involving expansion and new investment, generating net employment growth. Priority will not be given to relocation circumstances; it is really to encourage businesses to expand. It is new investment. It will be supporting the private sector, and the real aim is to create as many jobs as possible. A committee of local people will be formed over this next week to take applications and make recommendations to Minister Macdonald for those projects. It will be a great boost. This comes on top of the work that is continuing on the armaments complex—and Minister Moore is pushing that along—and multipurpose wharf which we are very hopeful will go to Eden. The EIS is currently being done and should be completed shortly. All of these projects together will certainly help the problems in this area and will overcome many of the job losses as a result of timber restructuring and the closure of the cannery. *(Time expired)*

Turkey: Earthquake

Braybrook Manufacturing

Ms ROXON (Gellibrand) (5.40 p.m.)—I wish to raise two matters on the adjournment tonight. Firstly, I wish to add my expressions of concern and sympathy to the many other expressions that have already been made in this House towards the thousands of Turkish families who have suffered as a result of the devastating earthquake that has occurred in Turkey. I would like to formally acknowledge the distress and concern that this causes for our Turkish community in Australia and, particularly, for the large Turkish community in my electorate—and, of course, closest to home, for my Turkish staff member, Fatih Yargi. I would like to record that my thoughts and best wishes are with him and with the community in this most difficult time.

Secondly, I would like to raise a rather distressing employment matter which has occurred at a shirt manufacturing company in my electorate called Braybrook Manufacturing. This company employs about 70 people. The staff at this company—mostly migrant women over the age of 45, a large number of whom have been employed by this company for over 30 years—were told last week that the company was to be put into voluntary administration. Not only were they told that the company was to be put into voluntary administration but they were informed by the company that there were not sufficient assets for them to be paid their entitlements. These entitlements between the 70 workers add up to about $1.8 million. Their bare award entitlements are $700,000.

These workers—these migrant women—are paid about $340 a week. They are not coalminers in New South Wales or elsewhere. It is ironic that I raise this matter in the adjournment debate today, on the very day that Minister Reith introduced into the House a bill to deal with the Oakdale circumstances. I know that everyone in the House is delighted that an appropriate arrangement has been able to be made for those families, but it is vitally important that the minister understand—as I am sure he does—that action needs to be taken more broadly on this issue, that the question of employee entitlements is something that this government must deal with as a matter of priority and that we cannot constantly have people in the mining industry, in the textile, clothing and footwear industry and in the meat working industry going without their legal entitlements.

It is of great concern to me that these workers may not have any recourse to their entitlements and, as the local member, I will be doing all that I can to try to make sure that their circumstances will be looked after. I know that their union, the TCFUA, has already been taking some action in this regard and, in fact, has written to the minister. I would like to read just the final paragraph of the letter that has been written to the minister from Michelle O'Neil, who is the Assistant Secretary of the TCFUA. She is in the unfortunate position of having to deal with similar circumstances often in her industry, and she has been pushing, as has the union, for a long time to try to get the government to address as a matter of priority the issue of workers' entitlements. She says in the last paragraph:

> My members have asked me to write to you to seek your absolute assurance that you will guarantee that they receive the money to which they are entitled in the event that they lose their jobs. A woman clothing worker in the western suburbs of Melbourne has as much right to justice as a miner in New South Wales.

I think that that is a sentiment that all in this House can clearly understand. I might say, in case it was misinterpreted, that certainly we support and I support the arrangements that the government has reached in respect of the Oakdale miners. It is a great outcome for those members, their families and the union, the CFMEU. It is a credit to their campaign and their persistence, and certainly they had to drag the government kicking and screaming into actually taking some action on this issue.

But we should not be too over the top in our excitement that the Oakdale miners were able to get their entitlements. It is, after all, what they were legally entitled to and should have been able to claim directly from their employer. It is not as if they have won any new standards. It is something that every worker in Australia should be able to expect. They are entitled to be confident that they will receive their legal entitlements.

I encourage the government to address this issue as a matter of priority, to not be distracted with 300 pages of amendments in the ridiculously named Workplace Relations Legislation Amendment (More Jobs, Better Pay) Bill 1999, but to actually look at improving what is the most pressing priority for workers in this country, and that is addressing their job security and their award entitlements.

Telstra: Rural and Regional Services

Mr NEVILLE (Hinkler) (5.45 p.m.)—I would like to raise the matter of the removal of the telephone box at Ubobo in the Boyne Valley. It has become symbolic of what is happening in regional and rural Australia, and of the total insensitivity of Telstra in removing that phone box. Ubobo is a small community. It has a rural and residential back-

ground. The Boyne Valley has a low socio-economic profile. A lot of farmers are experiencing the downturn in commodity prices. On top of that a lot of people in Ubobo and the adjoining settlement of Nagoorin, six kilometres away, do not have telephones. Ubobo lies on a timber road between Monto and Gladstone. Heavy trucks pass by all of the time and there are obvious safety implications to that.

The removal of the phone box will mean that people in Ubobo will have to travel 17 kilometres to the nearest phone box—indeed, that was suggested to them by a Telstra executive. I find that totally unacceptable. The nearest phone box in the other direction is at Calliope, 52 kilometres away. This is an isolated area where people do not have phones and where there are safety implications with timber trucks passing by and Telstra is saying that people in that 70-kilometre stretch can do without a phone box. I find that unacceptable. There is a universal service obligation that addresses the issue of making phones reasonably available to all Australians and that 40 kilometres should be the benchmark. I think that should be lowered, if Telstra is not prepared to take cases like Ubobo into account.

I would like to congratulate Mrs Marguerite Bradley on her spirited defence and that of her cohorts in Ubobo. She rallied the people of Ubobo and won the admiration and respect of the whole Australian community. I have never heard so many interviews over one phone box. But, as I said, it was symbolic of what is happening to small areas—they lose banks and then they lose their basic form of communication, the local telephone box. Ubobo is the meeting place for the Boyne Valley and people go there to use the local hall. Everyone gathers there for functions. If there is an emergency, someone has a heart attack or something like that—there are no mobile phones, I might mention—there will be no phone box in the town from which to call for help. Again, I find the treatment of those people quite unacceptable.

There are similar cases in other parts of my electorate. I have had to work hard for a telephone box at Canoe Point, near the township of Boyne Tannum, where the beachside telephone box was to be removed. One is under threat at Mount Larcom and another at Tipperary Flats, in the township of Mount Morgan, also a community with a low socio-economic profile. When you look at these insensitive actions you have to ask: if a corporation like Telstra can afford to invest hundreds of thousands of dollars in the Sydney to Hobart yacht race, the Hockeyroos, the Telstra Dolphins, and the like, and then deprive a small community of one of the essential fabrics of society—communication—I say what you have on your hands is a social obscenity. I serve notice on Telstra that it is unacceptable to take away from small communities, already suffering economic, social and rural downturn, the very basic element of communication with other places. I serve notice that I will be watching this matter rigorously throughout my electorate.

Telstra: Services

Mr LEE (Dobell) (5.50 p.m.)—I do not often agree with the honourable member for Hinkler, but I can understand his description of Telstra's behaviour in that case as being a 'social obscenity'. Let me give him a second example of a social obscenity that has been committed by Telstra. Today, Telstra announced a record annual profit for an Australian company of $3.5 billion. No doubt the shareholders will be happy. One of the reasons that Telstra attributes this record profit is 'the strong growth in new products and services'. No doubt Mr Ziggy Switkowski, the chief executive of Telstra, is pleased to announce that he can deliver this fully franked dividend of 10c a share and a special dividend of 16c a year to the shareholders.

But amid all the good news for Mr Switkowski and the shareholders of Telstra are a number of people who are not getting fair treatment from Telstra. Last week I had a constituent who came to see me about a phone bill that her 25-year-old physically and mentally disabled son has received. She has asked me not to name her, and I will not, but she is very concerned about the impact of this situation not just on her son but on other children who are affected in similar ways.

Basically, her son suffers from cerebral palsy. He is wheelchair bound and has a mild to moderate intellectual disability and a speech impediment. He lives in a granny flat at the back of the family home where, for emergency and social reasons, he has his own phone line installed. Between 11.40 p.m. on 26 June this year and 2.52 p.m. the next day—a period of only 15 hours—her son called a phone chat sex line some 12 times. Three of these calls were for one hour in duration, at which point the calls automatically cut out. The rate at which these calls were being charged, unbeknownst to the disabled son, was $4.95 per minute. It was only because the mother was in the unit the next day that she picked up the phone when Telstra rang her son. If her son had answered the phone this would not have been picked up. The bill for those 15 hours was $1,976.22c, a very hefty bill for anyone for a dozen calls, let alone for a person whose only income is the disability support pension.

The family has raised this with the provider of the service, a company called Card Access. Their response was that they had investigated the case and that they 'deemed that the son's intellectual capacity was sufficient to continue the service and that he was able to assess the reality of the situation'. That was the view of the service provider. When the family contacted Telstra and asked Telstra to at least reduce or wipe the bill, Telstra said that it was not a matter for them, that the service was simply an interface provider and that they were not prepared to take any action to discount or delete the bill. They said if the bill was not paid by the family they would cut the disabled son's phone off. When the mother asked how he would be able to use the phone, they said he should get a phonecard and use a public phone. When she explained that he is in a wheelchair and that it would take him 20 minutes to get to a public phone, they said it was not their problem, that it was nothing to do with them. The family had to take the dispute up with the service provider again.

The point I wish to make is that, like the issue raised by the member for Hinkler, this is a social obscenity. Telstra has made a massive profit from these new services, services that Telstra calls in-bound calling products. Telstra has increased its profit in this area from $337 million in 1998 to $400 million this year. That is a 19 per cent increase in its profits from 1900, 1800 and 1300 numbers. That rate of increase and its profit from those in-bound calling products is four times the average rate of growth in Telstra sales, yet Telstra, having made a profit of $3,500 million cannot afford to wipe a bill for $2,000 for a family with a disabled son. This displays the fact that Telstra has become very hard-hearted. On occasions in the past it has displayed the odd aspect of hard-heartedness. We appeal to the Minister for Communications, Information Technology and the Arts of the day to pick up the phone, ring Telstra and tell them to fix up the problem. Tonight I appeal to Senator Alston: pick up the phone, ring Ziggy Switkowski and demand that Telstra wipe this bill and that of any other parent of a disabled person out there who has been affected in a similar way.

Thank God we are now bringing in the system that requires written requests before these services are hooked up because families like this will no longer be terrorised by Telstra and Card Access in this way. I appeal to Richard Alston: pick up the phone. Ring Ziggy Switkowski and tell him to reduce this bill. *(Time expired)*

Child Support Agency

Mr SCHULTZ (Hume) (5.55 p.m.)—I rise tonight to bring to the attention of the House the desperate situation the Child Support Agency is in. The staff members of the Canberra branch of the CSA I have met seem dedicated, intelligent, friendly and understanding. Indeed, their commitment would lead me to believe that, in general, customer service through the CSA is high quality. The reality is, however, that the underlying regulations that govern the Child Support Agency indicate it is an organisation in desperate need of an overhaul. The reason for my assumption? At least once a week a constituent visits the electorate office to make a complaint as a payer or a payee of the Child Support Agency: they are not getting enough support, they are paying too much support or their ex-

partner has given an incorrect assessment of their income. These and many other complaints are continually serviced by telephone, fax, correspondence and in person in the Hume electorate office in Goulburn.

After looking at this case I can confidently assert the main problem with the CSA: legislation does not allow the flexibility in particular cases that it needs to. We seem to have introduced legislation in the past that sets strict guidelines on an issue that has many complex and emotive factors attached to it. My biggest concern is that 10 years after the introduction of this legislation, which took place in the late 1980s, almost one million parents are using the Child Support Agency to assess, register or collect child support. Between 1997 and 1998, $1.2 billion was transferred between parents for the supposed benefit of their children. Why is this a concern? Why do there seem to be so many holes in the CSA system when it impacts on almost one million people, and this does not include the children? Why does the CSA's policy seem to be biased towards certain groups of the population when, as a representative of the Child Support Agency said, 'There are two parties involved, so we need to be fair.' Every child support case is different and each case needs to be dealt with keeping this in mind. It is impossible to apply a few pieces of legislation to every case that walks through the door of the Child Support Agency.

This realisation brings me to my main concern and the reason I rise on this occasion: why does the agency assess all aspects of the payer's salary or wage, including overtime and fringe benefits tax? I cannot count the times a payer or a family of a payer has contacted me to outline their distress with this section of child support. Most parents accept that they must support their child but, increasingly, payers are finding it impossible to start a new life and make a living when up to 75 per cent of their earnings is taken in child support maintenance.

Sadly, this kind of financial pressure has led to a number of occurrences that, with changes to CSA policy, could have been avoided. I recall one mother who contacted me to say her son was a payer of child support, and that his friend, also a payer of child support, had committed suicide. We only have to turn on the news to see cases where fathers, in desperation and emotionally torn, murder their children and take their own lives. Sadly, their attitude as they dive deeper and deeper into despair is: 'I'm not allowed to see my children. I'm not allowed to start a new life. I'm leaving this world and I'm taking my children with me.' Mothers caught up in parental dispute unfortunately decide to do the same. Another case which I have been dealing with recently is a prime example of this problem. I will read you an excerpt from one payer's correspondence with me:

> I am divorced with two children. I now pay 75 per cent of my take-home pay in child support. I still spend a lot of extra money on clothing, travel and other things on my children.

This payer has particular concerns about the inclusion of fringe benefits tax in child support calculations. I will continue reading from the correspondence:

> When I travel to another location for work as my job requires the trip from my workplace to the motel will be assessed as private travel. These new changes will greatly affect the way I carry out my job. No longer can I work back after work or stay overnight in another location.

This payer, like many others, feels he has nowhere to turn. Everything he does is being assessed and included for child support. I am grateful that this individual has not given up yet. He is still working hard to make a living. Many others do not. They gave up long ago and decided that rather than work their butts off trying to get ahead and getting nowhere they would quit work, go on the dole and thus pay little or no child support. The only way we will see a decrease in complaints, a removal of child support related emotional and physical heartache—indeed sometimes suicide and murder-suicide—happier parents and, most importantly, happier children is to radically alter the method used to calculate child support. *(Time expired)*

Mr SPEAKER—Order! It being 6.00 p.m., the debate is interrupted.

Mr Abbott—Mr Speaker, I require that the debate be extended.

Mr SPEAKER—The debate may continue until 6.10 p.m.

Ministerial Reply

Mr ABBOTT (Warringah—Minister for Employment Services) (6.00 p.m.)—I rise briefly to respond to comments made earlier in the adjournment debate by my colleague the shadow minister for employment, the member for Batman. Obviously, unemployment is a very serious problem. It is not a new problem. It has bedevilled policy makers in Australia since the mid-1970s. Unemployed people do not need point scoring or nitpicking, and we could all quibble about statistics. We could quibble about jobs growth in the middle of a mature recovery as opposed to jobs growth in the immediate bounce back period from a very deep recession.

Essentially, job seekers need sustained policies, sensible and consistent policies, to produce more jobs. I am pleased to say that that is exactly what has been happening under this government. Interest rates are substantially down, and they have stayed down. Growth is significantly up, and it has stayed up. Apprenticeship and traineeship numbers are up, and they will increase further. Inflation is low and, as you would expect, these policies are getting results.

Unemployment peaked at 11.2 per cent when the Leader of the Opposition was the minister for employment. It is now down to seven per cent. But that is not all. Wages growth under the former government averaged just 0.5 per cent a year. Under this government, wages growth has increased at 2.5 per cent a year, so there are more people in jobs and they are earning more in their jobs.

Unemployment is at a nine-year low. Long-term unemployment is again at a nine-year low. Youth unemployment, in absolute numbers, is the lowest since these particular statistics were first kept. Obviously the situation is not perfect. It never is. Unemployment, almost by definition, is always too high. There is always more that you could and should do to help unemployed people.

I am not saying that the situation is perfect, but I am saying that we as a government are striving to improve it. But the situation would be enhanced if people like the member for Batman did more to support the services that the government is putting in place to help job seekers. If only the member for Batman were prepared to get behind the Job Network and to give more support to Work for the Dole and, in particular, to the great community organisations like the Salvation Army, Mission Employment, Centacare and the Brotherhood of St Laurence that are actually running these programs on behalf of the government. All these programs could only benefit from intelligent, sensitive and critical support from people like the member for Batman.

