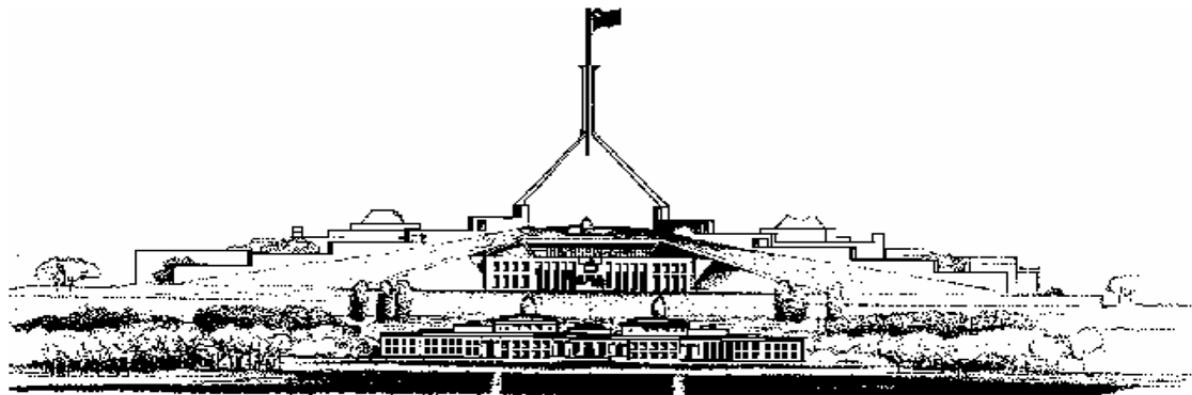




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 188, 1993
Wednesday, 5 May 1993

**THIRTY-SEVENTH PARLIAMENT
FIRST SESSION—FIRST PERIOD**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

THIRTY-SEVENTH PARLIAMENT

FIRST SESSION—FIRST PERIOD

Governor-General

**His Excellency the Hon. William George Hayden, Companion of the Order of Australia,
Governor-General of the Commonwealth of Australia**

House of Representatives Officeholders

Speaker—The Hon. Stephen Paul Martin

Chairman of Committees—Mr Harry Alfred Jenkins

Deputy Chairmen of Committees—Mr John Neil Andrew, the Hon. James Donald Mathieson Dobie, Mr Eric John Fitzgibbon, Mr Colin Hollis, Mr Garry Barr Nehl, Mr Neville Joseph Newell, the Hon. Nicholas Bruce Reid, Mr Leslie James Scott, Mr James Henry Snow and Mr Warren Errol Truss

Leader of the House—The Hon. Kim Christian Beazley

Leader of the Opposition—Dr John Robert Hewson

Deputy Leader of the Opposition—Dr Michael Richard Lewis Wooldridge

Manager of Opposition Business—The Hon. John Winston Howard

House of Representatives Party Leaders

Leader of the Australian Labor Party—The Hon. Paul John Keating

Deputy Leader of the Australian Labor Party—The Hon. Brian Leslie Howe

Leader of the Liberal Party of Australia—Dr John Robert Hewson

Deputy Leader of the Liberal Party of Australia—Dr Michael Richard Lewis Wooldridge

Leader of the National Party of Australia—Mr Timothy Andrew Fischer

Deputy Leader of the National Party of Australia—Mr John Duncan Anderson

Members of the House of Representatives

Member	Division	Party
Adams, Hon. Godfrey Harry	Lyons, Tas	ALP
Aldred, Kenneth James	Deakin, Vic	LP
Anderson, John Duncan	Gwydir, NSW	NP
Andrew, John Neil	Wakefield, SA	LP
Andrews, Kevin James	Menzies, Vic	LP
Atkinson, Rodney Alexander	Isaacs, Vic	LP
Baldwin, Hon. Peter Jeremy	Sydney, NSW	ALP
Beale, Julian Howard	Bruce, Vic	LP
Beazley, Hon. Kim Christian	Swan, WA	ALP
Beddall, Hon. David Peter	Rankin, Qld	ALP
Bevis, Archibald Ronald	Brisbane, Qld	ALP
Bilney, Hon. Gordon Neil	Kingston, SA	ALP
Blewett, Hon. Neal	Bonython, SA	ALP
Bradford, John Walter	McPherson, Qld	LP
Braithwaite, Raymond Allen	Dawson, Qld	NP
Brereton, Hon. Laurence John	Kingsford-Smith, NSW	ALP
Brown, Hon. Robert James	Charlton, NSW	ALP
Cadman, Alan Glyndwr	Mitchell, NSW	LP
Cameron, Eoin Harrap	Stirling, WA	LP
Campbell, Graeme	Kalgoorlie, WA	ALP
Carlton, Hon. James Joseph	Mackellar, NSW	LP
Charles, Robert Edwin	La Trobe, Vic	LP
Chynoweth, Robert Leslie	Dunkley, Vic	ALP
Cleary, Philip Ronald	Wills, Vic	Ind
Cleeland, Peter Robert	McEwen, Vic	ALP
Cobb, Michael Roy	Parkes, NSW	NP
Connolly, David Miles	Bradfield, NSW	LP
Costello, Peter Howard	Higgins, Vic	LP
Crawford, Mary Catherine	Forde, Qld	ALP
Crean, Hon. Simon Findlay	Hotham, Vic	ALP
Crosio, Hon. Janice Ann, MBE	Prospect, NSW	ALP
Cunningham, Barry Thomas	McMillan, Vic	ALP
Dawkins, Hon. John Sydney	Fremantle, WA	ALP
Deahm, Maggie	Macquarie, NSW	ALP
Dobie, Hon. James Donald Mathieson	Cook, NSW	LP
Dodd, Peter George	Leichhardt, Qld	ALP
Downer, Alexander John Gosse	Mayo, SA	LP
Duffy, Hon. Michael John	Holt, Vic	ALP
Duncan, Hon. Peter	Makin, SA	ALP
Easson, Mary	Lowe, NSW	ALP
Elliott, Robert Paul	Parramatta, NSW	ALP
Evans, Richard David Conroy	Cowan, WA	LP
Fatin, Hon. Wendy Frances	Brand, WA	ALP
Ferguson, Laurie Donald Thomas	Reid, NSW	ALP
Filing, Paul Anthony	Moore, WA	LP
Fischer, Timothy Andrew	Farrer, NSW	NP
Fitzgibbon, Eric John	Hunter, NSW	ALP
Forrest, John Alexander	Mallee, Vic	NP
Free, Hon. Ross Vincent	Lindsay, NSW	ALP
Gallus, Christine Ann	Hindmarsh, SA	LP
Gear, Hon. George	Canning, WA	ALP
Gibson, Garrie David	Moreton, Qld	ALP
Gorman, Russell Neville Joseph	Greenway, NSW	ALP

Members of the House of Representatives—*continued*

Member	Division	Party
Grace, Edward Laurence	Fowler, NSW	ALP
Griffin, Alan Peter	Corinella, Vic	ALP
Griffiths, Hon. Alan Gordon	Maribyrnong, Vic	ALP
Hall, Hon. Raymond Steele	Boothby, SA	LP
Halverson, Robert George, OBE	Casey, Vic	LP
Haviland, Christopher Douglas	Macarthur, NSW	ALP
Hawker, David Peter Maxwell	Wannon, Vic	LP
Henzell, Marjorie Madeline	Capricornia, Qld	ALP
Hewson, Dr John Robert	Wentworth, NSW	LP
Hicks, Noel Jeffrey	Riverina, NSW	NP
Holding, Hon. Allan Clyde	Melbourne Ports, Vic	ALP
Hollis, Colin	Throsby, NSW	ALP
Horne, Robert Hodges	Paterson, NSW	ALP
Howard, Hon. John Winston	Bennelong, NSW	LP
Howe, Hon. Brian Leslie	Batman, Vic	ALP
Humphreys, Hon. Benjamin Charles	Griffith, Qld	ALP
Jenkins, Harry Alfred	Scullin, Vic	ALP
Johns, Hon. Gary Thomas	Petrie, Qld	ALP
Jones, Hon. Barry Owen	Lalor, Vic	ALP
Jull, David Francis	Fadden, Qld	LP
Katter, Hon. Robert Carl	Kennedy, Qld	NP
Keating, Hon. Paul John	Blaxland, NSW	ALP
Kelly, Hon. Roslyn Joan	Canberra, ACT	ALP
Kemp, Dr David Alistair	Goldstein, Vic	LP
Kerin, Hon. John Charles	Werriwa, NSW	ALP
Kerr, Hon. Duncan James Colquhoun	Denison, Tas	ALP
Knott, Peter John	Gilmore, NSW	ALP
Langmore, John Vance	Fraser, ACT	ALP
Lavarch, Hon. Michael Hugh	Dickson, Qld	ALP
Lee, Hon. Michael John	Dobell, NSW	ALP
Lieberman, Hon. Louis Stuart	Indi, Vic	LP
Lindsay, Hon. Eamon John, RFD	Herbert, Qld	ALP
Lloyd, Bruce	Murray, Vic	NP
McArthur, Fergus Stewart	Corangamite, Vic	LP
McGauran, Peter John	Gippsland, Vic	NP
McHugh, Hon. Jeannette	Grayndler, NSW	ALP
Mack, Edward Carrington	North Sydney, NSW	Ind.
MacKellar, Hon. Michael John Randal	Warringah, NSW	LP
McLachlan, Ian Murray, AO	Barker, SA	LP
McLeay, Hon. Leo Boyce	Watson, NSW	ALP
Martin, Hon. Stephen Paul	Cunningham, NSW	ALP
Melham, Daryl	Banks, NSW	ALP
Miles, Christopher Gordon	Braddon, Tas	LP
Moore, Hon. John Colinton	Ryan, Qld	LP
Morris, Allan Agapitos	Newcastle, NSW	ALP
Morris, Hon. Peter Frederick	Shortland, NSW	ALP
Moylan, Judith Eleanor	Pearce, WA	LP
Nehl, Garry Barr	Cowper, NSW	NP
Neville, Paul Christopher	Hinkler, Qld	NP
Newell, Neville Joseph	Richmond, NSW	ALP
Nugent, Peter Edward	Aston, Vic	LP
O'Connor, Gavan Michael	Corio, Vic	ALP
O'Keefe, Hon. Neil Patrick	Burke, Vic	ALP

Members of the House of Representatives—*continued*

Member	Division	Party
Peacock, Hon. Andrew Sharp	Kooyong, Vic	LP
Price, Hon. Leo Roger Spurway	Chifley, NSW	ALP
Prosser, Geoffrey Daniel	Forrest, WA	LP
Punch, Hon. Gary Francis	Barton, NSW	ALP
Pyne, Christopher Maurice	Sturt, SA	LP
Quick, Harry Vernon	Franklin, Tas	ALP
Reid, Hon. Nicholas Bruce	Bendigo, Vic	LP
Reith, Peter Keaston	Flinders, Vic	LP
Rocher, Allan Charles	Curtin, WA	LP
Ronaldson, Michael John Clyde	Ballarat, Vic	LP
Ruddock, Philip Maxwell	Berowra, NSW	LP
Sawford, Rodney Weston	Port Adelaide, SA	ALP
Sciaca, Hon. Concetto Antonio	Bowman, Qld	ALP
Scott, Bruce Craig	Maranoa, Qld	NP
Scott, Leslie James	Oxley, Qld	ALP
Sharp, John Randall	Hume, NSW	NP
Simmons, Hon. David William	Calare, NSW	ALP
Sinclair, Rt Hon. Ian McCahon	New England, NSW	NP
Slipper, Peter Neil	Fisher, Qld	LP
Smith, Silvia Joy	Bass, Tas	ALP
Smith, Stephen Francis	Perth, WA	ALP
Snow, James Henry	Eden-Monaro, NSW	ALP
Snowdon, Hon. Warren Edward	Northern Territory	ALP
Somlyay, Alexander Michael	Fairfax, Qld	LP
Staples, Hon. Peter Richard	Jagajaga, Vic	ALP
Sullivan, Kathryn Jean	Moncrieff, Qld	LP
Swan, Wayne Maxwell	Lilley, Qld	ALP
Tanner, Lindsay James	Melbourne, Vic	ALP
Taylor, William Leonard	Groom, Qld	LP
Theophanous, Hon. Andrew Charles	Calwell, Vic	ALP
Tickner, Hon. Robert Edward	Hughes, NSW	ALP
Truss, Warren Errol	Wide Bay, Qld	NP
Tuckey, Charles Wilson	O'Connor, WA	LP
Vaile, Mark Anthony James	Lyne, NSW	NP
Wakelin, Barry Hugh	Grey, SA	LP
Walker, Hon. Francis John, QC	Robertson, NSW	ALP
Williams, Daryl Robert, AM, QC	Tangney, WA	LP
Willis, Hon. Ralph	Gellibrand, Vic	ALP
Woods, Harry Francis	Page, NSW	ALP
Wooldridge, Dr Michael Richard Lewis	Chisholm, Vic	LP
Worth, Patricia Mary	Adelaide, SA	LP

PARTY ABBREVIATIONS

ALP—Australian Labor Party; LP—Liberal Party of Australia; NP—National Party of Australia;
Ind.—Independent

SECOND KEATING MINISTRY

Prime Minister	The Hon. Paul John Keating
Deputy Prime Minister and Minister for Housing, Local Government and Community Services	The Hon. Brian Leslie Howe
Leader of the Government in the Senate and Minister for Foreign Affairs	Senator the Hon. Gareth John Evans QC
Deputy Leader of the Government in the Senate and Minister for Defence	Senator the Hon. Robert Francis Ray
Treasurer	The Hon. John Sydney Dawkins
Minister for Finance	The Hon. Ralph Willis
Minister for Employment, Education and Training and Leader of the House	The Hon. Kim Christian Beazley
Minister for Health	Senator the Hon. Graham Frederick Richardson
Minister for the Environment, Sport and Territories	The Hon. Roslyn Joan Kelly
Minister for Trade	Senator the Hon. Peter Francis Salmon Cook
Minister for Immigration and Ethnic Affairs and Minister Assisting the Prime Minister for Multicultural Affairs	Senator the Hon. Nick Bolkus
Minister for Primary Industries and Energy	The Hon. Simon Findlay Crean
Minister for Industry, Technology and Regional Development	The Hon. Alan Gordon Griffiths
Minister for Transport and Communications	Senator the Hon. Robert Lindsay Collins
Minister for Social Security	The Hon. Peter Jeremy Baldwin
Minister for the Arts and Administrative Services	Senator the Hon. Robert Francis McMullan
Minister for Industrial Relations and Minister Assisting the Prime Minister for Public Service Matters	The Hon. Laurence John Brereton
Attorney-General	The Hon. Michael Hugh Lavarch
Minister for Tourism and Minister for Resources	The Hon. Michael John Lee

(The above Ministers constitute the Cabinet)

Second Keating Ministry—*continued*

Minister for Communications	The Hon. David Peter Beddall
Minister for Development Cooperation and Pacific Island Affairs	The Hon. Gordon Neil Bilney
Minister for Aboriginal and Torres Strait Islander Affairs	The Hon. Robert Edward Tickner
Minister for Schools, Vocational Education and Training	The Hon. Ross Vincent Free
Minister for Consumer Affairs	The Hon. Jeannette McHugh
Minister for Family Services and Minister Assisting the Prime Minister for the Status of Women	Senator the Hon. Rosemary Anne Crowley
Minister for Defence Science and Personnel, Minister for Veterans' Affairs and Manager of Government Business in the Senate	Senator the Hon. John Philip Faulkner
Assistant Treasurer	The Hon. George Gear
Minister for Justice	The Hon. Duncan James Colquhoun Kerr
Minister for Science and Small Business and Minister Assisting the Prime Minister for Science	Senator the Hon. Christopher Cleland Schacht
Special Minister of State and Vice-President of the Executive Council	The Hon. Francis John Walker QC
Parliamentary Secretary to the Treasurer	The Hon. Gary Thomas Johns
Parliamentary Secretary to the Attorney-General	The Hon. Peter Duncan
Parliamentary Secretary to the Minister for Employment, Education and Training	The Hon. Warren Edward Snowdon
Parliamentary Secretary to the Minister for Social Security	The Hon. Concetto Antonio Sciacca
Parliamentary Secretary to the Minister for Defence	The Hon. Gary Francis Punch
Parliamentary Secretary to the Minister for the Arts and Administrative Services	The Hon. Janice Ann Crosio MBE
Parliamentary Secretary to the Minister for Industry, Technology and Regional Development	The Hon. Eamon John Lindsay
Parliamentary Secretary to the Minister for Transport and Communications	The Hon. Neil Patrick O'Keefe
Parliamentary Secretary to the Minister for Primary Industries and Energy	Senator the Hon. Nicholas John Sherry
Parliamentary Secretary to the Minister for Housing, Local Government and Community Services and Parliamentary Secretary to the Minister for Health	The Hon. Andrew Charles Theophanous

THE COMMITTEES OF THE SESSION

FIRST SESSION: FIRST PERIOD

STANDING COMMITTEES

ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS—Mr Gibson (*Chairman*), Mr Brown, Mr Dodd, Mr Evans, Ms Henzell, Mr Horne, Mr Nehl, Mr Pyne, Mr L. J. Scott, Mr Wakelin.

BANKING, FINANCE AND PUBLIC ADMINISTRATION—Mr Elliott (*Chairman*), Mr Bradford, Mr Braithwaite, Mr Cunningham, Mr Kerin, Mr Price, Mr Reith, Mr Rocher, Mr Simmons, Mr S. F. Smith, Mr Somlyay, Mr Woods.

COMMUNITY AFFAIRS—Mr A. A. Morris (*Chairman*), Ms Deahm, Mr Dobie, Ms Fatin, Mr Haviland, Mr Newell, Mr Quick, Mr Ruddock, Mr B. C. Scott, Mrs S. J. Smith, Ms Worth.

EMPLOYMENT, EDUCATION AND TRAINING—Ms Crawford (*Chairman*), Mr Adams, Mr Bradford, Mr Charles, Mr Chynoweth, Mr Ferguson, Mr Miles, Mr Neville, Mr Quick, Mr Sawford, Mrs S. J. Smith, Mrs Sullivan.

ENVIRONMENT, RECREATION AND THE ARTS—Mr Langmore (*Chairman*), Mr Chynoweth, Mr Evans, Mr Grace, Mr Horne, Mr Jenkins, Mr Lloyd, Mr McLeay, Mr Miles, Mrs Moylan, Mr Newell, Mr Truss.

HOUSE—The Speaker, Ms Crawford, Mr Fitzgibbon, Mr Hollis, Mr MacKellar, Mr Nehl, Mrs Sullivan.

INDUSTRY, SCIENCE AND TECHNOLOGY—Mr Bevis (*Chairman*), Mr Charles, Mr Cleary, Mr Cobb, Mr Cunningham, Mrs Easson, Mr Ferguson, Mr Horne, Mr Lieberman, Mr A. A. Morris, Mr O'Connor, Mr Reid.

LEGAL AND CONSTITUTIONAL AFFAIRS—Mr Melham (*Chairman*), Mr Cadman, Ms Crawford, Mr Duffy, Ms Fatin, Mr Holding, Mr Kerin, Mr Sinclair, Mr Slipper, Mr Somlyay, Mr Tanner, Mr Williams.

LIBRARY—The Speaker, Mr Ferguson, Mr Filing, Mr Fitzgibbon, Mr Forrest, Mr Jones, Mr Ronaldson.

MEMBERS' INTERESTS: Ms Deahm, Mr Dobie, Mr Elliott, Mr Grace, Mr Lloyd, Mr Reid, Mr Sawford.

PRIVILEGES—Mr Sawford (*Chairman*), the Leader of the House or his nominee, the Deputy Leader of the Opposition or his nominee, Mr K. J. Andrews, Mr Brown, Mr Cleeland, Mr Lieberman, Mr McGauran, Mr McLeay, Mr Peacock, Mr Simmons.

PROCEDURE—Dr Blewett (*Chairman*), Mr Elliott, Mr Filing, Mr McLeay, Mr Melham, Mr Nehl, Mr Price, Mrs Sullivan.

PUBLICATIONS—Mr Fitzgibbon (*Chairman*), Mr Forest, Mr Griffin, Mr Hall, Mr Haviland, Mr Horne, Mr Slipper.

SELECTION—Mr Jenkins (*Chairman*), Mr Atkinson, Mr Filing, Mr Grace, Mr Hawker, Mr Hicks, Mr McLeay, Mr Nehl, Mr Sawford, Mr Snow, Mr Tanner.