The member for Batman is a man of substance. He is a man of integrity. He is a man who is not lacking in courage. I just wish that he would bring the same courage to the policy debate inside the Australian Labor Party as he has brought to exposing the new class penetration of what was once a great working-class party.

House adjourned at 6.03 p.m.

NOTICES

The following notices were given:

Mr Hollis to move—

That the House:

(1) expresses its sympathy at the loss of life of three Australian AusAID workers in the recent air crash in Fiji;

(2) commends AusAID for the work it is performing throughout the South Pacific, especially relating to population and development issues; and

(3) calls on the Australian Government to at least maintain current funding, but also consider increased aid for development work in the South Pacific.

Thursday, 26 August 1999

Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Second Sydney Airport: Decision

Mr HATTON (Blaxland)—Round 2: knock, knock, John Howard, putative Prime Minister; knock, knock, John Anderson, Minister for Transport and Regional Services, it is about time a decision was made on Sydney's second airport. The environmental impact statement brought down by Rust PPK said that there were clear alternatives with regard to what could happen here. One of those alternatives was that Sydney airport could be expanded. Another alternative was that other airports in capital cities could be expanded, that regional airports could be expanded or that you could do nothing.

What is the federal cabinet looking at now? Doing nothing. What is involved in the do nothing option? To listen to the Sydney Airport Corporation, to listen to the Tourism Task Force, and to listen to a bloke who did his honours thesis and parrot most of what he has to say so that for the next 10 or 15 years they will not have to make a decision that is crucial to the infrastructure needs of the entire country. That do nothing option involves the potential displacement of 3,500 jobs from Bankstown Airport, the destruction of the general aviation infrastructure at Bankstown Airport, the cost of moving that airport to Badgerys Creek and ongoing disruption depending upon whether they choose to phase it in or to do it in one hit.

It also involves this: an easy transition for every person coming in on regional aircraft from KSA to Bankstown. What is being pushed is a dedicated regional airport at Bankstown. What implications would that open up? For the bush members, for all those National Party members who represent seats in the New South Wales bush, it means that the promise and absolute guarantee that their constituents would have access for regional services to Kingsford Smith airport under the long-term operating plan would be broken. They would be pushed off to Bankstown. They would have an extra half an hour added to their journeys. But it would not be just half an hour. It would be an hour or an hour and a half that would be added on to their journeys. The time needed to do business in the city and to make connections to other interstate flights—all of that—would be extended, and they would be treated like second-class citizens.

All of those regional flights that would be displaced would allow this: 25 to 38 per cent more jets going into Kingsford Smith airport. This do nothing proposal would entrench and embed Kingsford Smith airport. It would allow the airlines and all of the vested interests associated with them who have extracted $1 billion from this government to expand the airport until 2003 to continue to expand Kingsford Smith airport to the detriment of the people of Bankstown, to the detriment of the region and to the detriment of Australia.*(Time expired)*

Republic Referendum: Vote

Mr BARRESI (Deakin)—On 6 November 1999 Australians will participate in a historic referendum and vote for a new republic or for the existing monarchy. Many will take part reluctantly, others with incredible anticipation and some even in fear. In 1899, amid reluctance, anticipation and fear about a federation of states under one Commonwealth, our founding

fathers gave us a Constitution. It has proven far from perfect, but it has nevertheless been resilient during this century.

However, to deny the citizens of Australia the opportunity for change would be to deny the historical reality that Australia itself has changed since Federation—socially, culturally, economically and politically. A republic, by definition, is where the supreme power resides in the body of citizens entitled to vote and is exercised by representatives chosen directly or indirectly by them. That is surely the most pure form of democracy imaginable.

Some argue that today's monarchy has no actual powers over its citizens. If that is the case then why have one—for reasons ceremonial, for the sake of historical ties or because we like the royal family? I, too, like the Queen, and when she is in Australia next year I will give her the full courtesy accorded any head of state. But she is not an Australian.

The proposed republican model is not exactly as I would have chosen. I am concerned about the dismissal procedure. But, then again, I am sure that we all have certain sticking points with our current system, and we will with any other. But to vote no on this basis is to invite an even more extreme model within 10 years. If the framers of our Constitution had tried to please everyone to the letter, we would still be six colonies and not one nation. We have arrived at the republican choice through a very democratic process—even if a minority still decries the validity of the 1998 Constitutional Convention.

In 100 years as a nation, we have earned the right to our own head of state—an Australian. I look forward to the day when every Australian man, woman and child, not through hereditary rights but through their rights as an Australian citizen, will have that opportunity. Nothing gives my migrant parents greater honour than to have their son a member of this parliament. Equally, it would be a great honour for me to see my children have an opportunity to go one step better than their old man.

One must give full credit to this Prime Minister and this government who have delivered on a referendum to establish an Australian republic. I am happy that all parliamentarians have been granted a true conscience vote on this issue in the manner of all other Australians. We are not debating our flag, our place in the Commonwealth, the states or the Senate, merely whether we should have our own head of state. I say yes, in the realisation that my vote is only as good as any other Australian's. On 7 November, I look forward to being part of a coalition government which will once again focus on those issues important to the people of Deakin—unemployment, business growth, drugs, health and continuing economic prosperity—whether we are a republic or whether we have voted for the status quo.

Balga Action Group

Ms JANN McFARLANE (Stirling)—In June this year, I personally wrote to every family in the suburb of Balga in my electorate of Stirling. This letter contained an invitation to a community morning tea, an invitation to visit my mobile office and a community survey. I would like to thank the large number of Balga families who took the time to complete the survey and return it to my office. A key finding of the survey was that Balga residents are proud of their suburb and quite rightly resent the actions of the media and some politicians who continually seek to highlight the negative aspects of Balga. I want to make it clear that I am proud to represent Balga in the federal parliament. It is a great suburb and its people are its greatest asset.

Today I want to highlight the achievements of some of the people who are taking an active role in improving their local community through direct community action, and the Balga Action Group. The Balga Action Group evolved out of community action to help reduce the crime rate by demolishing several blocks of three-storey Homeswest flats. These flats, a failed social experiment from the 1960s, were almost unfit for human habitation, a fact that the government of the day recognised. The Western Australian state government wanted to refurbish these flats as part of their New North program. The residents of Balga were not happy with this option, and, through the establishment of the Balga Action Group, successfully lobbied for the flats to be demolished and replaced with quality housing.

The group costed two options: the government option, which was to refurbish the flats, which were 30-year-old buildings, and sell them to low income people; and the Balga residents' option, which was to demolish the flats and replace them with better quality housing and, again, sell them to people on low incomes. The group showed that the Balga residents' option was economically viable and socially beneficial. The government decided on the Balga residents' option—a win for the group, the local residents and the government.

Since their win, the group have been busy working to provide solutions to problems experienced within their community. Issues addressed by a subcommittee of the group include the building of a skateboard park, lobbying for the construction of an overpass in Mirrabooka and a main road beautification program.

Some of the group's upcoming events are, firstly, an annual clean-up day. Many respondents to my survey have identified the state of Balga's verges and parks as contributing towards people's poor perception and negative attitudes towards Balga and to crime in the suburb. Secondly, there will be a Christmas family day, which is going to include community information stalls, music, dance, carols by candlelight, a sausage sizzle and other activities. In undertaking these activities, this Balga community group has shown that people working together can address the issues and can build an attachment to their suburb. That is why I am proud to represent them in the federal parliament. It is groups like this that show that the volunteer spirit is not dead in Australia. *(Time expired)*

Telstra: Rural and Regional Services

Mr SCHULTZ (Hume)—The part sale of Telstra has raised increasing questions from the rural media about the level of service that Telstra provides to its customers. As a member in a rural seat, I can tell you that at times the service from Telstra is appalling. Mistakes happen in every occupation, and jobs fall through in every enterprise. That is the reality of business. But constituents with telephone problems, some of which have been going on for a year, come to me for help and suddenly the problem is fixed. In Telstra's case, increasing numbers of complaints about its performance result in appeals persisting through my office. Why are there so many people having problems with Telstra?

One couple whom my staff and I helped to have their telephone line fixed had been waiting over 12 months with a telephone line dangling over their fence. The line frequently disconnected in bad weather and had to be spliced by hand by these customers. Technicians came to the property shortly after my office had made contact with Telstra and told the owners they had to fix the problem fast because it was a 'hot case'. In other words, the family were not getting their telephone fixed because it was their turn or because Telstra decided it was necessary; they got their telephone fixed because a politician had become involved. While my staff and I enjoy helping people and recognise that our liaison with Telstra might give them

an insight into problems they may not be aware of, it horrifies me that these constituents ring up Telstra week after week and month after month, trying to have their cases heard and their problems solved, and all they get is a cut-and-paste response.

Can you imagine how these people feel when something they have pleaded to have fixed for months and months and after several telephone calls is suddenly fixed when they call our office? Relief is their first reaction, and then they start to think about whether Telstra even listened to them. And do they listen? Telstra respond that they have insufficient staff and no funds to employ more staff and provide more equipment. They even use the weather as an excuse. If they are so understaffed and underfinanced, how can they drop everything and have a problem fixed because one of my colleagues or I have contacted them? Some members and their staff may be flattered by this treatment—and I certainly appreciate the gesture—but it raises questions about the treatment of constituents, the people who put us where we are.

Frankly, Hume residents or any rural residents should not have to call the electorate office to have their problems solved. They should be heard by Telstra employees, and each case should be treated with compassion and fairness. I am not suggesting that every problem should be solved within 24 hours and neither are the residents of Hume. What I am calling for is more understanding from Telstra and their employees. We all have patience, and constituents in Hume who have contacted Telstra with their problems have been quite patient and willing to wait. Could you imagine waiting for a year to have your telephone connected? I can think of several cases where elderly residents and pregnant women living in isolation have waited up to six months to have access to a telephone line.

I am not here today to complain about how the government is handling Telstra. Indeed, the staff of both Senator Alston and Senator Ian Campbell have been extremely helpful most of the time. I am not even complaining about the fact that so many communication problems occur. What I am concerned about is that the previous Labor government spent money on kilometres of underground copper, which clearly did not have the political attraction of spending above the ground. My constituents are now living with the legacy of that undercapitalisation. *(Time expired)*

Australian Taxation Office: Proposed Removal of Cashiers

Mr KELVIN THOMSON (Wills)—I want to express the fear that the tax office is in the process of abandoning face-to-face public contact and is going the way of the banks, Australia Post and other large corporations in making themselves less accessible and less personal. In our dealings with the bureaucracy, MPs often lead privileged lives because, in many cases, we have access to relatively secret direct phone numbers or have staff to deal with phone queues and the like. We do not understand much about the evils of call centres: what it is like to be held in a queue or not knowing which option to press. I do not think we appreciate how difficult it can be for an ordinary person trying to deal with the bureaucracy.

The tax office intends to close all its cashier facilities by January next year and to cut back public contact opportunities. These things are being described euphemistically as ATO 'access' sites. This is a piece of Orwellian newspeak where black is white and white is black. The access sites look very much like 'no-access' sites. We have already seen cashier facilities closed in Brisbane, Geelong and Canberra, and concern has been expressed to me about proposals for Newcastle, Townsville, Perth and Cannington by Kim Wilkie, the member for Swan, and Jann McFarlane, the member for Stirling.

There are substantial implications of getting rid of the cashier and client service facilities. For example, there will be no place where a person can make a voluntary HECS payment or a voluntary tax payment in advance or purchase tax vouchers. There are limits on the amount of cash and cheques that Australia Post, the alternative, can accept. I am told, for example, that Alcoa tried to pay a tax office bill in excess of $51 million by cheque and were refused. We can see that this is throwing up very substantial problems. There are difficulties involved in achieving same day banking, and this could mean a loss of interest revenue to the tax office. It would also appear that the closure of cashier facilities is in direct breach of the taxpayers charter. The explanatory booklet No. 15 of the charter—and this is being distributed to the public—specifically states with respect to paying your taxes:

If paying in person at a Tax Office, you can pay by cash, cheque or postal money order . . . from 8.30am to 4.45pm Monday to Friday.

That is no longer the case. Concern has also been expressed at the Newcastle office about the implications of this change. You have a situation where the public is being encouraged to use phone inquiries, even to the point of being asked to ring the call centre whilst on ATO premises. It has been pointed out that this is a very valuable service for small business. I call on the tax office to review it. I think that failure to do so would generate suspicion that the tax office is running away and hiding in the face of the GST implementation debacle. *(Time expired)*

Telstra: Rural and Regional Services

Mr NEVILLE (Hinkler)—I have been a trenchant critic of the removal of facilities from regional and rural Australia. The removal of banks is one dimension of this problem, but the removal of phone boxes from isolated communities sets a new benchmark in the abrogation of civic responsibility and it is a demonstration of insensitivity. To my way of thinking, it negates every positive image of Telstra as part of the fabric of regional and rural Australia. Measured against the less than satisfactory performance in the installation and service of domestic customers, it shows how painfully out of touch Telstra has become with rural Australians.

In the little community of Ubobo in the centre of the Boyne Valley in my electorate, a fatuous notice appeared in the one and only phone box indicating the removal of that box some time after 15 October. The euphemism of 'relocation' was used in the notice which was code for, 'We're about to rip out your phone box.' In response to an objection, a Telstra executive suggested that the people of Ubobo use the phone box up the road, which just happened to be 17 kilometres away. In the other direction, it is 52 kilometres to the township of Calliope.

In other words, Telstra was prepared to leave a 70-kilometre-long stretch of road through the Boyne Valley without a public phone. Ubobo and its adjoining community of Nagoorin are isolated communities. Many residents live in low socioeconomic conditions; many of them have no domestic phones whatsoever. A public hall is the centre of the Boyne Valley for public meetings and the requirement of a phone box for safety is, indeed, most important. To fund the Sydney to Hobart yacht race, the Hockeyroos and the Telstra Dolphins, while denying communications as a basic right of all citizens in remote and isolated areas, particularly those who are in deprived circumstances, is a social obscenity.

This is just one of many phone boxes targeted in my area. I have another one at Canoe Point near Boyne Tannum, another one at the Tipperary Flats in the township of Mount Morgan and yet another one in Mount Larcom. I serve notice on Telstra, and anyone else who is so lacking

in social responsibility as to deprive people of these basic rights, that they are going to find me a trenchant critic.

PETROLEUM (SUBMERGED LANDS) LEGISLATION AMENDMENT BILL 1999

Second Reading

Debate resumed from 24 June, on motion by **Mr Entsch**:

That the bill be now read a second time.

Mr MARTYN EVANS (Bonython) (9.59 a.m.)—The opposition supports the Petroleum (Submerged Lands) Legislation Amendment Bill 1999. We also support the amendments which I understand the government proposes to move at a subsequent stage. I will cover those shortly. Broadly, the changes which the amendment bill before us today proposes to the principal act, the Petroleum (Submerged Lands) Act 1967, relate to improving government administration of petroleum exploration and the efficient production of our petroleum resources.

Many of the amendments are designed to adapt the act to the present-day characteristics of the petroleum industry, with respect to both the economic circumstances of that industry in the new millennium and also the many technological changes which have taken place in the industry in the last few years and which will undoubtedly occur over the next decade or so.

The substantive new provisions in the bill include the introduction of infrastructure licences to cater for at-sea operations that do not strictly fall within the ambit of the current production or pipeline licences. They also include an option to introduce the use of supplementary bids to decide between exploration permits that are otherwise ranked equal, and the creation of a new offence of deliberately interfering with an offshore petroleum operation or the related installations. That is obviously very significant when you consider the isolation of these facilities, their enormous economic value and, of course, most importantly, the way in which any interference with those facilities would put at risk the lives of those who work on those production platforms.

The bill also repeals a number of provisions which are fairly technical. They relate to the length of pipeline licences and to the joint authority's discretion to fix the number of blocks and also to the fragmentation constraints on areas covered by permits being renewed. I also understand that the government intends to move a number of amendments to the bill which it has introduced which follow a re-examination of the provisions of the bill by the industry, which raised concerns about a number of points of potential ambiguity in the wording of some of the provisions in relation to the rights conferred by infrastructure licences which, unless rectified, would leave some uncertainty in the licensing regime for petroleum exploration and development, in that the rights conferred by an infrastructure licence could be more limited than is intended by the bill.