TRANSPORT, COMMUNICATIONS AND INFRASTRUCTURE—Mr P. Morris (*Chairman*), Mr Adams, Mr Cameron, Mr Campbell, Mr Hollis, Mr Knott, Mr McArthur, Mr Mack, Mr Neville, Mr O'Connor, Mr Pyne, Mr Swan.

Pursuant to resolution

LONG TERM STRATEGIES (*Formed 13 May 1993*): Mr Adams, Mr Carlton, Mr Dobie, Mr Haviland, Ms Henzell, Mr Jones, Mr O'Connor, Mr Snow, Mr Staples, Mr Truss, Mr Wakelin.

TELEVISING OF THE HOUSE OF REPRESENTATIVES (*Formed 4 May 1993*): The Speaker (*Chairman*), Mr Bevis, Mr Cameron, Mr Hicks, Mr Knott, Mr Price.

JOINT STATUTORY COMMITTEES

AUSTRALIAN SECURITY INTELLIGENCE ORGANIZATION—Mr Campbell, Mr Dodd, Mr Gorman, Mr B. C. Scott, Senator Coulter, Senator Lewis, Senator Zakharov.

BROADCASTING OF PARLIAMENTARY PROCEEDINGS—The Speaker, the President, Mr Bevis, Mr Cameron, Mr Hicks, Mr Knott, Mr Price, Senator Coates, Senator Vanstone.

CORPORATIONS AND SECURITIES—Mr Cleeland, Mr Humphreys, Mr Moore, Mr Tanner, Mr Sinclair, Senator Beahan, Senator Campbell, Senator Cooney, Senator Lewis, Senator Spindler.

NATIONAL CRIME AUTHORITY—Mr Cleeland, Mr Duffy, Mr Filing, Mr P. F. Morris, Mr Vaile, Senator Crichton-Browne, Senator Jones, Senator Loosley, Senator Spindler, Senator Vanstone.

PUBLIC ACCOUNTS—Mr L. J. Scott (*Chairman*), Mr Aldred, Mr Brown, Mr Fitzgibbon, Mr Griffin, Mr Haviland, Mr McLeay, Mr Somlyay, Mr Taylor, Mr Vaile, Senator Aulich, Senator Bishop, Senator Giles, Senator Reynolds, Senator Watson.

PUBLIC WORKS—Mr Hollis (*Chairman*), Mr J. N. Andrew, Mr Braithwaite, Mr Gorman, Mr Halverson, Mr Humphreys, Senator Burns, Senator Calvert, Senator Devereux.

JOINT COMMITTEES

ELECTORAL MATTERS (*Formed 18 May 1993*): Mr Cobb, Mr Connolly, Mr Griffin, Mr Melham, Mr Swan, Senator Chamarette, Senator Foreman, Senator Kemp, Senator Maguire, Senator Sowada.

FOREIGN AFFAIRS, DEFENCE AND TRADE (*Formed 18 May 1993*): Mr Bevis, Dr Blewitt, Mr Campbell, Mr Ferguson, Mr Fitzgibbon, Mr Gibson, Mr Grace, Mr Halverson, Mr Hawker, Mr Hicks, Mr Hollis, Mr Kerin, Mr Langmore, Mr Lieberman, Mr MacKellar, Mr Moore, Mr Price, Mr Simmons, Mr Sinclair, Mr Taylor, Senator Beahan, Senator Bourne, Senator Brownhill, Senator Chamarette, Senator Chapman, Senator Childs, Senator Crichton-Browne, Senator Harradine, Senator Jones, Senator Loosley, Senator MacGibbon, Senator Reynolds.

MIGRATION (*Formed 18 May 1993*): Senator McKiernan (*Chairman*): Mr Ferguson, Mr Holding, Mr Ruddock, Mr Sinclair, Mrs Sullivan, Mr Woods, Senator Chamarette, Senator Cooney, Senator Short.

JOINT SELECT COMMITTEES

CERTAIN FAMILY LAW ISSUES (*Formed 18 May 1993*): Mr Price (*Chairman*), Mr K. J. Andrews, Ms Henzell, Mr L. J. Scott, Mr Williams, Senator Brownhill, Senator Carr, Senator McKiernan, Senator Reid, Senator Spindler.

PARLIAMENTARY DEPARTMENTS

SENATE

Clerk of the Senate—H. Evans
Deputy Clerk of the Senate—A. Lynch
Clerk-Assistant (Table)—T. J. Brown
Clerk-Assistant (Corporate Management)—J. Vander Wyk
Clerk-Assistant (Procedure)—C. J. C. Elliott
Clerk-Assistant (Committees)—P. O'Keeffe
Usher of the Black Rod—R. Alison

HOUSE OF REPRESENTATIVES

Clerk of the House—L. M. Barlin
Acting Deputy Clerk of the House—I. C. Harris
Acting First Clerk Assistant—B. C. Wright
Clerk Assistant (Procedure)—I. C. Cochran
First Assistant Secretary (Committees and Corporate Services)—M. W. Salkeld
Clerk Assistant (Table)—J. W. Pender
Serjeant-at-Arms—D. Elder

PARLIAMENTARY REPORTING STAFF

Principal Parliamentary Reporter—J. W. Templeton
Chief Hansard Reporter—B. A. Harris
Assistant Chief Reporter (House of Representatives)—V. M. Barrett
Assistant Chief Reporter (Senate)—M. A. R. McGregor

LIBRARY

Parliamentary Librarian—

JOINT HOUSE

Secretary—M. W. Bolton

Wednesday, 5 May 1993

Mr SPEAKER (Hon. Stephen Martin) took the chair at 10 a.m., and read prayers.

PARLIAMENTARY SECRETARIES

Mr BEAZLEY (Swan—Leader of the House) (10.01 a.m.)—I move:

That:

- (1) for the purposes of the procedures of the House, any reference to Ministers shall be taken to include Parliamentary Secretaries, with the exception of references to questions seeking information (chapter XI of the Standing Orders).
- (2) this resolution continue in force unless and until amended or rescinded by the House in this or a subsequent Parliament.

Effectively this motion gives Parliamentary Secretaries the authority of a Minister in operating in this chamber. It is a process that was tried in the last Parliament and found to be successful. It returns here because of doubts in the mind of the Clerk as to whether or not motions passed in the previous Parliament were sufficient to cover the operations of Parliamentary Secretaries in this Parliament. Therefore, the motion has now been framed in a fashion—and I am assured of this by the Clerk—which means that, until parliaments subsequently decide, these procedures will apply to the operations of Parliamentary Secretaries in the House.

This has been part of a process of substantially augmenting the role of Parliamentary Secretaries. Mr Speaker, you were a beneficiary of that in the last Parliament. I have been delighted to note that the Opposition has taken a similar approach to the Parliamentary Secretaries on its side of the House. So I suspect that this process will have some longevity to it.

Mr HOWARD (Bennelong—Manager of Opposition Business) (10.02 a.m.)—The Opposition has no objection to this motion.

Question resolved in the affirmative.

RECORD OF DEBATES AND PROCEEDINGS

Mr BEAZLEY (Swan—Leader of the House) (10.03 a.m.)—I move:

- (1) That the House:
 - (a) authorises the publication of the record of debates and proceedings in the House, known as *Parliamentary Debates* and *Hansard*, prepared by the Department of the Parliamentary Reporting Staff; and
 - (b) affirms the right of committees and subcommittees (however described) of the House and joint committees of the House and the Senate to authorise the publication of (i) documents and records and (ii) transcripts of evidence prepared by the Department of the Parliamentary Reporting Staff, subject to any particular provisions in relevant legislation, resolutions or Standing Orders.
- (2) That this resolution continue in force unless and until amended or rescinded by the House in this or a subsequent Parliament.

This motion is proposed so as to give the House's explicit authorisation to the publication of the *Hansard* report of its proceedings. It will also affirm the right of committees and subcommittees to authorise the publication of documents and transcripts of evidence produced by the Department of the Parliamentary Reporting Staff.

Honourable members will be aware that for some years now they have had access to a database containing, among other things, the *Hansard* report of the proceedings of each House. It has been proposed that on 1 July a trial will commence under which the parliamentary database could be made available to a number of external users, subject to the approval of the Presiding Officers.

The motion I have moved is seen as desirable in this context so as to remove any doubt that may apply to the status of the *Hansard* report when it is distributed externally in an electronic form such as is proposed. The motion is cast in broad terms and will authorise the publication of the official *Hansard* report whether in printed or electronic form, although I recognise that the traditional printing of *Hansard* by the Government Printer is protected by virtue of the Parliamentary Papers Act. I commend the motion to the House.

Mr HOWARD (Bennelong—Manager of Opposition Business) (10.04 a.m.)—The Opposition facilitates the passage of this motion as well.

Question resolved in the affirmative.

ROUTINE OF BUSINESS

Mr BEAZLEY (Swan—Leader of the House) (10.05 a.m.)—I move:

That so much of the Standing Orders be suspended as would prevent the routine of business for the sitting tomorrow being as follows, unless otherwise ordered:

1. Presentation of petitions.
2. Notices and orders of the day, government business (to be interrupted at 12.30 p.m. in order that the grievance debate can be called on):

Provided that:

- (a) if a division is in progress at the time fixed for interruption, the division shall be completed and the result announced, and
 - (b) the Speaker shall fix the time for the resumption of the debate on any business under discussion and not disposed of at the time of the interruption.
3. Grievance debate.
 4. Members' statements (at approximately 1.45 p.m.).
 5. Questions without notice (at 2 p.m.).
 6. Presentation of papers.
 7. Ministerial statements, by leave.
 8. Matter of public importance.
 9. Notices and orders of the day, government business.

This is a breach from what is desirable, made necessary by the fact that the appropriate committees to order private members business on Thursday are only just in place and have not had the opportunity to, in their normal fashion, collect the materials that would normally preoccupy us on a Thursday morning. I suspect that the section that is devoted to government business as a result of this motion will in all probability be the Address-in-Reply, so to all intents and purposes it will be close to the sort of morning that honourable members would expect on a private members day. Of course, it impacts neither on the grievance debate which will take place nor on members' statements.

Mr HOWARD (Bennelong—Manager of Opposition Business) (10.06 a.m.)—The coalition will not oppose this motion. In the circumstances, the explanation of the Leader of the House (Mr Beazley) appears to be commonsense. Certainly we would be anxious to ensure that no ad hoc alterations to the procedures of the House in any way abrogated the position of private members business. I find the Minister's explanation convincing, so I will not have a fight about it. There will be plenty of times when his explanations are not convincing where we will.

Question resolved in the affirmative.

SALES TAX LEGISLATION

Mr BEAZLEY (Swan—Leader of the House) (10.07 a.m.)—I move:

That, in relation to the proceedings on any Sales Tax Bills, so much of the Standing Orders be suspended as would prevent:

- (1) the presentation and the first readings of the Bills together;
- (2) one motion being moved and one question being put in regard to, respectively, the second readings, the committee's report stage, and the third readings, of all the Bills together; and
- (3) the consideration of all the Bills as a whole together in a committee of the whole.

Mr Howard—Could I just inquire of the Minister precisely what the procedural reason for this is. I am not immediately seized of it. I am not saying that it lacks reasonability, but what is it? Why are we doing it?

Mr BEAZLEY—This is basically a machinery motion so that when the sales tax Bills come forward we do not debate them in tiny little bits and pieces but in one job lot. We are required to do wool tax Bills this way. Generally speaking, we do this sort of thing when we debate cognately Bills of a different variety. For some reason or other, I am advised that the sales tax Bills require a special motion.

Mr Howard—Is the Minister suggesting that there will not be a capacity to vote separately on each Bill? Is that a problem?

Mr BEAZLEY—It is our intention to do that.

Mr Howard—How can you stop and force us to vote—all in, all out?

Mr BEAZLEY—The Opposition is entitled to amend them. The Opposition can move amendments to any particular set of propositions on sales taxes, but the Constitution requires them, unless this sort of proposition is put forward, to be voted on separately. As the honourable member for Bennelong (Mr Howard) would be well aware, if we actually voted on each sales tax measure separately, we would be here from now until kingdom come. We are considering them separately to conform to that constitutional requirement. If the Opposition wants to move amendments to particular parts of the sales tax legislation, those amendments will be voted on separately, but not the initial government propositions.

Mr HOWARD (Bennelong—Manager of Opposition Business) (10.08 a.m.)—In the spirit of reasonableness which has so far prevailed, could I perhaps request the Leader of the House (Mr Beazley) to postpone this item and the following item of government business to a later hour of this day. I would like to take some advice on this matter. If the Minister is unwilling to do that, we will have to have a division.

Mr BEAZLEY (Swan—Leader of the House) (10.09 a.m.)—in reply—I suppose if one has about 80 votes one might as well use them. Can I facilitate these until the end of notice No. 7, just to take a look at them? This is a standard practice at the beginning of each parliament. I seek leave to continue my remarks on this matter later.

Leave granted; debate adjourned.

NEW BUSINESS AFTER 11 P.M.

ADJOURNMENT OF THE HOUSE

Mr BEAZLEY (Swan—Leader of the House) (10.10 a.m.)—I move:

That standing order 48A, adjournment of the House, and standing order 103, 11 o'clock rule, be suspended for the remainder of this period of sittings.

Mr Speaker, I so move because we have a very abbreviated sitting period for Parliament at this time of the year. We have had an election and the formation of a new government as a result of that election, and we are not going to be in a position to have a normal run of sittings between now and when we

normally rise for the winter break. In those circumstances, it is going to be necessary to sit the Parliament longer of an evening than we would normally do. The only comfort in that is that the period only lasts for a few weeks, as opposed to all year, so it should not unduly exhaust members and it will give a little bit more time for considering a fairly extensive legislation program.

Mr HOWARD (Bennelong—Manager of Opposition Business) (10.11 a.m.)—The Opposition will not agree to this. We believe that the Parliament should be sitting on more days. The Opposition is utterly opposed to the arrogant, presidential manner in which this Parliament is being treated by the Government. It is an outrage that this Parliament is going to sit for only two weeks, and then presumably we will get up and come back later for the Budget session. I want to say to the Leader of the House (Mr Beazley) that one of the things the coalition will be doing is endeavouring to ensure that the Parliament sits for a greater number of days, but during civilised hours on those greater number of days. What we should be doing is sitting for more days and not for a shorter number of days for longer hours.

I can almost see the wheels ticking over in the Minister's mind. He is going to get up and say, 'Well, this happened in the past' and quote some precedent that stretches back into the dim, dark recesses of the parliamentary experience. But whatever may have happened in the past, and as this is the first time we are saying something about the way we run our own business, I think there is an overwhelming view in the community—irrespective of whether people voted for the Government or for the coalition—that the job of parliamentarians is first and foremost to attend to their obligations as legislators. That means we ought to spend more time in the Parliament, but we ought to do so during civilised hours.

I quite like this place, and there are a lot of people on both sides who quite like this place, but it really does become a bit farcical at 12 o'clock and one o'clock in the morning. It is just ridiculous. We ought to be saying, and I say to the Government, that if it wanted to sit for a longer period of time it would have our

enthusiastic support—absolutely—and if the Minister could do it within civilised hours he could make himself a real parliamentary hero, and we would help to ensconce him.

He could become the real father of parliamentary reform in this place, and he would have my very enthusiastic support. I mean this very genuinely because, although I engage in robust debate with the Minister opposite, I do recognise the genuine contribution that he often brings to debates. Can I please very genuinely say to him at the outset that the Opposition is interested in Parliament sitting more frequently but during civilised hours. I think there are a few people opposite who, if they felt able to do so, would nod their heads to that particular proposition.

We cannot agree to this proposition and we will vote against it, and in the process of voting against it we will entreat the Government to look at sitting more frequently but giving us more civilised hours. We will all gain and, most importantly, we will gain a bit of public esteem in the process.

Mr TUCKEY (O'Connor) (10.15 a.m.)—Mr Speaker, we have to look a little further than at the remarks so easily made by the Leader of the House (Mr Beazley). He has claimed that if the Government has 80 votes, it will want to use them. That has very little to do with this debate. This debate is all about the votes the Government is about to lose in the Senate. We know what the Government is up to. We have had an election. The Government won the election in only one House; it won it through the vagaries of the boundaries that this Government has been able to organise over time.

The simple fact is that this Government did not win the election on the representative votes of all Australians. The Government knows that. It has no chance of getting some of this legislation through after 30 June. It is practising a fraud on this Parliament by trying to keep people here until 2 o'clock or 3 o'clock in the morning, so that its retiring mates in the Senate can push through legislation which the Australian people have now elected other representatives to consider. It is wrong; it is wrong to be bringing people here at 3 or 4 o'clock in the morning.

We should look at the disaster of the Government's sales tax legislation. It is funny that the Government wants some special arrangements for sales tax at this time. We should look at the disaster that occurred when the Government put 1,500 pages of legislation into this place under the guillotine and gave us two hours to talk about it. The whole thing became a disaster for the Government, the people of Australia and the Australian Taxation Office, simply because the thing could not be administered in the time and this resulted in an outrageous period out in the business community.

We know what the Government is up to. It might have 80 votes here on its electoral boundaries, but on a representative basis, when the people of Australia voted State by State, they did not give the Government a mandate at all. The Government's mandate expires on 30 June. It is trying to push through a lot of legislation that we do not need. Every year that the Government has been in power, weeks before the end of the session it comes up with about 50 or 60 Bills in this place. It makes a mockery of this place. The Government has made this House the second chamber. It has allowed the Senate to be the only place where people can get proper debate and proper adjustment. It has made a joke of this place. Senators were laughing at us yesterday. They laugh at us because of what this Government has done to this chamber.

The simple fact is that the Government is at it again. If it can bring in 70 Bills at the end of one session, most of which are not of great consequence, why does it not bring them in at the beginning of the next session six or seven weeks later. I stand with the Manager of Opposition Business (Mr Howard), when he says, 'If you want this place to regain its reputation, let it function for reasonable periods of time'. We will find the time. We talked about it yesterday. We have a situation where Question Time is clogged up with 20-minute answers. The Government knows that every extra day—

Mrs Crosio—Six minutes, you said yesterday.

Mr TUCKEY—I quoted eight occasions, five of which were by the Prime Minister (Mr Keating) when he took 20 minutes to answer a question. The Government clogs Question Time quite deliberately. It does not want a few extra days in this place with a few extra days of Question Time; someone might ask something that it would rather keep secret. The simple fact is that we can have extra days. We can deal with these matters properly. There is nothing special about sitting in June. Let us get on and do it, but give people the chance to have their wits about them. It gets pretty difficult at 2 o'clock in the morning. Do not be silly about it.

We know what the Government is up to. It is pushing through legislation. Last night the Government was frantic. It kept us here until midnight so that the Minister for Finance (Mr Willis) could get it some extra money that the Government has to borrow because it cannot even balance its books. The Government comes in here and tells us that it needs to borrow \$13.5 billion. Now it is \$16 billion. When will it be \$18 billion? How many more of these sorts of Bills does the Government want to pass while it still has some support in the Senate? If it does not think that is the case, take a risk on it; bring some of these Bills in after 30 June and see how the new Senate votes—a Senate elected on a proportional basis.

Mrs Crosio—Is that a threat? Blackmail?

Mr TUCKEY—How many supporters does the Government have left in the Senate? Tell us. The answer is very few.

Mr BEAZLEY (Swan—Leader of the House) (10.20 a.m.)—in reply—It seems that we are going to have a Mutt and Jeff act every time these issues come before the chamber. It appears that Mutt is going to speak second. The problem that—

Mr Tuckey—Mr Speaker—

Mr McGauran—Withdraw!

Mr BEAZLEY—I withdraw. Sit down.

Mr SPEAKER—The honourable member for O'Connor will resume his seat.

Mr BEAZLEY—We heard a reasonably sensible presentation from the Manager of

Opposition Business (Mr Howard) and then a piece of ranting lunacy for about five minutes. Let me pick up on a couple of pieces of that ranting lunacy and defend a few reputations around the place; firstly, the reputation of the Australian Electoral Commission. We established the commission independent of government, and many on our side of the House advised us at the time that that was a foolish thing to do—that we ought to have engaged in the sort of boundary rigging that had been representative of the performance of parliaments up to that time. After acting for a fairly lengthy period in opposition, we decided that we should make the electoral commissioner independent. As a result of having made the electoral commission independent we now get a fair distribution.