There are a number of other supplementary amendments which I believe are technical in nature and which are supported by the opposition in general terms. I do not think it is necessary at this stage to go through those in detail.

While this legislation is, as I have said, largely technical in nature it concerns a very vital and important industry for Australia. Australia has very substantial petroleum reserves, be they oil or gas reserves, and we also have very significant non-traditional oil reserves in the form of our shale oil reserves in Queensland and in other locations, as well as new, untapped resources in the oil and gas areas, for example, in the Timor Gap, alongside the traditional areas of Bass Strait, Gippsland, the areas that Santos operates at Moomba in my own state

of South Australia and, of course, the very vast reserves off the coast of Western Australia in the form of the Gorgon fields and the North West Shelf, operated by Woodside and their many partners in this operation. Those resources, which have only been tapped in recent years, relatively speaking, have made Australia largely self-sufficient in liquid fuels—in fact, I think we are about 70 per cent self-sufficient—and oil and natural gas account for over half of the country's energy needs.

With respect to the exports which flow from these wells, we are not a large exporter of oil, of course, but we are certainly a very substantial exporter of gas. The North West Shelf represents one of the largest capital facilities of its kind in the country. It is our largest resource and infrastructure project and a very substantial earner of overseas exchange for this country. Indeed, the net exports in total for the industry as a whole represent about $1 billion per annum.

The North West Shelf provides very substantial exports. On a recent visit to the North West Shelf facilities, courtesy of Woodside and their partners, I was able to see for myself the enormous size and value of that resource and the massive investment in capital facilities and related infrastructure which is required to extract gas from very substantial depths under the sea and to then process and export the gas. Indeed, tankers leave that facility every couple of days, largely bound for Japan. The value of gas in each shipment is about $13 million.

It is coincidental that, as we debate this legislation, Woodside and the North West Shelf partners celebrate of the order of their 1,000th cargo to Japan, which has taken place over a period of about the last 10 years. I take this opportunity to join with others, including the government, in congratulating Woodside and their partners in the North West Shelf on what is effectively 10 years of almost fault-free operation of 1,000 cargoes leaving for Japan and a decade, as I have said, of virtually perfect operating circumstances.

A great deal of work has been required of the staff and the company to ensure that that level of uptime is available at that facility because it is a very complex operation and one which requires very considerable expertise. The number of people employed on that facility is not particularly large, and as you look around the production plant offshore or the production facility at the Burrup Peninsula, you are struck by the very massive nature of the capital investment and the relatively small number of people required to operate it. However, it is a full-shift operation, 24 hours a day, seven days a week, 365 days of the year. The reason for the modest number of people involved is that once the facility is in production, it is very much an automated operation. There is not much that individuals can do to further that, except by way of preventative maintenance and ensuring the safe operation of the plant.

The people who do work there—at all levels of the work force—are very highly skilled and qualified, and collectively they make a very substantial contribution to Australia's GDP. They have a very significant multiplier effect on the economy. Although the number of jobs actually on production facilities is not that large, there is no doubt that, when you look at the multiplier effect that these jobs have throughout the community, every million dollars of investment in those kinds of facilities produces one full-time job and 3.5 consequential jobs throughout the community of Australia—in particular in this case, Western Australia, but obviously generally throughout the Australian community—through the addition to our gross domestic product. That contribution should not be overlooked when one looks at the total impact of the gas industry on Australia as a whole.

As I have said, Woodside has never missed a shipment from that facility. There are very substantial penalties, of course, for missing shipments; this is the kind of industry where mistakes are simply not tolerated, either from a safety point of view or from a commercial point of view. It is essential that the appropriate infrastructure regime, financial regime and government regulatory regime be in place to underpin these kinds of operations. I only use the Woodside North West Shelf operation as an example—the most pre-eminent example at the moment but an example, nonetheless, of the way these facilities operate.

It is very important that all of that associated infrastructure, from a government regulatory and fiscal point of view and also from the operating perspective, is in place, and in place on a long-term and certain basis. That is because the massive investment in the capital infrastructure requires very long-term certainty about what the government regulatory regime and the fiscal regime will be. If you are going to invest billions of dollars, literally, in the original establishment of the kind of plant which we see at Woodside's facilities, or if you are going to continue to invest—as the North West Shelf partners are proposing to do at the moment—further billions of dollars to increase the capacity of the production facility there, by adding additional trains to the LNG production plant, then obviously you are going to need considerable certainty about the environment in which you are operating.

It is for that reason that this area has largely enjoyed substantial bipartisan support in the past in Australia and I believe it should continue to do so. Obviously, as one of the few fully developed countries with substantial gas reserves, Australia is in a different position from many of our competitors in this industry. The only other country in a similar economic situation to us which enjoys substantial gas or petroleum reserves in that context is probably Alaska. Australia and Alaska between them suffer very significant disadvantages over some of their competitors like Malaysia, Indonesia, Qatar and many of the other countries which have very large volumes of gas to export but who also have the advantage—in an economic sense—of lower wage rates, of governments who are substantial owners of these facilities and of massive tax and other concessions which are made to the companies. As I will cover more fully later, these countries are less affected, in the economic sense, by the constraints of the greenhouse gas problem.

Australia is just about the only country that is constrained by the Kyoto protocol, although that remains in the future—we have not yet accepted the protocol in its entirety and, of course, it is not yet in operation. But the reality is that, if it were, Australia is the only country effectively with large gas reserves that is required to honour the very constraining terms of that protocol, whereas our competitors in this area are not so constrained. They enjoy not only those greenhouse advantages but also substantial advantages in taxation concessions, in the government assistance available to them and in terms of being government owned and with the freedom that gives them to operate within their own country. So, when we look at the regulatory and fiscal regimes which we impose in Australia, we have to keep in mind what applies to our competitors because gas is very much a commodity.

Gas is gas is gas, wherever you obtain it from, and Japan and the other major customers around the world are not that concerned as to whether the gas comes from Australia or Indonesia or Malaysia or Qatar or one of the other countries who are able, equally as well as Australia, to supply that gas. So it is in our national interest to ensure that Australia is a very competitive producer of LNG, that we produce it at the most efficient level possible, and that we do so using the technological advantages which Australia has over some of its competitors in terms of our highly educated work force and in terms of the access to high technology

which Australia has and the skills of our people in the production, drilling and the shipping of this very valuable commodity.

Woodside has made substantial inroads into the international marketplace over the last decade or so. They have ensured that Australia is a significant competitor in this marketplace. But we are still only one of those competitors and we will always have to fight for our share of the increased demand which will occur over the next few years throughout the world. We will see, in the next decade or so, countries such as China, India, Korea and Taiwan as the major potential purchasers of new gas suppliers, and they are free to choose that gas from anywhere they like, from producers around the world. If Australia is to be a substantial supplier to those new and emerging and very substantial markets, we must ensure that our producers are as competitive as possible in this context. Asian LNG demand is likely to rise very substantially over the next 10 years. If we participate in that growing demand, Australia will enjoy very significant benefits in terms of the export revenue which that will generate. We also will contribute very significantly to a reduction in greenhouse gas emissions throughout the world.

There remains some argument amongst not only scientists but also politicians and the community in general about the impact of the greenhouse gas issue. I take the view that it is a very serious question which we cannot possibly ignore. If the world decides to conduct an experiment to see whether the greenhouse gas effect is real or not and, if real, just how serious, then, unfortunately, by the time we find the answers to that question, by the time we see the results of that experiment, it will be far too late for the world to turn back and reverse the effects. So we have to operate on the basis that the effect is both real and significant, and that it will have adverse climatic impact on the planet as a whole. I think the evidence for that is very strong.

It is very clear from unambiguous scientific measurement that the level of CO_2 in the atmosphere has been rising dramatically since the industrial revolution. That is unambiguous and clear-cut. The only question which is not so certain is what impact that will have on climate. Obviously, the greenhouse effect per se is real. Greenhouses do work. I have many of them in my own electorate. I have stood in many of them and compared the effect on the growth of the tomatoes and other cash crops—some of them legal, some of them not—in my electorate. Quite clearly, the greenhouse effect works in greenhouses.

Whether the planet is a giant greenhouse or not has yet to be determined. I suspect that it is, and that those who put their faith in greenhouse feedback measures that are, effectively, just natural measures—recycling in the atmosphere, extra growth of algae in the oceans and so on to soak up some of the CO_2 so that it does not have an impact on climate—are very much engaged in wishful thinking. I think our children and our children's children will not thank us if we ignore this effect now.

But does that mean we should rush headlong into changes which will have very adverse impacts on our own economy? The answer is no. Very clearly, through sensible planning and the rational use of our existing resources, we can have a significant impact on our greenhouse gas emissions without substantial adverse effects on the world and the Australian economy. The reason I labour this point is that gas is a very sensible, even vital transition fuel to ensure that we are able to reduce our greenhouse gas emissions while retaining the levels of economic growth which support employment growth and the real standard of living which Australians and many citizens throughout the world have come to enjoy.

That leaves the developing countries—such as China and India, less so Korea and Taiwan, but many other countries in Africa and South America and parts of Asia—which also want to see their standard of living grow. What we have to do is ensure that they base that growth on greenhouse friendly methods. Using gas as a transition fuel to the future economy is one very obvious way of doing that while producing far less greenhouse gas emissions than by relying on coal. Unfortunately, countries like China and India have a very substantial reliance on coal, much of it quite dirty coal, producing very substantial CO_2 and other pollution emissions. It is important that we see the transition of these economies to a gas based economy.

However, we also have to be sure that Australia does not pay the price for that. We will be contributing to significant greenhouse gas abatement throughout the world if the world uses our gas, and other LNG gas producers' gas, in its energy production facilities. Australia should not be penalised for that, as we will be at the moment. We should, in fact, be congratulated by the rest of the world for making that gas available to them—almost rewarded in that context in the world environment for making that gas available for export—because it will replace fuels which are far worse. The use of our LNG throughout the world, particularly if countries like China and India, those emerging economies which are big users of energy, use our LNG for energy production, will ensure that the world has far less CO_2 produced.

Negotiations in the future about the international regimes which apply to greenhouse gas abatement must focus very much on ways of preventing carbon leakage. They must ensure that people do not close down energy intensive facilities in First World countries such as Australia and move them to developing countries where they are not subject to the same constraints as we would be in Australia, thereby gaining a competitive advantage for those industries but still producing even more CO_2, which will subject the world to a worse greenhouse problem. That is not an effective answer to the greenhouse issue. It can only be approached on a total planet basis and we have to be certain that any future negotiations take that into account.

We cannot penalise developing countries for being developing countries; we have to assist them in the process of emerging into more energy efficient economies and de-linking their economies from carbon. That is a very significant trend which is taking place, because although world energy production is increasing and world economic growth is increasing, the carbon intensity of the global economy is actually declining. We are seeing a reduction in the amount of carbon produced because, to some extent, economies throughout the world are being de-linked from carbon. As we move into an information age, into an age when the economy is less dependent on carbon based energy and more based on knowledge industries, which Australia could play a pre-eminent part in, then we will see a decline in the amount of carbon required to produce a dollar of income and GDP throughout the world.

Indeed, the decline of the carbon intensity of the world economy has been quite striking. We have seen nearly a halving in the number of tonnes per million US dollars of income since 1950. Back in the early 1950s, 239 tonnes of carbon was required to produce $US1 million of income whereas now that is down to just over 150 tonnes in 1998. We have seen a very significant trend which I do not think has been adequately reported in the greenhouse debate and one which will have a significant impact on the way in which the world looks at greenhouse gas issues.

We must ensure in Australia that there is that trend towards an LNG based economy as a sensible transition fuel and that measures are taken immediately which will contribute to a reduction in greenhouse gas production but which will not contribute to a reduction in Australia's economic base. Some of those industries, such as our pre-eminent lead in solar cell technology and the shift towards fuel cells which use energy in the form of hydrogen or natural gas which can be reformed into hydrogen and which then only produce water and energy as an output—fuel cell technology which can be up to 80 per cent efficient compared to 30 to 40 per cent efficiency for traditional coal-fired power stations—would make very significant contributions to Australia's economy while not contributing to the overall CO_2 production. They are, in effect, the no regrets measures which we have already looked at. Conservation of energy is also a very important way of addressing that question. What is not worth doing is undermining our economic base in a knee-jerk reaction to the greenhouse gas problem.

We also need to look very seriously and assist industry in any way we can in reinjecting the CO_2 into those underground basins which are vacated by the gas. The sequestration of CO_2 is important not just in the overall greenhouse gas issue but in the LNG industry where large underground caverns are available to reinject the CO_2 which is produced as an unwanted by-product of the gas production itself. The North West Shelf operators are lucky in that their gas is relatively low in CO_2 but, for example, the Gorgon Fields nearby are somewhat higher in CO_2. If much of that CO_2 could be reinjected or frozen and pumped to the sea floor where it would remain sequestered for many hundreds of years, that would make a significant contribution to the greenhouse friendliness of our LNG industry.

I am disappointed that the government has not given much more support through research grants to these kinds of initiatives because they do offer real opportunities to sequester CO_2 and to increase the greenhouse friendliness of our LNG industry. I believe that, while government cannot do much to change the competitive position of our LNG industry by interfering directly in the market, it can, through the indirect measures of the fiscal and regulatory climate and the research facilities made available through the CRC program, for example, do a lot to ensure that our industry is more competitive and certainly more competitive on a CO_2 basis.

In conclusion, it is important to touch on one final topic and that is the fiscal regime which will apply. At the moment we are looking in this country at significant changes to the fiscal regime—the still secret Ralph committee report, much debated in the media but still actually secret, which potentially could strike at the heart of our LNG industry. The LNG industry is characterised by a very substantial up-front investment with a long-term payback period. The abolition of the accelerated depreciation provisions would obviously have very serious consequences for the LNG industry and, in particular, for the expansion of that industry which is currently contemplated in the north-west of Western Australia and in the Timor Gap.

If the accelerated depreciation provisions are abolished that would have a very depressing effect on that market and I am sure that the probability of those investments going ahead would be significantly diminished. While I am not yet aware of the actual final terms of the Ralph committee report and while the opposition—as our Shadow Treasurer, Simon Crean, has indicated—does wish to cooperate in this area and seek to work constructively with the government in producing a beneficial outcome for Australia. So, from the perspective of one of our major resource industries, the LNG industry, I flag that the accelerated depreciation provisions are very important.

I am aware that the mining industry is somewhat split on this question. The mature mining companies that are now making significant profits from older mining ventures obviously would have an interest in a lower tax rate and are less concerned about the accelerated depreciation provisions.

We have to look to the future and to the importance of this LNG industry for the greenhouse gas transition, for the long-term value to this country of its exports, and also for the benefits which it can bring in terms of GDP growth, export growth and skilled jobs throughout the Australian economy. Obviously, the accelerated depreciation provisions are most important. I put the government on notice that that is a very significant factor which we will take into account when assessing the Ralph committee report.

The LNG industry, along with the petroleum industry which is generally supportive of this bill, and which I have not had much time to canvass today, certainly think the bill is a positive step forward in the transition to a more efficient and productive industry in the future. Obviously, the government has a number of issues which it must take into account in planning policy in this area for the future. The use of gas as a transition fuel is the most significant of those, and the government can support that initiative through an appropriate fiscal regime, regulatory regime, and through the international negotiations which are part of our greenhouse gas contribution.

In conclusion, I again indicate our support for the legislation and for the non-controversial amendments which I understand the minister proposes to move at a later time.

Ms MAY (McPherson) (10.26 a.m.)—As secretary of the Industry, Science, Resources, Sport and Tourism Committee, I speak today to endorse the government's amendments to the Petroleum (Submerged Lands) Act 1967. The Petroleum (Submerged Lands) Legislation Amendment Bill 1999 proposes amendments relating to improving government administration and the efficiency of exploration for, and production of, petroleum resources.

These amendments do not constitute a significant change to the existing regime governing the operations of the petroleum industry in Australian offshore areas, but they are designed to achieve a more streamlined system for the administration of petroleum exploration and development in Australia's offshore waters and achieve greater certainty and security for companies which hold, or are seeking to apply for, petroleum titles in our nation's offshore waters. These changes are also designed to allow for a more flexible regime to accommodate the changes in offshore technology since the Petroleum (Submerged Lands) Act was introduced in 1967.