What that fair distribution produces is an outcome that reflects the votes. Contrary to what the second half of the double act has had to say in the course of his remarks, the fact of the matter is that the Government was returned with a majority of votes—that is all there is to it. No-one can escape that fact. That happens to be the simple arithmetic—or, as Bob Menzies used to say, the simple English—of the outcome. That is something that the honourable member for O'Connor has to get used to.

I cannot be too hard on the honourable member for O'Connor. I know that I owe my seat to the honourable member for O'Connor because of his truly outstanding performance at the Ascot racecourse, where he tried to convince the collective racing industry how good a GST was for it. I have been receiving calls ever since from people who said they were normally Liberal voters and who now tell me that I owe Wilson Tuckey my seat. There are features of that which are unsatisfactory but there are other features of it which are really quite nice.

Of course we are not concerned about the numbers in the Senate in the context of this at all. The proposition that the honourable member puts forward is absurd. Unfortunately, at this time of the year, we have been virtually obliged to move this proposal for the entirety of the period in which we have been

in office. For those of us who have been in opposition before—the number on this side of the House is becoming fewer and fewer as the length of service of the Government proceeds but, at the moment at least, it still includes me—this has been a regular experience. Indeed, as I recollect, this time of the year was not a bad time of the year for a suspension of the 11 o'clock rule. In opposition, the only really decent winter I can recall operating under the suspension of the 11 o'clock rule was one which coincided with the events of this winter—an Ashes tour of the United Kingdom. I can recollect sitting in the Caucus room until one, two, three in the morning waiting to come on to debate a piece of legislation in the House at 3.15, getting into the chamber and finding ourselves alone and sitting through, effectively, till breakfast.

Mr Cadman interjecting—

Mr BEAZLEY—You, at least, ought to recollect those days.

Mr SPEAKER—The honourable member for Mitchell will not interject out of his place.

Mr BEAZLEY—These days the Liberal Party has decided that the honourable member for Mitchell is personally responsible for its defeat in the last election. When looking at the analysis the Liberals said, 'By and large we had an excellent campaign but we had a problem with the old and bold in New South Wales'. One of the advantages of being the old and bold in New South Wales is that the honourable member can recollect exactly what went on in the period of time that he was in office, and he would recollect that Malcolm Fraser acted virtually permanently under the operation of the 11 o'clock rule.

There is a difference. We do guillotine more legislation in government than was the case when those on the other side of the House were in government. They operated more extensively on the closure. If one goes back over the records one will find that we have definitely guillotined more legislation than they did, but one would also find that they have closed debate on legislation more frequently than we have. As they did not legislate as much as we do, their general method was to suspend the 11 o'clock rule and then, somewhere around 3 or 4 o'clock in

the morning, move that the motion be put. At that stage the entirety of the Parliament was on its knees to whichever Minister was in the chamber, begging him to do precisely that. We obviate that by letting everyone know exactly when they are going to be voting and not simply moving at some point in time that the motion be put.

There will be an introduction of a substantial number of Bills. The only Bills for which passage will be sought will be Bills requiring start-up dates in the very near future—before the next block of sittings of the Parliament. They are not going to be inessential legislation, in the way described by the honourable member for O'Connor. This is a necessary proposition.

I take on board what was said by the Opposition spokesmen on the requirement for more days of sitting. The schedule for the next session is set. I think when honourable members see that schedule they will see that there is a fairly extensive array of sittings in that period. Since going over to the pattern of two weeks on, two weeks off, it is not easy to schedule additional days. It was much easier when we had a three-week sitting, even though the hours are technically the same. Both sides of the House were in agreement when the former honourable member for Perth, Ric Charlesworth, brought in those reforms and we effectively sat seven days in a two-week block as opposed to nine days in a two-week block. That was seven days over two weeks as opposed to nine days in a month. Technically, we sit the same number of hours.

In practical terms, it was always available to the Government to quite substantially increase the days of sittings when it had three weeks worth of sittings and it could extend three weeks by an extra day as opposed to two weeks effectively only by one extra day. We cannot really sit through the five days of the week. So, assuming four days of the week is acceptable, we have effectively obviated only the first week for a four-day sitting period.

I go into this in some detail because I assume there is a degree of interest around the place. So far, very few people have expressed

an objection to me about the two weeks on, two weeks off framework in providing a much more commonsense approach in our relationships with the electorate. Having decided to go on that course, it is very difficult for the Government to increase the days of sittings.

The break between sittings is really only the winter months of June and July and we are back by the middle of August. At the end of the year, we rise effectively only a few days before Christmas, and we are back normally in mid-February. So one cannot say that the breaks in parliamentary terms are terribly excessive. The breaks are no different from what they have been historically. It is the ability to manipulate the timetable within that period that is the problem. But it is a problem that we have imposed upon ourselves. The procedures in this place will undoubtedly come under the review of the Standing Committee on Procedure, and I will take up those views with whoever is appointed as chairperson of that committee. I would suggest, too, that the Manager of Opposition Business ought to take up his concerns in that regard with the chairperson of that body as well.

Question put:

That the motion (Mr Beazley's) be agreed to.

The House divided. [10.30 a.m.]

(Mr Speaker—Hon. Stephen Martin)

Ayes 73

Noes —

Majority 9

AYES

Adams, D.	Baldwin, P. J.
Beazley, K. C.	Beddall, D. P.
Bevis, A. R.	Bilney, G. N.
Blewett, N.	Brereton, L. J.
Brown, R. J.	Campbell, G.
Chynoweth, R. L.	Cleeland, P. R.
Crawford, M. C.	Crean, S. F.
Crosio, J. A.	Cunningham, B. T.
Deahm, M.	Dodd, P.
Duffy, M. J.	Duncan, P.
Easson, M.	Elliott, R. P.
Fatin, W. F.	Ferguson, L. D. T.
Fitzgibbon, E. J.	Free, R. V.
Gear, G.	Gibson, G. D.
Gorman, R. N. J.	Grace, E. L. *
Griffin, A.	Haviland, C. D.

Henzell, M.	
Hollis, C.	
Howe, B. L.	
Jenkins, H. A.	
Kelly, R. J.	
Kerr, D. J. C.	
Langmore, J. V.	
Lee, M. J.	
McHugh, J.	
Melham, D.	
Newell, N. J.	
O'Keefe, N. P.	
Punch, G. F.	
Sawford, R. W.	
Scott, L. J.	
Smith, S. F.	
Snow, J. H.	
Staples, P. R.	
Tanner, L. S.	
Tickner, R. E.	
Willis, R.	

AYES

Holding, A. C.	
Horne, R.	
Humphreys, B. C.	
Johns, G. T.	
Kerin, J. C.	
Knott, M. P. J.	
Lavarch, M. H.	
Lindsay, E. J.	
McLeay, L. B. *	
Morris, A. A.	
O'Connor, G. M.	
Price, L. R. S.	
Quick, H.	
Sciaccia, C.	
Simmons, D. W.	
Smith, S. J.	
Snowdon, W. E.	
Swan, W.	
Theophanous, A. C.	
Walker, F. J.	

NOES

Aldred, K. J.	
Andrew, J. N.	
Atkinson, R. A.	
Bradford, J. W.	
Cadman, A. G.	
Carlton, J. J.	
Cleary, P.	
Connolly, D. M.	
Dobie, J. D. M.	
Evans, R. D. C.	
Fischer, T. A.	
Gallus, C. A.	
Hawker, D. P. M.	
Howard, J. W.	
Katter, R.	
Lieberman, L. S.	
Mack, E. C.	
McArthur, F. S.	
McLachlan, I. M.	
Moore, J. C.	
Nehl, G. B.	
Nugent, P. E.	
Prosser, G. D.	
Reith, P. K.	
Ronaldson, M. J. C.	
Scott, B. C.	
Sinclair, I. McC	
Somlyay, A. M.	
Taylor, W. L.	
Tuckey, C. W.	
Wakelin, B. H.	
Wooldridge, M. R. L.	

PAIRS

Dawkins, J. S.	
Morris, P. F.	

Reid, N. B.

Halverson, R. G.

* denotes teller

Question so resolved in the affirmative.

SALES TAX LEGISLATION

Debate resumed.

Mr BEAZLEY (Swan—Leader of the House) (10.39 a.m.)—I had sought leave to continue my remarks. I understand that the situation is now satisfactorily explained from the Opposition's point of view. I will not say anything more.

Mr Howard—That is correct. The Opposition will facilitate the passage of this.

Question resolved in the affirmative.

WOOL TAX AMENDMENT LEGISLATION

Motion (by Mr Beazley) agreed to:

That so much of the Standing Orders be suspended as would prevent 5 Wool Tax Amendment Bills:

- (1) being presented and read a first time together and one motion being moved without delay and one question being put in regard to, respectively, the second readings, the committee's report stage, and the third readings, of all the Bills together; and
- (2) the consideration of the Bills in one committee of the whole.

EMPLOYMENT, EDUCATION AND TRAINING AMENDMENT BILL 1993

First Reading

Bill presented by Mr Beazley, and read a first time.

Second Reading

Mr BEAZLEY (Swan—Minister for Employment, Education and Training) (10.41 a.m.)—I move:

That the Bill be now read a second time.

The Employment, Education and Training Act 1988 requires a review of the National Board of Employment, Education and Training, NBEET, and related bodies within five years of the commencement of the Act. The five-year period ends on 30 June 1993. As a consequence I gave consideration in the latter part of 1992 to the terms of reference for the review and the selection of a person to undertake it. However, at that time it was clear that an election was pending and that the policy statements of the coalition and the Govern-

ment saw very different futures for NBEET. The coalition undertaking to abolish NBEET was of particular significance.

Against that background, I decided that the review should be deferred so that the incoming government could determine the terms of reference in a way that would make the review forward looking rather than simply retrospective. The deferral also removed any possibility of the review becoming involved in the election process. It is clear that an adequate review cannot be established and carried to completion in the period currently prescribed by the Act. In these circumstances it is necessary to amend the Act to provide for the review to be carried out in six rather than five years. The Bill before the House amends the principal Act by extending the review period to 1 July 1994.

The Bill has no financial impact. I expect to announce the terms of reference and the person to head the review in the near future. I present the explanatory memorandum to this Bill and commend the Bill to the House.

Debate (on motion by Dr Wooldridge) adjourned.

GREAT BARRIER REEF MARINE PARK AMENDMENT BILL 1993

First Reading

Bill presented by Mrs Kelly, and read a first time.

Second Reading

Mrs KELLY (Canberra—Minister for the Environment, Sport and Territories) (10.43 a.m.)—I move:

That the Bill be now read a second time.

The Great Barrier Reef is one of the world's greatest natural assets and was one of Australia's first World Heritage areas. Successive Commonwealth and Queensland governments have worked together to support the protection and wise use of the Great Barrier Reef Marine Park through the Great Barrier Reef Marine Park Authority.

The reef is critically important to Australian industries such as tourism and fishing. It supports a domestic and international tourism industry that contributes more than \$1,000

million to our economy each year and a commercial fishing industry that contributes \$300 million a year—both employ thousands of Australians. The Commonwealth and Queensland governments have invested significant resources in managing the reef, and industry has invested heavily in developments that rely for their sustainability on the integrity of the reef ecosystem.

In the last five years, use of the marine park, especially for tourism, has been increasing at about 10 per cent per year. In spite of the recession, the Government has increased its appropriation for management of the park by an average of 2.9 per cent per year in real terms. Despite this increase, the funds available for environmental management of the Great Barrier Reef have not kept pace with the increasing level of use of the marine park.

The Great Barrier Reef Marine Park is a model for ecologically sustainable use of marine resources which has captured the interest of marine resource managers throughout the world. It is a model which has very successfully combined a wide variety of economic activities with the conservation of the unique natural and cultural resources that attract economic activities to the region.

Increasing pressures caused by tourism, infrastructure development, mariculture, and human settlement are beginning to affect the reef. We need to find a way to make more resources available for management at a level guaranteed to match the increasing use.

The purpose of this Bill is to amend the Great Barrier Reef Marine Park Act 1975 to provide for the collection of charges imposed by the Great Barrier Reef (Environmental Management Charge—General) Bill 1993 and the Great Barrier Reef (Environmental Management Charge—Excise) Bill 1993. The introduction of environmental management charges on commercial users will help offset increasing demands placed on management of the marine park.

The Keating Government is committed to the underlying principle of this Bill—that a commercial operator using a community asset for profit should contribute to the cost of its management and conservation. We have applied the user-pays principle in Common-

wealth-managed fisheries since the mid-1980s, and we intend to apply the same concept to the Great Barrier Reef Marine Park. Since commercial operators using the marine park are dependent on the reef as their principal resource it is fair that they contribute financially to the management of this priceless resource and the research necessary to ensure its survival.

Under present arrangements, commercial activities including tourist operations, infrastructure construction, and mariculture require permits from the Great Barrier Reef Marine Park Authority. In 1988, the Great Barrier Reef Ministerial Council, on which the Commonwealth and Queensland governments are represented, approved a study of the feasibility of an environmental management charge scheme. Extensive consultations have been conducted with the commercial operators who have held permits to operate in the marine park since that time. Operators have acknowledged that management of the marine park, including relevant research, is essential to the continued viability of their industries. The proposed charges are in accordance with views of most of the operators affected by the Bill. Details of the charging scheme will be dealt with by regulations. Following representation by operators, I have agreed to exempt all direct transfers between parts of Queensland, such as between Queensland islands and the mainland, when operators are merely transiting the marine park.

A significant advantage for the industry in this scheme is that transferability of permits under specified conditions will be possible, enabling improved flexibility in commercial decision making. The charges on commercial tourism operators included in the regulations that I intend to submit to the Executive Council for approval are equivalent to only about \$1 per person per day for most tourist operations—this is less than one per cent of the price of a ticket for a day trip to the outer Great Barrier Reef.

This legislation package imposes charges on those commercial operations in the Great Barrier Reef Marine Park which presently need a permit from the authority. Activities which do not currently require a permit—for

example, private recreational activities like boating and general access to beach and reef areas—will not be subject to environmental management charges. Commercial fishermen other than those engaged in aquaculture will not be subject to the charges. They do not require permits from the authority and already pay substantial charges to fisheries management agencies for managing that resource.

This Bill to amend the Great Barrier Reef Marine Park Act 1975 is being introduced with two separate environmental management charge Bills to comply with section 55 of the Constitution relating to tax legislation. The details for implementation of the charges, such as the fixing of the amount to be charged, and specifying the activities to be covered by the charges, will be determined by regulations under the Great Barrier Reef Marine Park Act, which are subject to tabling in both Houses.

To provide an opportunity for the continuing participation of groups that will be affected by the charges, this Bill extends the function of the Great Barrier Reef Marine Consultative Committee to include the provision of advice to the Minister in respect of the charging scheme. The revenue collected through the imposition of the charges will be used by the Great Barrier Reef Marine Park Authority for research, education and other aspects of environmental management. It will enhance the knowledge base and community understanding of the reef and contribute directly and indirectly towards better management and environmental protection both by the authority and by day-to-day users. Commercial operators will benefit by ensuring the continued conservation of the Great Barrier Reef, the resource on which their activities depend.

It is estimated that the introduction of the charges will raise approximately \$1 million per year at the present levels of commercial use. If the Bill is enacted during these sittings—and I hope it will be—the charges will be introduced on 1 July this year. The cost of collecting the charges, which will be drawn from revenue raised, will be about 10 per cent of the amount collected. The Government will continue to fund the Great Barrier Reef Marine Park Authority through Budget appro-

priations, in line with present practice. The environmental management charges will contribute to offsetting the additional costs of the increasing commercial use of the marine park.

Successive Commonwealth governments have enjoyed bipartisan support for their initiatives in the Great Barrier Reef Marine Park—from the time the legislation was introduced by the Whitlam Labor Government through the implementation and declaration of the marine park by the Fraser coalition Government to the completion of the zoning plans by the Hawke Labor Government. I hope that this bipartisan support for securing the management of this precious resource will continue with the passage of this Bill.

In conclusion, this Bill gives effect to the Government's resolve to improve the management and protection of one of the world's greatest natural assets, the Great Barrier Reef. I commend this Bill to the House and present the explanatory memorandum which covers the three Bills, that is, this Bill, the Great Barrier Reef Marine Park (Environmental Management Charge—Excise) Bill and the Great Barrier Reef Marine Park (Environmental Management Charge—General) Bill, which I am introducing in this package.

Debate (on motion by Mrs Gallus) adjourned.

GREAT BARRIER REEF MARINE PARK (ENVIRONMENTAL MANAGEMENT CHARGE—GENERAL) BILL 1993

First Reading

Bill presented by Mrs Kelly, and read a first time.

Second Reading

Mrs KELLY (Canberra—Minister for the Environment, Sport and Territories) (10.54 a.m.)—I move:

That the Bill be now read a second time.

The purpose of the Great Barrier Reef Marine Park (Environmental Management Charge—General) Bill is to introduce a charge on commercial operators in the Great Barrier Reef Marine Park to meet increasing demands for

environmental management of the marine park. This Bill is being introduced separately to comply with section 55 of the Constitution relating to tax legislation. The Bill covers all chargeable commercial activities where the charge is not classified as a duty of excise. Details of the purpose and applicability of this scheme under this Bill are included in my second reading speech on the Great Barrier Reef Marine Park Amendment Bill 1993. I commend this Bill to the House.

Debate (on motion by Mrs Gallus) adjourned.

GREAT BARRIER REEF MARINE PARK (ENVIRONMENTAL MANAGEMENT CHARGE—EXCISE) BILL 1993

First Reading

Bill presented by Mrs Kelly, and read a first time.

Second Reading

Mrs KELLY (Canberra—Minister for the Environment, Sport and Territories) (10.55 a.m.)—I move:

That the Bill be now read a second time.

The purpose of the Great Barrier Reef Marine Park (Environmental Management Charge—Excise) Bill 1993 is to introduce a charge on commercial operators in the Great Barrier Reef Marine Park to meet increasing demands for environmental management of the marine park. This Bill is being introduced separately to comply with section 55 of the Constitution relating to tax legislation. The Bill covers all chargeable commercial activities where the charge is a duty of excise.

Details of the purpose and applicability of the scheme under this Bill are included in my second reading speech on the Great Barrier Reef Marine Park Amendment Act 1993. I commend the Bill to the House.

Debate (on motion by Mrs Gallus) adjourned.

DAIRY PRODUCE AMENDMENT BILL 1993

First Reading

Bill presented by Mr Crean, and read a first time.

Second Reading

Mr CREAN (Hotham—Minister for Primary Industries and Energy) (10.56 a.m.)—Mr Deputy Speaker, before I proceed, I join with those others who have congratulated you on your appointment as Deputy Speaker and Chairman of Committees. I have worked with you over the past three years and I am sure that you will acquit yourself admirably, and I wish you success in the job. I move:

That the Bill be now read a second time.

The purpose of the Dairy Produce Amendment Bill 1993 is to introduce amendments to the Dairy Produce Act 1986. The amendments will provide greater commercial flexibility to the Australian Dairy Corporation, allowing it to save on costs and to implement a risk management program enhanced by specific reference to its capacity to undertake hedging operations through banks.

The dairy industry is an important and strong sector in the Australian economy. Its recent performance has been very encouraging. Milk production has been increasing for the last decade and production this year of 7,200 million litres is expected to be similar to the peak of the early 1970s.

Honourable members will be aware that this Government has been working closely with the dairy industry to improve the competitiveness, efficiency and profitability of the industry. We have worked to broaden its focus towards an export market, adopt best international business practices, improve industry integration and provide well targeted research and development. I believe the industry has made some commendable improvements and I expect it will continue to adapt, compete successfully and bring much needed export earnings to Australia. The industry should be proud that its export earnings in 1992-93 are forecast to be over \$1 billion for the first time. This is a rise of about 32 per cent from the previous year.

Supporting the industry's pursuit of market expansion and development has been substantial technical improvement in dairy production and manufacturing. Dairy farmers are realising the benefits of these changes and, unlike many other rural industries, have a relatively sound financial outlook. The most recent ABARE survey indicates a healthy average farm cash income of \$51,000 for 1992-93.

To further encourage progress and development in the Australian industry I introduced a new dairy plan from 1 July 1992. The plan set the direction for the industry until the year 2000. A key element of the approach was the establishment of the Dairy Marketing Review Task Force. The task force has been charged with the responsibility of developing an industry driven strategy aimed at redirecting the industry's effort to further enhance the export marketing and development of dairy products.