Members here today may recall that last year the coalition government passed a small number of urgent amendments to the Petroleum (Submerged Lands) Act 1967. These amendments emerged following recommendations from a review of offshore petroleum legislation which ended in 1998.

This review was conducted with a great deal of input from stakeholders in the petroleum industry and state and Northern Territory governments. Likewise, the amendments which we are discussing today have been drafted with input from the stakeholders. The federal government has worked extensively with these stakeholders on the provisions of the bill now before the House. Consequently, this bill incorporates many of the proposals generated through the review and, in effect, the industry is anticipating the introduction of these changes.

What emerged from these discussions and the review process was the necessity to update the act to keep pace with changes in the petroleum industry. As we move into the 21st century

and the petroleum industry continues to go through a series of changes and developments, such as the opening up and growth of liquefied natural gas markets, a number of the provisions in the act of 1967 are no longer appropriate. Other provisions put unnecessary burdens on companies and government through their reporting requirements and approvals. This legislation currently before the House has the effect of improving government administration and promoting the efficiency of exploration for, and production of, petroleum resources.

As Warren Entsch, the Parliamentary Secretary to the Minister for Industry, Science and Resources, said during the second reading speech for this bill, the government's vision for the future 'is one of a competitive, innovative and growing petroleum sector operating in a streamlined legislative framework that offers high levels of certainty to stakeholders and contributes to rising national prosperity.' This has been clearly identified and outlined in the government's objectives in the 1998 resources policy statement.

The proposed amendments to the Petroleum (Submerged Lands) Act 1967 relate to improving government administration and the efficiency of exploration for, and the production of, petroleum resources. A number of these amendments are designed to bring the act up to date with the present day structure and characteristics of the petroleum industry, both economic and technological.

The substantive new provisions in the bill include the introduction of infrastructure licences to provide for at-sea operations that do not fall strictly within the boundaries of current production or pipeline licences. I stress that, under these proposed changes, there will be no net impact on the Commonwealth budget, as the changes in no way impact on elements such as annual licence fees payable to the Commonwealth. In contrast, the overall effect of the amendments is likely to be a reduction in administrative costs for both government and industry. This is good news for government and industry.

Under the changes, there are four major provisions that the bill will insert into the act. These are: the repeal of two sections of the act to remove the discretionary 16-block provision; changes to the term of pipeline licences; the inclusion of infrastructure licences, a new class of title to provide secure title over processing, storage or off-loading facilities; and, provisions for the continued use of production facilities in lapsed licence areas, with the transfer of obligations to parties continuing to use the facilities. These changes are supported by key stakeholders, and follow the government's vision for a flexible industry with greater certainty.

In general, the new provisions in the bill include the introduction of infrastructure licences to cater for at-sea operations that do not fall strictly within the ambit of current production or pipeline licences. An option is also introduced for the use of supplementary bids to decide between exploration permit bids that are ranked equal. Provisions that will be repealed by the amendments include the joint authority's discretion to fix the number of blocks for the renewals of exploration permits at 16, the fragmentation constraints on areas covered by permits being renewed and the 21-year term of pipeline licences.

I want to take this opportunity to elaborate on one of the four major provisions I earlier identified—the changes to the term of pipeline licences. The government has agreed to repeal the 21-year term of pipeline licences. While the term is to be indefinite, the pipeline licence will be able to be terminated if there has been no work on or use of the pipeline for a period of at least five years. This move conforms with the change made last year to the term of production licences and will enhance the security of tenure and thereby encourage investment in pipelines.

Another provision relates to information that companies are required to submit to the government and its protection so that trade secrets are not betrayed and the submitter's competitive position is therefore not undermined. The existing safeguards involve gazettal of a notice to advise affected parties before any information that is deemed to be an interpretation of basic geological data can be released to third parties.

The bill introduces a streamlined system under which companies submitting information to the Commonwealth government will be able to declare at the time that they classify information to be confidential or derivative. Unless the designated authority challenges this declaration within a time period of 30 days, the classification will stand and the information will be protected from release, permanently if it is confidential or for five years if it is derivative. In a further protection measure, a new offence—deliberately interfering with offshore petroleum installations or operations—will be introduced in these changes. This offence will carry a maximum penalty of 10 years imprisonment, which is equal to the strongest penalty provision in the act.

As mentioned earlier in this speech, the amendments proposed in this bill were the subject of in-depth consultation with the upstream petroleum industry. However, after the bill was introduced to parliament, industry members raised a number of points of ambiguity in the wording of provisions associated with the rights conferred by infrastructure licences. Unless rectified, this current wording would leave uncertainty in the licensing regime for petroleum exploration and development. The government has addressed these concerns raised by stakeholders through the development of amendments clarifying the intention of the Petroleum (Submerged Lands) Legislation Amendment Bill 1999. I point out that there is no financial impact of this new clause to clarify these provisions and the Australian Petroleum Production and Exploration Association is in support of the action to remedy this situation.

I would want to see the changes enacted immediately. It would be inappropriate to delay the implementation of the amendments currently proposed for several reasons. Firstly, the review process into the industry has been extensive and lengthy. Secondly, the industry has been given assurances that the recommendations will be acted upon. Thirdly, a number of amendments are critically important to the development of major projects within the industry. If they were not implemented, this would have a potentially adverse effect on the economy. I commend this bill to the House.

Mr STEPHEN SMITH (Perth) (10.35 a.m.)—I support the Petroleum (Submerged Lands) Legislation Amendment Bill 1999 as presented and I support the flagged technical amendments proposed to be moved by the government. On this side, I follow the contribution from the member for Bonython, the shadow minister for resources, who has made his usual intellectually erudite and substantive contribution. I had the opportunity of hearing that and I endorse everything he had to say. I thought that, as a West Australian interested in things petroleum upstream and offshore, I might make some general comments about the importance of the petroleum resources industry, particularly for Western Australia but also nationally.

As has been mentioned, today the one thousandth cargo is leaving Karratha from the electorate of Kalgoorlie, whose member is here. That sees 10 years of successful LNG exports from Western Australia and Australia. Every cargo has been delivered on time to the complete satisfaction of the customer in Japan. In addition to those substantial long-term contracts to Japan, we have seen about 48 spot cargoes to different countries over the last few years. The

introduction of spot cargoes reflects some of the changes we have seen in the international liquefied natural gas industry.

The provisions of this bill arose out of the review into the offshore petroleum legislation. I recall that in 1997 some earlier provisions were passed which were dealt with on an urgent basis because they were seen as being important to buttressing the confidence of the North West Shelf joint venture in its attempt to secure further contracts from Japan to enable the expansion of the North West Shelf operation.

The letters from Japan have not yet arrived as a consequence of a range of things. The joint venture partners remain assiduous in that task, as do other liquefied natural gas venturers—Gorgon or Liquefied Natural Gas Australia, for example—in pursuing other projects and other markets, particularly Korea, China, Japan and Taiwan.

I raise the earlier piece of legislation, which was picked up out of the review and dealt with on an urgent basis. Whilst it was a very small measure, it reflected the longstanding bipartisan support which the liquefied natural gas industry has had. The industry has been in place for over 10 years. It was Peter Walsh under a Labor government who signed the original export approvals for the contracts. It has been a project that has had bipartisan support. On our side, both in government and in opposition, we continue to support the existence and the expansion of Australia's great liquefied natural gas industry, from small things like changing our policy on export controls over the spot contracts to the large things like taking seriously accelerated depreciation and its importance to a large capital intensive industry.

The importance of the liquefied natural gas industry in particular and the upstream and offshore petroleum resources industry to Western Australia is worth noting. Australia's petroleum resources industry is massively underappreciated, with great respect to my colleagues, by the parliament and it is massively underappreciated by the community at large. In 1997-98 the gross value of production of the upstream oil and gas industry was $8.9 billion, of which nearly $5 billion was produced in and offshore of Western Australia. The industry's net exports bring in over $1 billion annually to the economy.

A recent economic study commissioned by the Western Australian Department of Resources Development and APPEA—the Australian Petroleum Production and Exploration Association—identified over 900 companies in Western Australia providing goods and services to the industry. These companies employ over 17,000 people, in addition to the over 2,500 employed directly by the 23 oil and gas companies active in Western Australia. The regional impacts of the industry are significant, with virtually all oil and gas produced from remote locations onshore or offshore, something which I am sure the member for Kalgoorlie will personally attest to when he makes his contribution.

I thought it might be worth while to read into the record some of the conclusions of that Western Australian Department of Resources Development study to which I have just referred. That report shows that the value of Western Australia's oil and gas production has grown 12.5 per cent per year since 1990. It delivers $230 million in revenue annually to the Western Australian government in royalties. It accounts for more than half of Australia's crude oil and condensate production and 10 per cent of the world's liquefied natural gas trade. More than $21 billion has been invested in the Western Australian industry over the past 18 years. The report calculates that that is over $3 million per day.

The annual value of production in Western Australia now exceeds $5 billion. The value of that production is greater than the value of all agricultural production. It is more than triple

the value of the largest single agricultural commodity—wheat. The petroleum sector is now more than 13 times the size of the fishing industry and exceeds the total value of the forestry sector by a factor of 12. They are the most significant direct and indirect economic, employment and regional development benefits that you find from that particular study.

I mentioned in passing earlier the question of accelerated depreciation. This will fall, obviously, for substantive consideration when the government and the parliament come to consider the Ralph review outcome. On the basis of my conversations with people in the industry in Western Australia, there is no doubt that the Western Australian petroleum resources industry is extremely concerned about uncertainties about the future climate for investment arising from the Ralph review. It appears entirely possible that the investment settings for new investment in oil and gas exploration and development might end up being less favourable than at present, and that is as a consequence of consideration being given to the accelerated depreciation arrangements. I noticed that Woodside Petroleum, through its Managing Director, Mr Akehurst, formally released in the last month or so a paper entitled, 'Tax reform, depreciation and large, long life projects', which crystallised the importance of accelerated depreciation for the liquefied natural gas industry in terms of Australia's international competitiveness as a place for capital investment in long-life projects.

In addition to that particular issue, there are a number of other issues which are relevant to the petroleum resources industry which are of concern and consternation to the industry. One in particular is the immediate deductibility of exploration expenses. If you look at exploration in petroleum resources industries, the potential downward turn is nothing to compare with the downward slide that you see in the minerals resources industry. But if you take into account the collapse in crude oil prices about six months ago, which, from memory, was the lowest in real terms in about 25 years, that caused the industry to constrain and cut costs. Inevitably, one of the things which is cut is exploration budgets. Prices for oil have now substantially recovered, but the industry is obviously always concerned and nervous about the oil price cycle.

In the last calendar year, 1998, as I understand the statistics, new records were set for exploration wells offshore and for overall oil and gas production. In this calendar year, while production should remain high, exploration expenditure is likely to be plateaued or muted or depressed. So there is a real issue here, in the context of the Ralph review, about the immediate deductibility of exploration.

This is nothing like the difficulties for exploration in the minerals resources area, which—I will not digress too much—have seen the gold industry in Western Australia making proposals for changes to the taxation arrangements which might act as incentives for investment in minerals resources exploration. When we bear in mind that exploration for gold continues to be about 60 per cent of the whole exploration basket in Australia, the difficulties which the gold sector has had in recent years are of considerable concern. There is a live issue here for the national interest. This goes to a great exporting industry, it goes to regional development, it goes to economic growth and prosperity in an outlying state and it goes to direct and indirect employment benefits.

The member for Bonython ranged quite extensively over the greenhouse gas issue. I would simply make this point. It seems to me that it is in our national interest, and consistent with being a good international citizen, that our attitude to greenhouse gases ought to be, firstly, to identify and accept that there is an issue there and a genuine cause for concern, and that

we do need to act responsibly and take appropriate steps. But that, in my view, is in the context of understanding that with greenhouse abatement you have to act locally but think globally. While it is the case that the production of liquefied natural gas, for example, can cause production of greenhouse gases, it is also the case that there is unquestionably a net global benefit in greenhouse gas terms if you take into account that the further export of liquefied natural gas to Japan, India, Taiwan or China would almost certainly be taking these countries partly off the coal drip.

So, while it is certainly appropriate that we act responsibly locally through a whole range of greenhouse gas abatement measures, it is in our national interest to ensure that the international community operates on the basis of thinking locally but acting globally. We ought to ensure that there is a credit given for the export of our energy-rich resources which have an ultimate net beneficial global effect.

A final point which is worth mentioning in passing, so far as the petroleum resources industry is concerned, is that I detect just a modest amount of uncertainty and consternation as a result of the recent passage by the coalition of the Liberal Party, the National Party and the Democrats of the environmental diversity legislation. I suspect there is a bit more water to go under the bridge in the implementation of that legislation and in ascertaining its impacts.

But this is the Main Committee: I will not become too pejorative. On this side we are becoming just a little bit accustomed to the broader, unholy coalition alliance of Liberals, Nationals and Democrats giving us GSTs or industrial relations reform, so-called, wave 1 or wave 2—but I will not digress too far, Madam Deputy Speaker.

This is an important industry for my state of Western Australia and for our nation. We are dealing with important exporting industries and it is important that small but effective measures like these are dealt with on a bipartisan basis to ensure certainty for the industry. It is equally important that, when we come to consider the aftermath of the business taxation review, the national interest which resides in this great exporting industry is kept well and truly to the fore.

Mr HAASE (Kalgoorlie) (10.49 a.m.)—In 1998, a handful of urgent amendments to the Petroleum (Submerged Lands) Act 1967 were passed. These were the result of recommendations from a review of offshore petroleum legislation. However these amendments were the forerunners to the larger number of important proposals to amend the act that were recommended in the review. The Petroleum (Submerged Lands) Legislation Amendment Bill 1999 now before the House incorporates all of these important proposals.

In recent years it has become evident that, among the provisions in the Petroleum (Submerged Lands) Act, some are no longer appropriate while others place unnecessary burdens on both companies and government regarding reporting and approval requirements. With the ever-changing technological climate in the petroleum industry and the developments in the liquefied natural gas markets, we need to ensure that the legislation promotes the government's objectives as specified in the 1998 resources policy statement.

The government's view is towards a dynamic, competitive and growing petroleum industry, facilitated by a streamlined legislative framework that offers high levels of certainty to stakeholders, contributing to improved national prosperity. Within this framework the proposed amendments to the Petroleum (Submerged Lands) Act aim to develop and improve the government's ability to effectively administer and provide for efficient exploration and production of petroleum resources. The stated goal is to accomplish this without compromising

operating safety and environmental standards. While there are no sweeping changes in the legislation, the more significant changes will deliver on this commitment.

Four new insertions into the act include, firstly, pre-exploration. Where interested parties submit competitive bids for exploration permits, supplementary bids may be called for as a tiebreaker for submissions that are rated as equal. With this additional option comes additional incentives for each company to invest in more exploration and expenditure.

Secondly, we are also introducing a new class of title, an infrastructure licence, designed to provide for the at-sea operations that do not fall strictly within the current production or pipeline licences. Often companies are unwilling to outlay large sums of money in processing plants unless they have security over title on the area in which the plant is to be located.

This new infrastructure licence will allow companies to remotely control some operations for the recovery of petroleum in an area when the petroleum is located in an adjacent production licence area, thereby enabling them to connect subsea completion from the infrastructure licence area into an adjacent production licence area. Notably, the current regulations governing acceptable oil field practice, including health, safety and environmental protection, will have equal weight in regard to the infrastructure licences. The infrastructure licence will also provide continued access to facilities after petroleum production has ended in production licence areas.

Another new provision to go into the act relates to information required of companies upon submission to government and the protection of that information to preclude the leaking of trade secrets, thereby ensuring that the competitive position of the submitting company is not undermined. The current safeguards involve gazettal of a notice to advise those parties involved prior to any information deemed an interpretation of basic geological information being released to a third party.

These amendments now allow a streamlining of the system whereby companies that submit information to the government will be able to declare at any time that they classify the information as confidential and derivative. A designated authority may challenge this within 30 days, otherwise the classification will hold and the information remains protected from exposure—permanently, if it is confidential, or for five years if it is derivative. The introduction of a new offence, that of deliberately interfering with offshore petroleum installations or operations, will mean that those found guilty of such an offence will face a maximum penalty of 10 years imprisonment, which is equivalent to the harshest penalty within the act.