I received the task force's interim report at the end of last year and I expect the final report to be submitted in the near future. The task force has consulted widely with the dairy manufacturers and exporters to ensure that the review recommendations will be realistic and achievable. I am confident that the task force will identify a forward looking and progressive marketing strategy, giving due consideration to the structure of the industry, which will lead it through the remainder of this decade and into the next century. When the review is completed, I will evaluate its recommendations carefully. I can assure this House that the Government, in close consultation with industry, will make use of the review's findings and continue to guide the dairy industry towards improved marketing capacity, profitability and long-term growth.

As I have said, the primary purpose of these amendments is to improve the corporation's financial operations in relation to banking and foreign exchange. The effect of these amendments is that the corporation should not be inhibited from normal commercial dealings with the banks. Removing the impediments which have been identified will result in reduced costs for both the corporation and the industry.

The amendments specifically empower the corporation to undertake futures dealings with banks. The corporation's futures trading will be limited to hedging. These powers are similar to those previously given to other marketing authorities such as the Wool Realisation Commission. The amendments will remove uncertainty concerning the ability of the corporation to secure exchange rates and cover the financial risks involved in international trade. Of prime importance in this area is the trade in cheese to Japan. This is a market in which Australian product has been performing very well. This trade is expected to amount to over \$100 million this financial year.

Another important amendment will improve existing banking arrangements. The corporation can now consolidate funds and avoid banking charges and management expenses associated with separate accounts. The savings resulting from this change are estimated to total \$40,000 in a year.

Reducing the number of bank accounts has not diminished the responsibility of the corporation to clearly report the sources and uses of funds. There is no abrogation of accounting and management responsibility. The minor amendments are mainly aimed at removing vestiges of the supplementary market support arrangements. These arrangements were in effect linkage mechanisms between the pre-1986 and the present arrangements. They have not operated since 1989.

The proposed changes that I have outlined improve the operating efficiency of the Australian Dairy Corporation. This is one aspect of the Government's response to the integrated dairy plan that I outlined last year. The dairy industry and the Australian economy will both benefit. I commend the Bill to honourable members and present the explanatory memorandum.

Debate (on motion by Mr McLachlan) adjourned.

AUSTRALIAN WOOL REALISATION COMMISSION AMENDMENT BILL

First Reading

Bill presented by Mr Crean, and read a first time.

Second Reading

Mr CREAN (Hotham—Minister for Primary Industries and Energy) (11.03 a.m.)—I move:

That the Bill be now read a second time.

The proposed amendments to the Australian Wool Realisation Commission Act 1991 will provide for a one-year extension of the repayment period for the wool industry debt. That debt currently stands at \$2.26 billion and is backed by a government guarantee.

The Government's recently announced package of measures, of which this amendment forms part, is in response to the deteriorating conditions in the wool industry. We have experienced reduced demand for our wool due to the continuing global recession affecting our key markets in western Europe and Japan and the virtual withdrawal of Russia from the market. In combination with this, we are faced with continuing overproduction, a \$3.9 million bale stockpile and wool prices which are at their lowest level in real terms in over 40 years. The key elements of the recent package provide immediate relief from the short-term circumstances facing the industry and set in train a process to address the more fundamental issues in the longer term.

The Australian Wool Realisation Commission is charged with the responsibility of managing the stockpile and discharging the industry's debt which was accumulated under the former wool reserve price scheme. It is to undertake this in a manner that is in the best interests of the nation and woolgrowers in particular. The legislation currently requires the Commission to acquit the debt within seven years or less. The commission ceases to exist upon the sale or transfer of all assets and repayment of the debt.

This amendment will now give the commission eight years, from 1 July 1991, in which to repay the debt and the government guaran-

tee will also be extended by one year. In current circumstances it was apparent that the commission could not retire the debt within the requirements of its current schedule, without an adverse impact on an already deteriorating wool market. The Commission was not in a position to sell significant quantities of its stocks without further depressing the market. At the same time the Government agreed that woolgrowers could not afford increased tax payments to maintain the debt repayment schedule.

In providing an additional year in which to repay the debt, the Government is providing the Commission with the opportunity to be able to meet its objectives, minimising the effect on woolgrowers' incomes, but ensuring that the responsibility for the debt remains with woolgrowers.

As a result of these changes, and changes which the Government will shortly be making to the Australian Wool Realisation Commission (Performance of Functions) Guidelines, the commission will not need to sell wool in 1993-94 to meet its obligations. Under the changed guidelines, the commission will not be required to repay debt in 1993-94 beyond the \$118 million funds already in hand for this purpose. This should entirely remove any speculative element that might exist in the market that the Commission will be required to make forced sales.

The amendment that I am proposing together with the other elements of the wool industry package recently announced are vital to assist the industry to overcome the difficulties currently facing it. I commend this Bill to honourable members and present the explanatory memorandum.

Debate (on motion by Mr McLachlan) adjourned.

TELECOMMUNICATIONS AMENDMENT BILL 1993

First Reading

Bill presented by Mr O'Keefe, for Mr Beddall, and read a first time.

Second Reading

Mr O'KEEFE (Burke—Parliamentary Secretary to the Minister for Transport and Communications) (11.08 a.m.)—I move:

That this Bill be now read a second time.

The purpose of this Bill is to extend to the three public mobile carriers the benefit of land access powers. The general carriers, Telstra Corporation Ltd—formerly AOTC—and Optus Networks Pty Ltd—a subsidiary of Optus Communications Pty Ltd—have certain powers under the Telecommunications Act 1991 to enter privately owned land in order to inspect, evaluate and install or construct telecommunications facilities for the provision of general telecommunications services.

The Act currently does not provide for mobile telecommunications carriers to have the same statutory land access rights in relation to inspection, evaluation, installation or construction of telecommunications facilities for the provision of mobile services. The companies which hold licences as mobile carriers are Telstra Corporation Ltd, Optus Mobile Pty Ltd and Vodafone Pty Ltd.

The provision of competition has been a central focus of the Government's telecommunications reforms. Lack of statutory rights to enter land could adversely affect the ability of the public mobile carriers to provide viable competition in relation to mobile telecommunications services.

The Government has therefore decided to extend to the three public mobile carriers powers to enter land and do things necessary to land for purposes connected with the supply of mobile telecommunications services. The carriers are to exercise these powers as authorised by and consistent with their licence conditions.

In addition to extending land access powers to the mobile carriers, the amendments also impose the same obligations on the mobile carriers that currently apply to the general carriers. These obligations require the giving of reasonable written notice to the owner of land, and in certain cases to the owner and occupier of land, that the carrier is intending to exercise its powers.

The amendments also include new provisions for a land access code to regulate the use of the powers to enter land in relation to both general and mobile carriers. The land access code is also intended to safeguard the interests of property owners. New provisions are also included in the amendments to make the Code binding on the carriers, to provide Austel, the Australian Telecommunications Authority, with the power to issue written directions to carriers about how they are to comply with the code and to ensure that such directions are enforceable.

The measures in this Bill are not expected to have a significant impact on Commonwealth expenditure or revenue. I commend the Bill to the House and I present the explanatory memorandum to the Bill.

Debate (on motion by Mr McLachlan) adjourned.

INTERNATIONAL DEVELOPMENT ASSOCIATION (FURTHER PAYMENT) BILL 1993

First Reading

Bill presented by Mr Bilney, and read a first time.

Second Reading

Mr BILNEY (Kingston—Minister for Development Cooperation and Pacific Island Affairs) (11.11 a.m.)—I move:

That the Bill be now read a second time.

The purpose of the Bill is to authorise a contribution of \$350 million to the 10th replenishment of the International Development Association. The International Development Association, or IDA, is the concessional or soft loan arm of the World Bank.

The last three decades have seen some major achievements in the developing world. Several developing countries in our region are achieving annual growth rates of between six and nine per cent. The Asia-Pacific region has seen both a proportional and an absolute drop in the number of people living under the poverty line—and there is no clearer measure of development success than that.

However, despite such achievements, the magnitude of the problems confronting the

developing world remains daunting. Problems such as poverty and lack of infrastructure are compounded by high levels of population growth. These issues compete for attention and scarce resources with environmental degradation, HIV/AIDS and natural disasters and it is the poorest, especially women and children, who are the most vulnerable. While average income levels have increased, there are still over three billion people who are forced to exist on incomes of less than \$US2 a day.

The Australian Government is committed to helping developing countries meet these challenges. We do so, not only because we would like to be good international citizens and because, as Australians, we have a strong sense of social justice, but because we have clear and compelling national interests in promoting and investing in the process of international development.

The aid program is one element of the Government's broader policy of engagement with both our immediate region and the international community. It is clearly linked to Australia's interests in expanding trade and investment. By helping to create a stable and prosperous world economy, we are building future markets for Australian goods and services. The Australian aid program offers Australians opportunities to participate in the development process through the supply of goods and services. I would say to the honourable member for Barker (Mr McLachlan), who is at the table, that that applies not least to Australia's farmers.

Multilateral development banks, such as the World Bank, of which IDA is a part, and the Asian Development Bank, complement Australia's own bilateral development programs, which are concentrated in the Asia Pacific region. They also provide a means for Australia to assist countries where we do not have bilateral aid programs and on a scale which we would find impossible by ourselves. The banks also play an invaluable role in coordinating the efforts of different donors to ensure that aid is used effectively. In particular the banks' coordinating role in Papua New Guinea and Indonesia is important in ensuring that our bilateral aid dollar goes further.

The development banks have also been effective in promoting economic reform, including market-oriented economic policies and the removal of trade barriers in order to foster efficient development. The World Bank continues to be an ardent supporter of trade liberalisation and a strong voice in the push for a successful conclusion to the Uruguay Round of GATT negotiations, which is vital from Australia's and many developing countries' perspectives.

The banks, particularly the World Bank, perform a catalytic role in the development debate and their research and analysis is a great asset in managing our own bilateral programs. At Australia's initiative and with our ongoing support, the World Bank now carries out extensive studies of the economies of the South Pacific in cooperation with the Asian Development Bank. This is of great use to the countries themselves and to Australia's bilateral programs in the region.

Our support of the banks also allows Australian firms to compete as suppliers or consultants for World Bank projects. Many Australians are already actively engaged in supplying services for World Bank projects, especially in the Asia region. With the World Bank lending in the order of \$30 billion a year in over 90 developing countries, the opportunities for Australian exporters are enormous.