If we look at those aspects of the legislation which will be repealed as a result of the amendments, the most obvious is the removal of the joint authority's discretionary powers to fix the number of blocks for renewals of exploration permits to 16. It is the very objective of the exploration permit system to facilitate the maximum amount of investment in petroleum exploration in offshore areas. One of the key mechanisms within the legislation to attain this is the necessity that a permit holder surrender half the blocks covered by the permit at renewal, allowing these areas to be released again for exploration by other interested parties.

What we have now, at the joint authority's discretion, is holders of exploration permits retaining up to 16 blocks where the halving process would otherwise result in fewer blocks being included in the renewed permit. This practice has become the mainstay of the industry, resulting in large areas being retained by companies for extended periods, with a consequent reduction in areas becoming available for competitive bidding. So the discretionary maximum

of 16 blocks for new permits is removed by the amendments, with the discretion for existing permits removed after renewal for the next permit term.

Upon a permit area being reduced to the point where the halving formula allows renewal over just four blocks, the permit can be renewed twice over these blocks, rather than a four-block renewal and then a two-block renewal. A single block permit will not be able to be renewed. Another repeal provision pertains to the fragmentation constraints on areas covered by permits being renewed. Currently, every exploration permit area has to consist of aggregates of at least 16 blocks, except in cases where the total holding is less than 16 blocks. Furthermore, each area is to be comprised of blocks having a side in common with at least one other block. This is regarded as outdated, due to modern exploration techniques allowing explorers to more accurately hone targets. The repealing of these constraints will foster greater attraction of permits given that the company can retain more targets it regards as prospective.

We also agreed with the repealing of the 21-year term of pipeline licences. The term is to be indefinite. However, if no work has been done on the pipeline or been ensuing during that time, the licence will be able to be terminated subject to force majeure. This fits with the change made a year ago to the term of production licences and will enhance security of tenure, and thereby will foster greater investment in pipelines.

Ever evolving technological change is the factor underpinning the provisions being repealed, with the goal to incorporate them in regulations. The more technically prescriptive provisions are, the more quickly they become outdated. So it makes good sense to put such provisions in regulations where they can more readily be amended without having to make cumbersome and time consuming changes to legislation. The provisions in question will be repealed only when the regulations are ready to come into effect. This is why a subset of amendments is to come into being at a date to be fixed. Numerous minor machinery amendments are also required to update the act to present-day legal and administrative practices. Specifically, this relates to the removal of the necessity for companies to use approved forms, converting pecuniary penalties in the act to penalty units and deleting provisions relating to offences that are fully dealt with elsewhere.

The member for Perth made mention of the fact that the electorate of Kalgoorlie encompasses one of the most significant offshore petroleum exploration areas in Australia. He has made no mistake there, and my association over 20 years with the town of Karratha puts me in good stead to comment on the significance of Woodside Petroleum and others to the national wealth of Australia. I was in the Karratha township when Woodside Petroleum and their partners invested some $13 billion, making it the largest project ever attempted in Australia. The impact on the town of Karratha was enormous. The population in the area swelled to 15,000 at one stage during construction.

Of course the numbers involved in the operation at Woodside today have been greatly reduced. This has been caused in the main by technical efficiencies and automation. But one of the major reasons for a reduction in population in the immediate Karratha area has been the introduction of the effects of fringe benefits tax on the companies employing in that area.

The introduction of the fringe benefits tax has in no small way contributed to the practice of ‘fly in fly out’ in the Pilbara generally and throughout the mining industries in Western Australia. It is a very sad day that many smaller communities are being destroyed by the fact that those communities no longer have a permanent population. It is that reason, the destruction

of the community's soul in towns, that has motivated me to press most strongly for the removal of the insidious effects of fringe benefits tax.

Much has been made of the cleanliness of LNG as an energy source. We know full well that, of all the petroleum products and hydrocarbon fuels, LNG is the cleanest at its point of use and sale. There are moves afoot to penalise Australia, specifically Western Australia, for the fact that it contributes so much in hydrocarbon fuel to the rest of the world—specifically the market in Japan and the expanding market in Asia.

There is one great opportunity for us to address those penalties being imposed for exporting this hydrocarbon fuel, and that is the development of tidal energy. We currently have the opportunity in north-western Australia in the Kimberley region—Derby to be specific—to develop the largest tidal facility for power generation in the Southern Hemisphere.

It is with great enthusiasm that I personally pursue the backing of this particular project by the federal government and the utilisation of funding that has been mooted by discussions between the coalition government and the Democrats in this place to make provision for renewable energy production and to assist financially in the establishment of plants that will facilitate that. There is much to be said for LNG as a fuel but we accept that, even though it is the cleanest of hydrocarbon fuels, it is still not the answer to the long-term effect of greenhouse gases on the world environment.

There will be a great future for petroleum companies operating offshore from Western Australia. The amendments to this legislation will allow a greater facilitation of exploration licences, and the changes have been initiated with a simpler and more transparent process in mind. There will be no impact on the Commonwealth government, as the changes in no way impact on elements such as annual licence fees payable to the Commonwealth. These fees will apply to pipeline licences and infrastructure licences with indefinite terms of effect as much as they would if the terms were limited. In fact, the net effect of the amendments is likely to be reduced administrative costs for both government and industry. It is with this in mind that I commend these amendments to the House.

Mr EMERSON (Rankin) (11.04 a.m.)—The Petroleum (Submerged Lands) Legislation Amendment Bill 1999 will bring about a streamlining of the administrative processes relating to petroleum exploration and development with a view to facilitating further exploration and development of the nation's petroleum resources. For that reason, I and the Labor opposition support the bill. We agree with the objective of increasing the nation's total exploration and development effort in the petroleum area.

When I saw this bill listed on the *Notice Paper*, I decided to take the opportunity to speak on it. It gives me some sense of satisfaction to see a continued streamlining of the arrangements for the exploration and development of petroleum resources in Australia. I say that because my first experience of parliament was in the Old Parliament House when I had just finished a PhD at the Australian National University on the subject of resource rent tax. I was under the supervision of Professor Ross Garnaut and had a rather unique opportunity to finish the academic side of the work and then work for the newly elected Labor government in implementing the resource rent tax.

Initially, we sought to introduce it on both onshore and offshore petroleum resources and also on mineral resources, but it soon became evident that the states were not interested in that and were unwilling to cooperate because, strictly, they had jurisdiction in relation to onshore resources. So we moved quickly to looking at the application of tax to offshore

petroleum development. The Bass Strait operators at the time—the partners, Esso and BHP—said that they were not interested and objected strongly to it. The North West Shelf operators sought to be excluded from the rent taxation regime, and we understood the reasons for that, so it was effectively applied in greenfield offshore developments.

In my new capacity as a member of parliament, I want to pay tribute to some of the officials—and I see that there are officials here; you are most welcome—who were involved in the former Department of Resources and Energy and also in Treasury. They are: the late Alan Woods, head of the former Department of Resources and Energy; Mr Bernie Fraser, a Treasury official who was on secondment to the former Department of Resources and Energy and who went on to greater heights to become Secretary to the Treasury and then Governor of the Reserve Bank of Australia; Mr Dennis Ives; Mr Jim Starkey; John Daly; Pat Ryan; Alan Smart; and Mike Hitchens. One way or another, they were all involved in this challenging exercise of developing and applying a resource rent tax regime to offshore petroleum development.

I was satisfied, in my new capacity as a small businessman two years ago running a firm called Eco Managers, to pick up a report that was produced by Bankers Trust. It analysed the fiscal regime for offshore petroleum development in Australia and came to the conclusion that this fiscal regime had contributed greatly to making Australia, in the judgment of the report, the most prospective area for petroleum development in the world, taking into account both the geological prospectivity and the fiscal regime.

The resource rent tax was introduced in the mid-1980s and has withstood the test of time. There have been a few modifications, and that is why I welcome the changes today. They amount to a further streamlining and facilitation of investment, and they are good and welcome amendments.

The idea of the regime was to put in place a taxation system that would be stable over time—and it has proven to be stable over time. There is nothing worse for investors than to have tax arrangements that are affecting them changed year after year, and that is precisely what happened during the late 1970s and very early 1980s with the crude oil levy. The government of the day would have a look at the oil price that year, have a discussion with the explorers and particularly the developers in Bass Strait and basically negotiate on a year by year basis the fiscal regime for the petroleum industry.

That gave no certainty and no predictability to the industry. The resource rent tax was introduced to achieve that objective and, at the same time, to gain for consolidated revenue, for the people of Australia, a reasonable share of any significantly large profits that were being generated by the petroleum industry. The theory and the practice was to couple that so-called conditional tax—that is, a tax that is conditional on the actual profitability of a project—with a cash bidding system. The then Labor government also introduced that second component—the cash bidding system—a little bit later. I understand that that has also been reasonably successful. Some of the amendments that are before the parliament today achieve a further streamlining of the cash bidding arrangements, and I support that.

The Prime Minister was in the parliament a couple of weeks ago saying that Labor introduced a number of important economic reforms during the 1980s and that the then coalition opposition supported those reforms. That is not strictly true. It did support a number of them, but one of the reforms that Labor introduced during the 1980s was the resource rent tax and the cash bidding system and the coalition opposed them very strongly through the

House of Representatives and the Senate. There is a little bit of selective memory there on the part of the Prime Minister in saying that the coalition supported these major reforms.

I consider that this was a major reform. It has helped the petroleum industry quite a lot. It has helped the taxpayers of Australia in that the resource rent tax is now collecting very substantial amounts of revenue and it has withstood the test of time in being stable. Interestingly, not too long after we introduced the resource rent tax for offshore petroleum development, the operators at Barrow Island in Western Australia, which is within the jurisdiction of the state of Western Australia, came to us and said they would not mind having a look at that sort of concept for Barrow Island.

After some very sensible and mature negotiations, we also achieved an outcome there which was one of those classic win-win situations. The problem was that the Barrow Island oilfields were depleting and, under the excise royalty regimes that were in place at that time, it was not worth while for the operators to continue so they asked to go to this profits based regime. We negotiated those arrangements and, as a result, I understand that Barrow Island is still producing today to the benefit of the company and the taxpayers of Australia, so it was a classic win-win situation.

A few years later the operators of Bass Strait came to us. They had had a bit of a rethink about their strong opposition to the resource rent tax in 1984 and said that they would be interested in discussing the application of that regime to Bass Strait after all. Again, after some fairly lengthy but mature negotiations, the same results as on Barrow Island were achieved. Oil and gas fields are now producing which would have been shut in some considerable time ago if those successful negotiations had not occurred.

The final point I would like to make is in relation to the future of the petroleum industry in Australia in the context of the Ralph review. I accept a point that has been made by the gas or petroleum industry in general. Chris Murphy from Econtech has been commissioned to do some work on the impact of the GST regime—the ANTS package—on the petroleum sector because very soon, as a parliament, we are going to be looking at the impact of possibly removing accelerated depreciation. The point that the industry makes is that it is possible that Mr Murphy has not taken into account the fact that there is a 40 per cent rent tax in the petroleum industry and therefore the cost reducing impacts of the GST—and there are some cost reducing impacts of the GST on the petroleum sector—will be ameliorated or clawed back to a significant extent by the 40 per cent rent tax. So what the government giveth, it then taketh away.

I would not like to see for a moment the government responding to that and saying, 'Okay, we take that point and we will reduce the resource rent tax on petroleum.' That is not the way to go. However, I think the industry does have a point here. Therefore, when the parliament comes to consider the question of the Ralph review and the possibility of removing accelerated depreciation, the parliament should appreciate that the benefits to the petroleum industry from the GST arrangements will not necessarily be as large as those initially claimed by the government.

I know there are a lot of members on both sides of the parliament who are quite concerned about the idea of an exchange involving the removal of, or a reduction in, accelerated depreciation in return for a lower company tax rate. We need to be sure of the net effect of all the arrangements—those that have just come in the form of the so-called ANTS package, and the new arrangements in terms of the Ralph review. We need to be sure of the total impact

of that on the petroleum industry and on other resource industries. I am concerned that the removal or significant slowing of accelerated depreciation could be really quite detrimental to those industries.

I will close by saying that I do get a sense of satisfaction out of debating this bill today. It does enjoy bipartisan support. We find ourselves in the enjoyable situation where amendments have been put forward that streamline the regulations and the administrative arrangements for the petroleum industry in Australia, and we fully support those provisions.

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Science and Resources) (11.17 a.m.)—in reply—Firstly, I would like to thank all of those members who contributed to this debate this morning on the Petroleum (Submerged Lands) Legislation Amendment Bill 1999. When you look at the members who participated they include the members for Perth and Kalgoorlie in Western Australia, two members who acknowledged the significance of the offshore oil and gas industry in that state. We had also the members for Rankin and McPherson in Queensland, again acknowledging the value and the significance of that industry in the state of Queensland. And, of course, there was the member for Bonython in South Australia who has also contributed to the debate.

Having said that, the debate certainly acknowledged the very real value of offshore oil and gas, and the need to get it right. The debate also highlighted the spirit of cooperation that was working through this process to get this bill into this place and get that support here. I would also like to echo the words of the member for Rankin by acknowledging the contribution of the advisers and officials who were involved in the process. On behalf of the government I would certainly like to thank them very much for their support and contribution in making this happen. It certainly would not have happened without that contribution.

I would like to say that everybody has made useful comments. With the support of the industry, the proposed amendments will make the legislation far more workable and much clearer. The amendments proposed in the bill were subject to in-depth consultation with the upstream petroleum industry before their introduction. However, after the bill was introduced, industry members re-examined the proposed amendments and raised a number of points of ambiguity in the wording of provisions dealing with the rights conferred by infrastructure licences. Accordingly, the government decided to move a small number of amendments and insert one new clause to clarify those provisions.

Unless rectified, the current wording for these parts of the bill would leave uncertainty in the licensing regime for petroleum exploration and development. This could mean that rights conferred by an infrastructure licence could be more limited than intended. In addition, various ancillary activities currently permitted under a production licence could be disallowed unless the infrastructure licence were held as well.

Since these supplementary amendments introduced no policy change from the original intention of the bill, they will have no financial impact over and above what is envisaged in the bill. However, failure to address these points could prove administratively costly to both government and industry. I commend these amendments to honourable members and present the supplementary explanatory memorandum.

Question resolved in the affirmative.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Amendments (by **Mr Entsch**)—by leave—agreed to:

(1) Schedule 1, item 3, page 3 (lines 16 to 33) to page 4 (lines 1 to 4), omit the definition of ***infrastructure facilities***, substitute:

infrastructure facilities has the meaning given by section 5AAB.

(2) Schedule 1, item 15, page 6 (after line 30), insert:

5AAB Infrastructure facilities

(1) In this Act:

infrastructure facilities means facilities for engaging in any of the activities mentioned in subsection (2), being:

(a) facilities that are resting on the seabed; or

(b) facilities (including facilities that are floating) that are fixed or connected to the seabed; or

(c) facilities that are attached or tethered to facilities referred to in paragraph (a) or (b).

(2) The activities referred to in subsection (1) are the following:

(a) remote control of facilities used for the recovery of petroleum in a licence area;

(b) processing petroleum recovered in any place, including:

(i) converting petroleum into another form by physical or chemical means or both (for example, converting it into liquefied natural gas or methanol); and

(ii) partial processing of petroleum (for example, by the removal of water);

(c) storing petroleum before it is transported to another place;

(d) preparing petroleum (for example, by operations such as pumping or compressing) for transport to another place;

(e) activities related to any of the above;

but, except as mentioned in paragraph (a), do not include engaging in the exploration for, or recovery of, petroleum.

(3) Schedule 1, item 59, page 15 (line 23), omit "except under and in accordance with an infrastructure licence.", substitute:

except:

(c) under and in accordance with an infrastructure licence; or

(d) as otherwise permitted by this Part.

(4) Schedule 1, item 59, page 18 (lines 27 to 32), omit subsections 59F(2) and (3), substitute:

(2) To avoid doubt, the grant of an infrastructure licence is not a prerequisite to doing anything that could be authorised to be done by a permit, lease, licence or pipeline licence.

Bill, as amended, agreed to.

Ordered that the bill be reported to the House with amendments.

ADJOURNMENT

Motion (by **Mr Entsch**) proposed:

That the Main Committee do now adjourn.

Child Abuse

Ms ELLIS (Canberra) (11.22 a.m.)—I want to bring to the attention of members the work and the dedication of a very special organisation. Advocates for the Survivors of Child Abuse or ASCA, as it is commonly known, was formed in 1992. While only a young organisation, ASCA now has state branches across the country. ASCA is a community based non-profit national organisation whose members advocate support, dignity and respect for all victims or survivors—however they see themselves—of child abuse. ASCA members comprise survivors, parents, friends, partners, professionals and all non-abusive members of the community who share the belief that child abuse must stop.

Let us look at some statistics on child abuse. It is now reported that one in four girls and one in 11 boys are sexually abused by the time they reach the age of 18 years. More than 150,000 children under 17 years of age in Queensland alone have been sexually abused and an estimated 420,000 Queenslanders over the age of 18 are survivors of sexual abuse. I am using those statistics because they come from a Childrens Commission of Queensland report from an inquiry into paedophilia, dated 5 August 1997.

Close to 70 per cent of psychiatric patients are known to have been sexually abused as children. Forty to 60 per cent of women in care suffering depression, phobias, obsessive compulsive disorder, personality disorders and schizophrenia have probably been the victims of significant sexual abuse as children. Eighty-five per cent of sexually abused children are harmed by someone they know and trust. That is the biggest tragedy of it all, I would suggest.

ASCA aims to break the silence on child abuse, provide support, advocate understanding and promote increased education and research. Very recently—on Tuesday, 17 August—ASCA had their second annual White Balloon Day as a means of emphasising their work and letting the community know that they are there to assist. I had a great deal of pleasure in helping to launch the White Balloon Day here in Canberra.

I believe the greatest value of the work of ASCA can be measured in two specific ways: firstly, to let those people out there who may have suffered abuse in their past know that there is a group to whom they can turn; secondly—and, in a way, maybe even more importantly—by talking openly about child abuse ASCA throws a spotlight on the subject now. Hopefully, people who may have fears or suspicions of abusive behaviour around them would be encouraged to speak out or seek advice, or even just think about what they may be able to do now, so that the abuse could actually stop now, earlier in the life cycle of that child.

I had the privilege a while back of launching a pretty amazing publication called *Breaking the silence: survivors of child abuse speak out*, co-edited by Liz Mullinar. This book contains the words of many people who have managed to 'survive' earlier trauma and who are now able to support others. I thoroughly recommend the book to interested members. It is a really good light into the life of someone who has come through a tunnel in their life called child abuse.

On a more local note, I want to place on record my thanks for the introduction to ASCA and the inspiration that I have received as a member of parliament from Wendy Stamp, a local community woman here in the ACT who has been the prime source of energy in Canberra

for furthering the work of ASCA. The courage and determination displayed by Wendy and, I might add, supported so strongly by all those people connected by ASCA, I can only admire. To Wendy and to her helper, to Liz Mullinar and to all those associated, particularly their families and friends, I know all members of this place will join me in congratulating them and encouraging them to keep up their dedication and hard work, particularly when we think of the impact that they can have. Our children now and our children of the future can hopefully only benefit from the work that people who belong to ASCA undertake and carry out on a daily basis.

In conclusion, I encourage members of this place to look a little further into ASCA and see if there is a way within their own local area that they can offer some support. The organisation held their first conference, called a national conference, here in Canberra last year. It was very good to see the success that they got from that. The courage that these people have in having been subject to abuse as children and in coming out and supporting others needs to be applauded by everyone. *(Time expired)*

Bluey Day

Mrs DRAPER (Makin) (11.28 a.m.)—Firstly, I commend the member for Canberra for her remarks in relation to ASCA. I do join with her in congratulating ASCA and particularly Liz Mullinar for the work that they do in the area of child sexual abuse.

Earlier this week I spoke in this place on a very serious matter. As many members of the coalition would already be aware, last Thursday night I was arrested at the Tea Tree Plaza shopping centre at Modbury, in my electorate of Makin. I was handcuffed and thrown into a specially constructed gaol cell for the evening, charged with loitering with intent to raise funds for Bluey Day—that is, cancer research for kids—but refusing to have my head shaved for this most worthy cause. The organisers of this event decided in their wisdom that, because of my status as a politician, they would probably raise more money by asking members of the public to donate to keep me behind bars rather than have me released, which they promptly did. And I can report to the House that donate they did.

During my stay in the gaol cell, Mr Peter Rogers, from 42nd Street Cafe at Tea Tree Plaza, not only had his head and moustache shaved to raise money for kids with cancer but also volunteered to have his legs waxed—in full view of the public. Of course, never having had his legs waxed before, he did not know what to expect. The beautician decided that it was an opportunity to experiment in torture techniques—that is, what the effect would be if she waxed very slowly or sometimes quickly.

Volunteers from the crowd were asked to participate in the process of shaving Mr Rogers's head, which many of Peter's customers did with glee. My arresting officer offered to release me for a short time so that I might have the opportunity to have a go, so to speak. It was interesting to note that once I actually had the shaver in my hand, Mr Peter Rogers immediately declared that at the last federal election he had voted for me. He also declared to the large crowd assembled that I was a wonderful, hardworking member of parliament for the constituents of Makin. I responded by thanking him and reassuring him that I had very good skills in this area, as I had often had to shave very delicate areas while I was a theatre nurse in the Navy, as well as having learnt to shear sheep in my youth. However, I did ask if anybody would be willing to donate more money if I accidentally shaved off an ear or two.

The only way that the police would agree to release me from gaol would be that I first matched the public donations raised that night—over $2,000. I got on the phone immediately

to my parliamentary colleagues in order to raise bail money, and I am pleased to report, Mr Deputy Speaker, that my Liberal and National Party colleagues—you among them—have been very generous so far.

I would like to take this opportunity to thank not only the members of the public who supported Mr Peter Rogers in raising money for kids with cancer, but also Peter's family and many friends. I thank also all of my coalition colleagues, Liberal and National Party members, who not only supported a very worthy cause but also supported my release from gaol. I appreciate it very much and I can assure all the members it is much appreciated by the children who have cancer.

Sometimes members of the public feel that members of parliament are too busy to care about things other than their immediate constituency or parliamentary work, but I would like to assure the electorates in Australia that politicians do care about a wide range of issues, particularly those affecting children and families. May I thank all of my coalition colleagues for their generous support for research for kids with cancer.

Vanuatu and Fiji: Population Planning and Community Development

Mr HOLLIS (Throsby) (11.33 a.m.)—During the parliamentary recess I had the opportunity, with colleagues who are also members of the all-party group on population and development, to participate in a study tour of the Pacific on population and development issues. This was made possible through funding by the Packard Foundation and arranged by the Reproductive Health Alliance. Originally we had planned to visit the Solomon Islands, Vanuatu and Fiji, but civil unrest in the Solomon Islands meant the cancellation of this leg. We did visit Vanuatu and Fiji.

During our time in Vanuatu we saw many projects around Port Vila; we also travelled to Espiritu Santo island, where we again saw many impressive projects being carried out at low cost. As well as meeting many of the local people, we had the opportunity of meeting, on three separate occasions, the Prime Minister of Vanuatu. We also met the Deputy Prime Minister, the Minister for Health, the Minister for Finance, the Leader of the Opposition and the Speaker of the Vanuatu parliament. Through the Australian High Commissioner, Mr Perry Head, I was privileged to present, on behalf of the Australian parliament, a selection of books to the Speaker for the Vanuatu parliamentary library.

There are many challenges regarding population issues in Vanuatu. Our trip was particularly enriched by the presence of Dr Gunasagaran Gounder, Assistant Minister for Health, of Fiji; the Hon. Iarris Naunun, of Vanuatu; and the Hon. Albert Loare, of the Solomon Islands. The adviser to the Secretariat of the Pacific Community, Reproductive Health and Family Planning also accompanied us throughout the trip.

In Vanuatu, members of the group were surprised that basic education was provided by the government for children basically only up to the age of 12. At the end of primary schooling, only 20 per cent of children go on to secondary schooling. The cost is borne by the family. This inevitably leads to too many children having too much time on their hands. The massive distances and isolation of most of the island population makes education a particular challenge.

We were very impressed with the Vanuatu projects and particularly impressed with the work of AusAID. There were very innovative projects through theatre and dance companies, which we were privileged to see. Indeed, we witnessed the beginning of a program on AIDS which is especially important in Vanuatu as many young men spend many months abroad as

seafarers. I did get the impression in respect of AIDS that Vanuatu is very much in denial mode. Until Vanuatu faces the reality of the AIDS issue, it is going to be increasingly difficult for the country.

The Australian High Commission, the High Commissioner, the High Commission staff, and especially AusAID staff, worked hard for us to see not only the successes but also the challenges facing the people. We came away with a better appreciation, particularly of the way Australian money is being spent on various programs. Much is being done with a small amount of money.

The group also visited Fiji. Fiji, as honourable members will know, is more developed than Vanuatu. We were particularly fortunate to have travelling with us Dr Gunasagaran Gounder, Assistant Minister for Health of Fiji. We also met the Minister for Health and from a personal point of view I was pleased to renew my personal acquaintance with the Speaker of the Fijian parliament, Dr Apenisa Kurisaquila, who has taken such a leadership role on population and development issues not only in Fiji but generally within the South Pacific.

With the change of government in Fiji, we were especially fortunate to meet with several of the new Fiji ministers, including the Minister for Women, Culture and Social Welfare, the Hon. Lavenia Padarath. We also visited the Fiji School of Nursing where each head within the school gave us a synopsis of activities and programs. Such is the excellent training at the School of Nursing, that graduates are sought after and many do not return to Fiji, instead going to work in Australia and the UK.

Low wages and poor working conditions are stumbling blocks to keeping graduates. This is a real problem for Fiji, and a similar problem with graduates from the Fiji School of Medicine. The nurses were appreciative of Australian aid but asked for shorter courses to be funded.

In Fiji we were shown and given a copy of a video, *Staying the Course*, which provided a good overview of the work done in the Pacific community by the UN Population Fund. There seemed a greater awareness of the threat of AIDS in Fiji and Vanuatu.

The only non-positive note was that, on the day after we left Fiji, the plane on which we were aboard 24 hours earlier had crashed, with the loss of all life including two Australian aid workers. This was a tragic event.

Our special thanks goes to Larry Baldwin from the Australian Reproductive Health Alliance who accompanied the group throughout the trip. We were particularly impressed with some of the women's groups, the women's rights movement and crisis centre which we saw in Fiji. For each and every one of us, the trip was a very enriching experience. *(Time expired)*

Civil Aviation Safety Authority

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Science and Resources) (11.37 a.m.)—I rise today to again speak on an issue that I have raised with monotonous regularity in this House regarding the competency of CASA and the way in which they are dealing with some of the operators in my electorate. I will give you two examples: one is from a company, Lip-air Proprietary Ltd, that operates out of the Torres Strait.

You would be well aware of the problems some months ago when CASA decided to change some regulations over there with regard to registering RPT—registered passenger transport—operations. It cost the operators up there a lot of money; nevertheless, they were prepared to comply. Lip-air had never had an RPT operation in the past because there had been no

requirement to do so, but they decided that they would commit themselves to this particular type of operation and they approached CASA for assistance. They were told, given it was their first time, to take their time and work through the process properly. Unfortunately, it has just dragged on and on and, clearly, you have to question the competency of some of the officials there.

Lip-air have had check and training manuals put in and left for weeks and weeks at a time before they were checked. Even though the manuals had been written by very competent and experienced companies like Exec Air, they came back with a whole range of associated problems adding to the delaying tactics. The maintenance control manual was submitted before 20 July and they are still waiting for advice on that. They are basically being told that it will be attended to when CASA gets around to it.

I have spoken to both Laurie Foley and Rob Elder to try to get some assistance on this matter. We managed to get some extensions of time, but these people have still had absolutely no contact made whatsoever. As a consequence, these people are slowly going broke. CASA officials are saying, 'It's too hard,' or 'We're too busy and there's nothing we can do.' The two officers sent to the Torres Strait to assist in this project have since been reunited with their families in Canberra. There has been nobody else sent up there. As a consequence, these guys are sitting around fiddling their thumbs—and I am talking about the operators of Lip-air—with absolutely no chance of getting it done in that time.

That is one example. I have another one here—Nighthawk Design. They are an innovative company that was going to do night aerial advertising activities. For over a year, they have been applying for an AOC. It is interesting that, when you apply for an AOC through CASA, the applicant, first of all, has to nominate that he either owns or is leasing an aircraft. So you have to buy one first. Once you have bought that aircraft, you apply for the AOC. A year later, the aircraft is still sitting on the ground. In spite of a whole range of things, they have said, 'It's not an important one; it's not a priority, so we're not going to get around to doing it.'

The arrogance of CASA was highlighted by the response to an email that was sent to Clinton McKenzie, a CASA official here in Canberra, which raised these concerns and said, 'These guys are going broke.' His response, when he emailed back, was, 'I got a particularly good laugh from your conspiracies below.' This was said by a public servant to somebody who is going broke: 'I got a particularly good laugh from your conspiracies below.' He threw the whole thing off as a conspiracy theory. These poor people have been sitting there for over a year, trying to get an aircraft into the air and they are being told, 'It's not a priority. We don't know what date we're going to do it for you. It's too hard, so go away and when we're ready, we'll come back and see you.'

Every sector of the aviation industry in Far North Queensland has clearly indicated to me that CASA's routine in business up there has just come to a halt. They are not doing anything anymore. The other matter is that they are going from one flying operation inspector to another. Nearly every time, the ground for change is that the officers are on stress leave—one after another after another. These poor people are going broke up there, with absolutely no way in the world to get their aeroplanes off the ground. They have families to feed as well. If these people are not capable of doing the job, they should be moved on and they should get somebody who can do the job. *(Time expired)*

Second Sydney Airport: Badgerys Creek

Mr ALBANESE (Grayndler) (11.43 a.m.)—I rise today to once again call upon the government to take action in building the second Sydney Airport at Badgerys Creek. It has been acknowledged since 1946 that Sydney needs a second airport. Since 1985, the site has been chosen. There has been study after study; millions and millions of dollars have been spent on EISs, including fake ones and red herrings such as Holsworthy, and every study shows the same: Sydney does need a second airport, and Badgerys Creek is the preferred site.

The government has had an EIS on this site, on top of an EIS done under the Labor government. The EIS has effectively given the project a tick yet again. However, there is still no government action. There is a debate within the government once again. Why have an EIS if, when it gives its approval, the government does not say 'Okay'? Why was $12 million spent on the EIS? Badgerys Creek airport will be good for jobs in Western Sydney. It will be good for infrastructure provision in terms of public transport links for Sydney as a whole. It is necessary if Sydney, New South Wales and Australia are to continue to have growth. It is necessary in terms of equity considerations. There are 840,000 people within 10 kilometres of Kingsford Smith Airport. Around the Badgerys Creek area, there are 18,000 people. And those 18,000 people have known about this. There is a big sign out there saying, 'This is the site of Sydney's second airport.' It has been there since 1985—for 14 years. But governments of both political persuasions have failed to take action.

One of the tragedies in this nation is the failure of governments to have vision in regard to infrastructure projects. Major infrastructure projects cost money, but they have benefits in the long term. If there had been this same mentality 50 years ago, we would have no Snowy Mountains scheme and we would have no major infrastructure projects in this nation. The real issue is expenditure. I am pleased that there are National Party members in the House today, because they should be telling their leader that the real prospect of the Fahey-Costello plan to push regionals out of Sydney Airport into Bankstown is that it will destroy regional and rural New South Wales.

Mr Neville—It is unacceptable.

Mr ALBANESE—It will be the final straw and I am pleased that the member opposite says it is unacceptable, because rural mayors are writing to the government saying, 'Who do you represent?' Why is it that we will have regionals in Bankstown, jet movements—international and domestic, full on, full scale—at Sydney (Kingsford Smith) Airport over the most densely populated area of Australia and an expansion also of Richmond air base? You will have Richmond, Bankstown and Kingsford Smith airports. You will not be able to use the east-west runway at Kingsford Smith because it will run into the airspace of Bankstown. You will have planes over the whole of Sydney.

I have seen the people who are opposed to this project on television. On Saturday night, on the Channel 9 news, there were three spokespeople: one opponent was the head of Fairfield Residents Against Aircraft Noise who admitted that his group has eight members; the second was John Dale who lives at Camperdown in my electorate; and the third was Ian Fraser who lives at Petersham in my electorate. These are ultra-left lunatics who argue that there should be no airport at Badgerys Creek and that Kingsford Smith Airport should be closed. That is about as logical as saying there should be no cars on the road. Those people should be treated with contempt.

The fact is there are some legitimate concerns about the environment around Badgerys Creek. Australian Labor Party policy and I very clearly said that if the EIS said it should not go ahead, then we would not support it. The EIS has said it should go ahead. What we need is a debate about making sure that the environmental considerations are taken into account and people are protected wherever they live, either around Badgerys Creek or around Kingsford Smith Airport. *(Time expired)*

Ovine Johnes Disease

Mr SCHULTZ (Hume) (11. 48 a.m.)—I rise once again on the debacle which is called the Ovine Johnes Disease proposal. The New South Wales state government continues to destroy the Australian businesses on which the wool, sheepmeat and live sheep export industries rely through its actions related to the control of Ovine Johnes Disease. Due to this obvious and continuing failure on the part of the New South Wales state government bureaucrats, statutory powers vested in the states specifically for the control of notifiable and other transmittable diseases have been ignored in favour of pressuring the farmers and their veterinarians into common law agreements. This has removed safeguards and protection available under statute from farmers and their veterinarians, leaving them open to arrogant and clearly nonsensical directions from the state.

The extraordinary conduct of the state government means that retribution or punishment is feared by many people who might otherwise give evidence. These individuals face the complete loss and destruction of their farm and business or, in the case of veterinarians, a loss of the right to practice. There are also a number of senior staff in the department who will only give evidence if they are protected from victimisation and harassment in their place of employment.

Considering all these factors and after investigating the questions that I will relay to you now, I can see why a full judicial inquiry with the powers of a royal commission is the only answer to this exhausting fiasco. How and why did the New South Wales Department of Agriculture come to demand signed agreements from farmers under threat of punitive action when there existed an obligation to administer and enforce the Stock Diseases Act and other specific legislation?

Given that it was policy by the department to pressure farmers into a contract which could be enforced without reference to the scientific rigour demanded in the application of the Stock Diseases Act, did the department then develop policy on the run, changing the agreements every time another ejection was raised? Did the department target farmers who had no history of OJD and who would, therefore, fall outside the Stock Diseases Act, on the basis of unproven and scientific associations such as being a neighbour to a farm which did have OJD, or having purchased sheep from a farm which many years later was shown to have OJD? Did the department change the status of properties without consultation and a visit by the Rural Lands Protection Board veterinarian, or the private veterinary practitioner and the receipt of a written report from these experts?

Given that the department had given itself the power to coerce farmers into agreements and enforced testing programs, did it advise the farmers of their options and the consequence of any action the farmer might take including the need to obtain independent veterinary and legal advice; the impact of a positive OJD finding on the long-term capital value of the land; the risks associated with using other species such as cattle to clean OJD lands; and the appeal

processes available to the farmer and the impact a signed agreement might have on future appeals and compensation claims?

Did the department require all veterinary practitioners to sign an agreement which demanded the veterinarian not criticise those administering the scheme? Why did the department not use the provisions of the Veterinary Surgeons Act but rely upon contract to extract such enforced silence from the profession which would be expected to protect farmers from the administrative excesses of government?

Did the department advise farmers that when they were using an accredited veterinarian they were using a veterinarian who had agreed not to criticise the department? Did the department take action against those accredited practitioners who were encouraging farmers to become tested without properly cautioning such farmers about the long-term consequences of being diagnosed as OJD positive? What action did the department take to prevent certain practices profiting from the misery of poorly advised farmers? What legislative powers were used to enable the New South Wales government to cede its endemic disease responsibilities for OJD to the Australian Animal Health Council?

Since the AAHC is a corporation which has decided to place itself under the laws of the ACT, does this render the New South Wales farmer and veterinarian subject to a quasi government national corporation under the jurisdiction of the ACT? What happens when a New South Wales farmer wishes to appeal a decision? What happens when a New South Wales farmer wishes to claim compensation? What happens when a New South Wales veterinarian wishes to sue for payment?

Every time I read through these questions and every time I receive a telephone call or correspondence from another suffering, financially ruined family, I remind myself of how important a judiciary inquiry is in relation to this terrible disease, OJD. I feel like I am banging my head against a very large bureaucratic brick wall. I agree with various shires from within the electorate of Hume that a full investigation into all aspects of this calamity is the only answer.

I have said it in the past, and I will say it again; while we toss around options about the handling of the administration of OJD, more families suffer. This suffering needs to end. *(Time expired)*

Main Committee adjourned at 11.53 a.m.

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Department of Education, Training and Youth Affairs: Grants to the National Farmers Federation

(Question No. 658)

Mr Martin Ferguson asked the Minister for Education, Training and Youth Affairs, upon notice, on 1 June 1999:

(1) Has the Minister or a department or agency administered by the Minister provided grants to the National Farmers' Federation (NFF) or bodies related to the NFF since 2 March 1996; if so, (a) in each case, (i) what was the nature of the grant and (ii) for what purpose was it provided and (b) what total sum was provided.

(2) To what boards, committees or other bodies for which the Minister has portfolio responsibility have (a) Mr Donald McGauchie (b) Dr Wendy Craik or (c) other officers or staff of the NFF been appointed since 2 March 1996.

(3) What sums has the Commonwealth paid in (a) sitting fees, (b) board fees, (c) travel costs and (d) related expenses with respect to each appointment referred to in part (2).

Dr Kemp—The answer to the honourable member's question is as follows:

(1) The Australian Student Traineeship Foundation (ASTF), an incorporated association funded by the Commonwealth under the Australian Student Traineeship Foundation Program, has funded a School Industry Liaison Officer (SILO) project with the National Farmers' Federation (NFF).

(a) (i) and (ii) The funds are provided under a contract from the ASTF to the NFF. The SILO project aims to raise the profile and participation of school-based rural industry work placement programs with primary producers in regional, rural and remote locations. The Rural Industry SILO Project has three major strategies:

. a promotional campaign outlining the benefits to employers;

. liaison officers to provide direct personal contact with primary producers; and

. development of up to 9 model programs as exemplars for broader scale application.

Under the Educative Services initiative, Nationwide Farmers Australia Ltd (an incorporated body associated with the National Farmers Federation) received $650,000 to support funding for four Employment, Education and Training (EET) Advisers for the period 1 June 1998 to 30 June 2000.

The EET Adviser positions were established in key employer and industry organisations to deliver information and advice on training reforms to their constituent members on the full range of employment, education and training issues which are embodied in the National Training Framework.

(b) The ASTF has provided $305,000 in 1998-99.

(2) Nil.

(3) Nil.

Australian Student Traineeship Foundation

(Question No. 679)

Mr Martin Ferguson asked the Minister for Education, Training and Youth Affairs, upon notice, on 2 June 1999:

(1) Has the Australian Student Traineeship Foundation (ASTF) provided the Australian Chamber of Commerce and Industry (ACCI) with 18 school/industry liaison officers; is so, (a) was a selection process involved and, if so, what was its nature, (b) has the ACCI been provided with funding for 8 school/industry liaison officers with State and Territory Chambers of Commerce and Industry and 7 with industry associations; if so, (i) what is the nature of the funding and (ii) who are the 7 industry associations and (c) are ACCI liaison officers also attempting to enrol employers as members of the ACCI; if so, is this acceptable to the Commonwealth.

(2) Did the ASTF also enter into a project with the National Farmers' Federation; if so, were other employer organisations considered for an ASTF project.

(3) Did the ASTF Networker magazine for March 1999 contain a promotion for the ACCI with member information; if so, (a) why, (b) does the magazine provide similar advertising for every other employer and employee organisation; if not why not and (c) did the ACCI pay the ASTF for the promotion.

(4) How many copies of the magazine are printed.

Dr Kemp—The answer to the honourable member's question is as follows:

(1) The ASTF has developed a partnership with ACCI that supports 18 School Industry Liaison Officers (SILOs). The SILOs are responsible for promoting industry and employer involvement in the provision of structured workplace learning opportunities for school students. The partnerships form part of the ASTF's initiatives to increase employer participation in structured workplace learning.

(a) The ASTF determined it would pilot partnership projects with a range of different types of industry organisations including:

. a federation of associations;

. a national organisation with direct membership;

. an organisation active in rural and remote parts of Australia; and

. an organisation with a constituency which operates at the local level managing the education/training and business links necessary to combine on and off-the-job training.

The ASTF selected four organisations including the ACCI as offering the diversity of organisations and approaches required for the pilot round.

(b) The ASTF has provided funding to the ACCI for 18 SILOs. This is made up of 10 SILOs based in State and Territory Chambers of Commerce, 7 SILOs based in national industry associations and one national coordination position.

(i) The ASTF has a contract with the ACCI for $1,728,000 for the period from 1 June 1998 to 31 July 1999.

(ii) The 7 industry associations are:

. Australian Hotels Association

. Printing Industries association of Australia

. Housing Industry Association

. Australian Retailers' Association

. National Electrical Contractors Association

. Master Builders' Association

. Victorian Automobile Chamber of Commerce

(c) The ASTF funds are provided strictly to meet the contracted objectives of the project. The ASTF-ACCI contract makes no provision for SILOs to recruit members to ACCI affiliated organisations.

(2) Yes. Other organisations were considered in developing the SILO pilot projects. In this case, the NFF project had the backing of Rural Skills Australia and the Rural Training Council of Australia, both being leaders in training for rural and remote industries.

(3) Networker is the ASTF's official newsletter. The major theme of the March 1999 issue was the need for greater industry and employer support for structured workplace learning. It contained feature stories on both the ACCI and NFF SILO pilot projects at page three. The only reference in Networker to ACCI member information comes on page six where the ASTF lists a range of "Websites to Visit" and ACCI's website is one of seven listed. The reference reads in full:

"Australian Chamber of Commerce and Industry:

www.acci.asn.au

All about ACCI—what it is; member information, its priorities and activities."

(a) The SILO article informs readers about this significant initiative of the ASTF. It highlights the importance that industry, and its representative organisations, are placing on school-industry partnerships to support workplace learning opportunities for students. It is unreasonable to interpret the article as a promotion for ACCI membership. The Website information is minimal but factual. It is difficult to construe this one-off description of the ACCI Website as a promotion for the ACCI.

(b) Networker does not provide advertising space to any organisations.

(c) The ACCI did not pay for the article.

(4) The ASTF produces 12,000 copies of Networker.

Department of Education, Training and Youth Affairs: Library Services

(Question No. 754)

Mrs Crosio asked the Minister for Education, Training and Youth Affairs, upon notice, on 21 June 1999

Does the Minister's Department operate a library or libraries; if so, (a) what sum was spent on purchasing new books for departmental libraries in (i) 1996-97, (ii) 1997-98 and (iii) 1998-99 and (b) will the Minister provide a list of the title and author of each book purchased by departmental libraries in 1998-99

Dr Kemp—The answer to the honourable member's question is as follows:

(a) the amounts spent on purchasing new books for departmental libraries in the three financial years are as follows;

(i) 1996-97, $25,635.52.

(ii) 1997-98 and $35,389.83.

(iii) 1998-99 $34,905.51.

(b) Attachment A provides a list of the books purchased by the Department's libraries in the 1998-99 financial year.

DETYA BOOKS PURCHASED IN 1998/1999

Title	Author
101 Careers: a guide to the fastest growing opportunities	Harkavy, Michael
9,000 voices : student persistence and dropout in further education	FEDA
90 days to the data mart	Simon, Alan R.
A dictionary of economics and commerce, Chinese-English English-Chinese	UCB
A future for Scottish higher education	Crawford, Ronald ed.
A guide to higher education systems and qualifications in the EU and EEA countries	European Commission
A hands on guide to school program evaluation	Brainard, Edward A.
A risk index approach to unemployment	Le, Anh T. and Milxi, Paul W.
ABCs of Windows 98	Crawford, Sharon and Neil J. Salking
ACER Research Monograph :access and equity vocational education	Lamb, Stephen
ACER Research Monograph No—54 Enhancing English literacy	Margaret Batten, Tracey Frigo, Paul Hughes, Natascha McNamara
Additional support, retention and guidance in urban colleges	Barwuah, Adjei; Green, Muriel; and Lawson, Liz
Adolescent psychology	Jaffe, Michael J.
Adult Literacy and numeracy : assessing change	Cumming, J. and Van Kraayenoord, C.
Adults as learners	Cross, K. Patricia
Advances in Measurement in Educational Research	Keeves, J.P. and G. N. Masters (eds)
Against the odds : young people and work	Bessant, Judith and Cook, Sandy (Editors)
Agent sourcebook	Alper Caglayan and Colin Harriso
Amenities for rural development : policy example	OECD
American community colleges : a guide	Atwell, R. and Pierce, D.
American universities and colleges : fifteenth edition	American council of education
Among the barbarians: the dividing of Australia	Sheehan, Paul
An International Symposium on…rural issues	McSwain, David
Antisocial behaviour by young people	Rutter, Michael; Henri Giller and Ann Hagel
At the verge of inclusiveness study of learning support	Hewitson, Chris
Atlantic crossings: social politics in a progressive age	Rodgers, Daniel T.
Auntie Rita	Huggins, Rita
Australia at the crossroads	Argy, Fred
Australian & New Zealand Training & Development Management	CCH Australia Ltd
Australian and New Zealand equal opportunity law	CCH Australia Ltd
Australian Education Policy	Haynes, Bruce T.
Australian master tax guide 1999	CCH Australia Ltd
Australian policy handbook	Bridgman, Peter and Glyn Davis
Australian politics in the global era	Capling, M Ann & Crozier, Michael & Considine, Mark
Australian thesaurus of education descriptors	Miller, Elspeth
Australian women and careers	Poole, Millicent E. & C. Langan-Fox
Australia's population trends and prospects, 1996	Department of Immigration and Multicultural Affairs
A-Z of government: guide for Australian business	Binkowski, G
Balance of payments and international investment position- Australia 1997-98	Australian Bureau of Statistics
Balance of power : authority or empowerment?	Lucas, James R.
Bear's guide to earning degrees nontraditionally	Bear, John and Bear, Mariah
Becoming the school of the future	Angus, Lawrence and Lynton Brown
Beginning Visual Basic 6 Objects	Wright, Peter
Behind Australia's most successful web sites	Phillips, Marc
Behind Australia's most successful web sites	Phillips, Marc
Benefit Systems and Work Incentives	OECD
Beyond certainty : the changing worlds of organisations	Handy, Charles B.
Beyond educational reform	Hargreaves, Andy/Evans, Roy (editors)
Beyond educational reform Hargreaves,	Andy and Evans, Roy eds.
Beyond meltdown : the global battle for sustained growth	Brain, Peter
Beyond the self-managing school	Caldwell, Brian J and Jim M. Spinks
Beyond the universities : the new higher education	Mitchell, Philip ed.
Bridges form benefit to work: a review	Joseph Rowntree
Bringing them home	Human Rights and Equal Opportunity Commission
Budget papers 1999-00	Dept. of Treasury—Aust.
Building a Web-Based Education System	Colin McCormack and David Jones
Building access websites	Hobuss, James J.
Building net sites with windows NT	Buyens, Jim
Building the data warehouse	Inmon, William H.
Calm at Work	Wilson, Paul
Campus Companies—UK and Ireland	Blair, Desmond M.
Catchfire	McLaughlin, Peter
CDEP as urban enterprise	Smith, Diane

Title	Author
Challenges for partnership	Shopen, Glenda and Liddicoat, Anthony J.
Changing Education for Diversity	Corson, David
Changing Our Schools	Stoll, Louise
Changing Places? Flexibility, Lifelong learning	Edwards, Richard
Changing Relationships between Higher Education and the State	Henkel, Mary and Brenda Little
Children in Australia : social report 1999	Australian Bureau of Statistics
Children, families and communities; contexts and consequences	Bowes, Jennifer and Alan Hayes (eds)
Children's mathematical development	Geary, David C.
Children's rights in the balance	Kathleen Marshall
Civilising global capital	Latham, Mark
Collective wisdom: interviews with prominent Australians	Kelly, Brett
Collins Spanish-English, English-Spanish dictionary (unabridged)	UCB
Community child health: an Australian perspective	Vimpani, Graham and Trevor Parry (eds)
Competing Models of Schools and Communities	Boyd, William Lowe
Complete internet companion for librarians	Benson, Allen C.
Copyright reform and the digital agenda	Attorney Generals Dept. Australia
Corporate fraud	Comer, Mike
Counselling for better work performance	Public Service and Merit Protection Commission
Creating a power website	Junion-Metz, Gail and Brad Stephens
Creating entrepreneurial universities	BC Clark
Creating industrial capacity : towards full employment	Michie, Jonathan & John G. Smith (Editors)
Creating killer web sites	Siegel, David
Creating the agile library : a management guide for librarians	Haricombe, Lorraine J./Lusher, T.J
Cultural Politics and Education	Apple, Michael W.
Cyberghetto or cybertopia	Ebo, Bosah L.
Dancing with the devil : information technology	Katz, Richard N. and Associates
Data warehouse design solutions	Adamson, Christopher and Venerable, Michael
Data warehouse performance	Inmon, William H.(Editor) Rudin, Ken; Buss, Christopher;
Deliberative democracy in Australia	Uhr, John
Delivering benefits to unemployed people: social security	Karen Kellard and Bruce Stafford
Democracy and governance in higher education	De Groof, Jan et al.
Dept. of Immigration and Multicultural Affairs annual report 1997-98	Dept. of Immigration and Multicultural Affairs
Developing the credit-based modular curriculum in higher education	Betts, Mick and Robin Smith
Developments in IT : the hype and the reality	Cawkell, Tony
Devolution and Choice in Education	Whitty, Geoff; Sally Power and David Halpin
Digital certificates : applied Internet security	Feghhi, Jalal; Williams, Peter; Feghhi, Jalil
Digital Literacy	Gilster, Paul
Dingo : the story of our mob	Dingo, Sally
Directory of further education : the complete guide to over 75,000 further education courses in the UK	Hobson's publishing
Directory of postgraduate study 1999	Balgowlah
Distance and supported open learning	Unknown
Doing leadership differently	Sinclair, Amanda
Don't just surf: effective research strategies for the Net	Henninger, Maureen
Driving fear out of the workplace	Ryan, Kathleen
Driving Forces on the New Silk Road	Adams, Mike
Drug use by young people: a gender approach	McCallum, Tess and University of Sydney (copr)
East and west : China, power, and the future of Asia	Patten, Christopher
East Asian trade after the Uruguay Round	Robertson, David, ed.
Easy planning in social studies; a guide to easy planning	McMaster, Alyce
Economic liberalization and labour markets	Odeken, Mehmet/Dabir-alai, Parviz
Education and equity in OECD countries	Instance, D.
Education and society	Zajda, Joseph
Education and the rise of the global economy	Spring, Joseph
Education and training for work: Vol. 1 Planning programs	Campbell, Dr.Clifton P. (Editor)
Education at a glance : OECD indicators 1997	OECD
Education for Australia's International Future	Sullivan, Rodney
Education for decline: Soviet vocational and technical schools	Soltys, Dennis
Education policy analysis 1998	OECD
Education Reform: a Critical and Post-structural Approach	Ball, Stephen J.
Educational Research Undone: the Postmodern Embrace	Stronach, Ian and Maggie MacLure
Educational research, methodology and measurement	Keeves, J.P. (editor)
Educational research: philosophy, politics, ethics	Clark, John
Electronic sources of information for business in Australia	Stewart, Janet & Denison, Tom
Elements of bibliography: a guide to information sources	Harmon, Robert B.
Emerging patterns of social demand and university reform	Dill, David and Sporn, Barbara (Editors)
Employment Agreements: Australian Workplace Agreements	Macken, Tony
Employment of apprentices : on the brink of crisis	Bob Marshman & Associates

Title	Author
Employment policy of the middle Reagan years	Feldstein, Martin S.
Encouraging Learning: Towards a Theory of the Learning School	Nixon, Jon; Jane Martin; Penny McKeown and Stewart Ranson
Enterprise Bargaining and Workplace Literacies	Hughes, Bill and Carolyn Ovens
Enterprise bargaining solutions: principal workplace issue	Green, Ruth
Equipping young people for working life	Harris, Alma/Jamieson, Ian/Pearce, David/Russ, Jen
ERIC database	Education Resources Information Centre U S A
European community labour law : principles and perspective	Davies, Paul {et al.} (Editors)
European dimensions : education, training and the European Union	Field, John
Evaluating and reforming education systems	OECD
Evaluating public policy	Fischer, Frank
Expenditure on education and training	Burke, Gerald
External degrees in the information age : legitimate choices	Spille, Henry et al.
Factors influencing youth unemployment in Australia	Marks, Gary & Nicole Fleming
Failing Boys? Issues in Gender and Achievement	Epstein, Debbie; Janette Elwood, Valerie Hey and Janet Maw (ed
Finding common ground : creating the library of the future	LaGuardia, Cheryl M. and Barbara A. Mitchell (Editors)
Finding quality on the internet: a guide	Cooke, Alison
Firewalls complete: paperback plus CD-ROM	Gonclaves, Marcus
Focus on young people; NSW youth policy	NSW Govt.
For all the wrong reasons: the story behind government schools	Novello, Mary K
Foundations for the future	South Australia. Department for Education and Children's Servi
Fourth protocol to the General Agreement on Trade in Services	Department of Foreign Affairs and Trade (Aust.)
Free education : who can afford it?	Smith Family(Charity)
From planning to action	DW Chapman, LO Malhick and AE Smuldes
From school to work	Muller, Walter and Yossi Shavit (Editors)
From surviving to thriving, promoting mental health	Fuller, Andrew
Futurework : putting knowledge to work in the knowledge economy	Winslow, Charles D. and William L. Bramer
Get your message across: the professional communication skill	Ewart, Jacqui & Gail & Schirato, Tony
Getting the best out of your competencies	Strebler, Marie, Dilys Robinson and Paul Heron
Global nation?: the politics of globalisation in Australia	Wiseman, John
Global social policy	Deacon, Bob & Hulse, Michelle & Stubbs, Paul
Goals and Purposes of Higher Education in the 21st Century	Burgen, Arnold (ed)
Gone to pot : the no bullshit parents' guide to marijuana	Allen, Raelene
Governing Australia : studies in contemporary rationalities	Dean, Mitchell/Hindess, Barry
Governing Australia: studies in contemporary rationalities	Dean Mitchell (ed) & Hindes, Barry
Governing the information age : public and policy management	Bellamy, Christine/Taylor, John A.
Government in Australia	Macquarie Library (corp)
Government in the digital age	Paul Gosling
Government online : optimising delivery of government services	INTQUPC
Government Schools of New South Wales, 1848-1998	NSW Department of Education and Training
Growing up Walgett	Zagar, Cilka (editor)
Guidelines for managing risk in the Australian Public Service.	Department of Finance (Aust.)
Higher education in a post-binary era : national reforms and institutional responses	Teather, David C. B.
Higher education in Hungary	Darvas-Nagy, Judith et al. I.D.
Higher education in the learning society: The Dearing Report	Great Britain. National Committee of Inquiry into Higher Educa
Holding government bureaucracies accountable	Rosen, Bernard
How students learn	Lambert, Nadine M. and McCombs, Barbara L. (Editors)
How to be happy {videorecording} {United Kingdom}	BBC
How to design and post information on a corporate Intranet	Hopkins, Bryan
How to Research	Blaxter, Loraine; Christina Hughes and Malcolm Tight
Human capability	Jaques, Elliot and Kathryn Cason
Human capital investment : an international comparison	Centre for Educational Research and Innovation
Human capital, endogenous growth, and overnment policy	Husz, Martin
Identifying and supporting students at risk	Dept. of Education and Children's Services SA Aust.
Illusory freedoms : liberalism, education and the market	Jonathan, Ruth
Immigrants and the labour market : the 1990-94 recession and recovery in pespective	Brooks, Clive and Williams, Lynne S.
Immigrants and the professions in Australia	Birrell, Bob and Hawthorne, Lesleyanne
Immigration update : immigrant asset transfers : results from the first and second waves of the LSIA	Department of Immigration and Multicultural Affairs
Improving school governance	Gann, Nigel
Improving student retention :a guide to successful strategy	Martinez, Paul
In charge of customer satisfaction: a competence approach	Cartwright, Roger
Inclusion and school reform: transforming American classrooms	Lipsky, Dorothy Kerzner

Title	Author
Independent colleges : a directory of courses	ISCO Publications
Industrial relations: a contemporary analysis	Deery, Stephen; David Plowman and Janet Walsh
Information design: the knowledge architect's toolkit	Tonfoni, Graziella
Initial location decisions of immigrants	Murphy, Jill
Innovation and Adaptation in European Higher Education	Gellert, Claudius (ed)
Inside organizations : 21 ideas for managers	Handy, Charles B.
Institutional investors' views on corporate governance	Ramsay, Ian
Intellectual capital :navigating in the new business landscape	Roos, Johan (Editor) et al.
Intellectual capital and transfer of learning	Haskell, Robert E.
Internal migration in Australia 1986-1991 : the overseas-born	Bell, Martin and Cooper, Jim
International and comparative employment relations	Bamber, Greg J. and Russell D. Lansbury (editors)
International employment ranking 1996	Schruoder, Juorg
International handbook of education	Cummings, william K. & McGinn Noel F. (ed.)
International handbook of education and development : preparing schools, students and nations for the twenty-first century	Cummings, W. and McGinn, N. eds.
International handbook of universities	McMillan Publishing
International migration in Australia 1986-1991 : overview report	Bell, Martin
International migration in Australia 1986-1991 : the labour force	Bell, Martin and Maher,Chris
International trade and migration in the APEC region	Lloyd, P. J. and Williams, Lynne S.
International trade in professional services : assessing barriers and encouraging reform	OECD
Internationalisation of higher education in Asia Pacific countries	Knight, Jane and de Wit, Hans eds.
Internet directory for dummies	Hill, Brad
Internet Explorer 4 for Windows for dummies	Lowe, Doug
Internet explorer 4 in easy steps	Lojkine, Mary
Internet explorer 4 one step at a time (Book &Cdrom)	Witherspoon, Craig and Barb Kasser
Introduction to Australian public policy	Fenna, Alan
Job applications: the winning edge (2nd ed)	Shmerling, Leah
Job creation and loss : analysis, policy, and data development	OECD
Job hunting in the 21st century; exploding the myths	Hacker, Carol A. and Rodney D. Kennedy
Keeping archives	Ellis, Judith, ed.
Key Data on Vocational Training in the European Union	European Union
Knowledge management tools	Ruggles, Rudy L. (Editor)
Kooris at work	Sully, Vincent
Labour and wages statistics : sources and methods	Statistics Director
Labour market outcomes of second generation Australians	Brooks, Clive
Lane's Commentary on the Australian Constitution	Lane, Patrick Harding
Leadership and values	Sarros, James C.; Iain L. Densten and Joseph C. Santora
Leadership in government : study of the Australian public service	Korac-Kakabadse, Andrew/Korac-Kakabadse, Nada
Leadership in government :study of the Australian public service	Korac-Kakabadse, Andrew & Korac-Kakabadse, Nada
Learning and Studying: a Research Perspective	Hartley, James
Learning communities, regional sustainability	Falk, Ian and University of Tasmania (corp)
Learning the job : messages in on-off-the-job training	Harris, Roger { et al. }
Learning to manage : IES report number 345	Tamkin, Penny/Barber, Linda
Leaving school 1998	Austin Curriculum,Assessment and Certification Auth.
Library and information professional's guide to the world	Tseng,G; Poulter,A; Sargent,G.
Library Commonwealth universities yearbook 1999	Association of Commonwealth Universities
Lifelong learning	Longworth, Norman and W. Keith Davies
Literacy and schooling: new challenges, new possibilities	Christie, Frances (ed) and Misson, Ray (ed)
Literacy in a digital world	Tyner, Kathleen
Lone mothers moving in and out of benefits	Noble, Michael/Smith, George/Cheung, Sin Yi
Making progress: adding value in secondary education	Nash, Roy and Richard Harker
Making the most of new technology : a how-to-do-it manual	Imhoff, Kathleen R
Management by projects	Hamilton, Professor Albert
Managers and the law	Clark, Eugene et al
Managers as Mentors	Bell, Chip R.
Managing an ageing workforce	Patrickson, Margaret (ed) & Hartman, Linley (ed)
Managing core public services	McKevitt, David and len Wrigley
Managing customer service	Hayes, Jenny & Dredge, Frances
Managing information : working smarter not harder	Garai, Hugh and Peter Cochrane
Managing knowledge workers	Horibe, Frances Dales Emy
Managing knowledge: a practical Web-based approach	Applehans, Wayne; Alden Globe and Greg Laugero
Managing like a man: women and men in corporate management	Wajcman, Judy
Managing Projects With Microsoft Project 98: for Windows	Lowery, Gwen
Managing risks in projects	Koakonen, K. and K. A. Artto
Managing the aftermath of radical corporate change	Geisler, Eliezer
Managing the New Organisation	Limerick, David; Bert Cunnington and Frank Crowther
Mapping Relationships Between School and Family	Ball, Mog
Masculinity goes to school	Gilbert, Rob//Gilbert, Pam

Title	Author
Maximum security…protecting your intranet	Anonymous
Maybe tomorrow	Pryor, Boori
Measuring the employment effects of regulation	Zank, Neal S.
Mega-universities and knowledge media : technology strategies	Daniel, Sir John
Microsoft internet information server 4 : the complete reference	Mueller, John
Microsoft Office 97 for window for dummies	Wang, Wally and Roger C. Parker
Microsoft outlook 98 for Windows for dummies	Dyszel, Bill
Microsoft outlook 98 step by step	Catapult
Microsoft project 98 for dummies	Doucette, Martin
MLA handbook for writers of research papers	Gibaldi, Joseph
Multiple images, common threads	Bradshaw, Delia
My place	Morgan, Sally
NATFHE handbook 99	NATFHE
National Guide to Government	Information Australia
Networking essentials	Microsoft Corporation
New South Wales cities and towns street directory	UCB
No quick fixes : schools in difficulty	Stoll, Louise and Kate Myers (Editors)
Northern territory Youth Policy	Northern Territory Government
NVQ criteria and guidance	National Council for Vocational Qualifications
Nyibayarri : kimberley tracker	Bohemia, Jack
On competition	Porter, Michael E.
On the brink	Coaldrake, Peter and Lawrence Stedman
Open and flexible learning in vocational education training	Judith Calder and Ann McCol
Open Australia	Tanner, Lindsay
Open the door to your future	Sutcliffe, Kaaren
Organising innovative research	Bennick-Bjorkman, Li
Outcome-based education : Issues and strategies for school	Griffin, Patrick and Smith, Patricia (editors)
Outline of employment law (2nd ed)	Wallace-Bruce, Nii Lante
Outsourcin: a CIO's perspective	Williams, Oakie
Overcoming failure at school	OECD
Part-time Higher Education;Policy, Practice and Experience	Schuller, Tom, David Raffe et. al
Pathways and participation in vocational and technical education and training	OECD
Pathways for unemployment	White, Michael/Forth, John
Pathways to prevention: developmental and early intervention	National Crime Prevention, Attorney-General's Department
People, performance, and pay	Flannery, Thomas P.
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University of Western Sydney: Student Places

(Question No. 767)

Mr Latham asked the Minister for Education, Training and Youth Affairs, upon notice, on 22 June 1999:

(1) Will he provide details of cuts to student places and course work in the Faculty of Education and Languages, University of Western Sydney (Macarthur).

(2) Is a major international conference on "East Timor towards self-determination: The social and cultural questions" being hosted in Sydney on 15 and 16 July by the faculty referred to in part (1); if so, is he able to say what is the cost of the conference to the university in (a) direct expenses and (b) staff preparatory time.

Dr Kemp—The answer to the honourable member's question is as follows:

(1) Funded student places are not allocated by the Commonwealth to the individual campuses or faculties of universities. The level of student places and course work enrolled in the Faculty of Education and Languages, University of Western Sydney (Macarthur) is, therefore, an internal matter for the University itself to determine on the basis of its own assessment of its needs and priorities.

(2) Like all other universities, the University of Western Sydney hosts international conferences and the Commonwealth does not require universities to report their cost. Moreover, a breakdown of those costs into various components is an internal budgeting matter for the University.