While we should all recognise the multitude of motives Australia has for promoting international development, we must not lose sight of the goal—the sustainable reduction in poverty. This means that all of our development assistance, including our contributions to the development banks, should serve that purpose.

In the international battle against poverty, the World Bank is one of the most powerful players. It is the largest and the most global of all international development institutions, operating in all sectors and all regions. The International Development Association, to which this Bill authorises a \$350 million Australian contribution, is that part of the World Bank with the strongest direct focus on poverty reduction. It provides highly concessional loans for development activities

in most of the world's poorest countries—those with annual per capita incomes of less than \$US740. IDA loans usually involve 10 year grace periods, 35 or 40 year maturities, and no interest charges. They are also accompanied by training and technical advice.

Australia's contribution to the tenth replenishment of IDA will cover development projects signed in the three financial years 1993-94 to 1995-96. IDA will, however, call upon these funds over 10 years, reflecting the time generally taken to implement projects. Australia's \$350 million contribution to IDA-10 represents a share of 1.46 per cent, a decline in real terms on our contribution to IDA-9. However, a \$350 million contribution to IDA-10 allows Australia to contribute its fair share of the replenishment whilst recognising the current economic realities in Australia.

Some of the priorities decided by donors for IDA-10 include: an increased share of IDA resources directed to the social sector and direct poverty targeted investments; expanded support for family planning and social services for women, including education for girls; stronger emphasis on environmentally sustainable development; greater monitoring of recipient government public expenditures to ensure they reflect development priorities and a reduction in non-development expenditures such as military expenditure; and endorsement of IDA's plans to improve the quality of projects, including design, monitoring and supervision.

The quality of IDA project management and the policies IDA pursues are of considerable interest to Australia. A number of criticisms have been levelled at the World Bank over the last few years, some with justification. The Australian Government has taken up these issues with World Bank management—sometimes with support from other donors, sometimes alone.

Australia has consistently argued for increased attention to direct poverty alleviation, the environment, the role and needs of women in development, participation of local communities and the social dimensions of structural adjustment programs. I am pleased to report

that the response from bank management has been generally encouraging.

On the policy front, the World Bank has shifted substantially in the past five years. It has articulated its strategies for reducing poverty and has increased its emphasis on environmental protection, the position of women and private sector development. New emphasis has also been placed on projects and programs designed to improve the transparency and efficiency of the public sector and on legal and regulatory frameworks. These important directions must be maintained.

With regard to the level of the World Bank's high administrative costs, the Australian Government has strongly and consistently argued for restraint and administrative economies. Australia will continue to press the bank to take a constrained approach on such matters.

The post-Cold War period has created new demands on the World Bank, including pressures to provide substantial assistance for economic transformation in central and eastern European countries and in the former Soviet Union. The World Bank's president has repeatedly assured the international community that the bank has the financial capacity to respond to these challenges without reducing its support to traditional borrowers and that the concessional resources of IDA will continue to be channelled to the poorest, least creditworthy countries.

It is only through our full and active participation that Australia can make a difference to the World Bank's policies. This includes Australia contributing its fair share to the replenishment of funds, and thereby securing a commensurate say in policy discussions amongst donors.

The end of the Cold War holds out new promise for cooperative action to address global and regional development problems. Since the states of the former Soviet Union joined the World Bank in 1991-92, it is now, more than ever, a truly global institution. In a world characterised by increasing change and complexity, the World Bank offers countries, such as Australia, which exercise middle-level power, an important vehicle for pursuing their national interests in the interna-

tional arena; as such, it deserves our support. I commend the Bill to honourable members and present the explanatory memorandum.

Debate (on motion by Mr McLachlan) adjourned.

ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION AMENDMENT BILL 1993

First Reading

Bill presented by Mr Tickner, and read a first time.

Second Reading

Mr TICKNER (Hughes—Minister for Aboriginal and Torres Strait Islander Affairs) (11.22 a.m.)—I move:

That the Bill be now read a second time.

This Bill proposes certain amendments to the Aboriginal and Torres Strait Islander Commission—commonly referred to as ATSIC—and to the structure of regional councils that were established under the original Act. In essence the changes provide for:

a reduction in the number of regional councils, from 60 to 36;

removal of the Minister's power to choose the chairperson of the commission and two non-elected commissioners; and

recognition of the very substantial workloads of commissioners and of regional council chairpersons by making them full-time appointments.

When ATSIC came into being, a little over three years ago, it was the culmination of a long process of debate in the Parliament and of consultation with the Aboriginal and Torres Strait Islander peoples. Here were bold and innovative proposals indeed. The central responsibility for the Commonwealth's activities for Australia's indigenous peoples was to be assumed by a commission comprising entirely Aboriginal and Torres Strait Islander people, most of whom were to be elected. Gone would be the days where key decisions affecting the lives of Aboriginal and Torres Strait Islander people would be taken by a Minister and his officials. To strengthen the transformation from dependence to empower-

ment, a structure of 60 elected regional councils was to be created, providing a real measure of local autonomy and choice.

Nothing like this had been tried before, in Australia or overseas. It represented a unique experiment in public administration. There were many who doubted whether it could work. Their fears, I am delighted to say, have been unfounded. ATSIC has established itself as an authentic and respected national voice for the Aboriginal and Torres Strait Islander people, and a responsive and responsible administrator of government programs. It has been firm both in the independence of the advice it has provided and in the standards of accountability it has set for the programs it delivers.

The confidence we have in the commission has been confirmed by entrusting it with a substantial increase in its responsibilities, both through the new and augmented programs arising from the response of governments to the report of the Royal Commission into Aboriginal Deaths in Custody and through the transfer to it of programs previously operated by other Commonwealth agencies. In 1992-93, its program budget is one-third higher than for the previous year.

The responsibilities of regional councils have been progressively increased. They now make more of the decisions about how funds are to be distributed and play an increasingly active role in the whole range of activities and policies that will affect the lives of their peoples. In State and Territory governments, there is growing recognition of the role of ATSIC and of the desirability of coordinating their activities for the benefit of Aboriginal and Torres Strait Islander people with ATSIC's structures and programs. Most pleasing of all, Aboriginal and Torres Strait Islander affairs have now become matters enjoying a high measure of cross-party support.

Perhaps more importantly, the thrust of the proposals supported on both sides of politics reflect the advice provided by the ATSIC commissioners themselves. ATSIC's achievements are a tribute to the dedication of commissioners, regional councillors and staff of

ATSIC, who have worked hard to make this new approach a success.

It is against this background that the changes proposed in the Bill are being put before the Parliament. The changes are based on the Government's commitment to Aboriginal and Torres Strait Islander self-determination and our confidence in indigenous people managing their own affairs. They are fundamentally about shifting greater decision-making power to the Aboriginal and Torres Strait Islander peoples themselves. They are also directly in line with the thrust of the report of the Royal Commission into Aboriginal Deaths in Custody.

An important provision of the Aboriginal and Torres Strait Islander Commission Act 1989 was that, before the end of the term of the first elected commissioners, the commission should review and report to the Minister on the operation of the Act. Section 26 of the Act provides that the review should deal with: any problems that may have been caused by conflicts between the representative responsibility of commissioners and their responsibility as members of a body with executive responsibilities; the operation of the electoral system established by the Act; and any other matter relating to the operation of the Act.

The commission completed its report and presented it to me in February. In preparing its report, the commission was assisted by a panel which included experts from other Commonwealth bodies. In accordance with subsection 26(5), I have tabled the report in the House. The report is a highly important document. It provides clear testimony to the basic strength and soundness of the legislation which created ATSIC, while also showing the way to improvement in some areas.

It is from that report that the changes proposed in this Bill originate. It is not practicable to deal with all the recommendations of the report in the short time available to the Parliament in the current sittings, and the Bill deals with only those matters which are of the highest priority for reasons of timing. Additional proposals for changes to the Act will be put before the Parliament at a later stage. I would like to stress again that none of the proposals I am putting before the

Parliament today were considered by the Government without the support of the commissioners of ATSIC.

Recommendation 11 of the commission's report dealt with 'Regional Councils—numbers, functions and powers', and proposed that: the numbers of regional councils be reduced; the powers of regional councils be increased; greater administrative support be provided to regional councils; and regional council chairpersons be appointed on a full-time basis. This recommendation has a particular urgency because the Act presently requires that regional council elections be held before the end of this year.

I am advised by the commission that a deferment of those elections would be viewed unfavourably by Aboriginal and Torres Strait Islander people. Accordingly, unless changes to the Act are made as a matter of priority, the opportunity to implement this recommendation would be lost for another three years. That would clearly be undesirable.

The Bill proposes a reduction in the number of regional councils from 60 to 36. In considering the reductions to be made in the number of regional councils, the commissioners of ATSIC and the Government took into account the following factors: the desirability, where practicable, of amalgamating councils with small Aboriginal and Torres Strait Islander populations; the need to avoid merging non-urban councils with metropolitan councils with large Aboriginal and Torres Strait Islander populations, which would lead to the prospect of city domination; minimising other boundary changes; greater administrative support for councils with most ATSIC regional offices now to serve a single council; and improved administrative efficiency.

Section 27 of the Act presently provides for a commission of 20 Aboriginal and Torres Strait Islander people. Of these, the chairperson and two others are appointed by the Minister, while the others are elected by regional councillors to represent the 17 zones around Australia.

The commission recommended that the provision for ministerial appointments should be repealed on the basis that they are inconsistent with the principles of self-determina-

tion and empowerment which were the basis for the establishment of ATSIC. The Government accepts this view, and section 27 will be amended accordingly. The Minister will no longer have the power to choose the chairperson and two other commissioners, and there will be a consequential reduction in the number of commissioners from 20 to 17. The chairperson will now be elected by commissioners, and will hold that office for the term of the commission.

ATSIC, in short, will become a fully elected body—a body of some 600 Aboriginal and Torres Strait Islander councillors deciding their own priorities, providing their own policy advice to government. This is an achievement for Australia and for the indigenous peoples of this country.

The third major aspect of the Bill is to allow for the appointment of commissioners and regional council chairpersons on a full-time basis. At present, only the commission chairperson is a full-time appointment. The change to full-time appointments, as recommended in the review report, recognises that responsibilities of commissioners and regional council chairpersons have proved to be far greater than was foreseen when ATSIC was created. Increasingly they are finding that the demands of their positions are such as to make it difficult for them to sustain outside employment. This reflects how rapidly ATSIC and the regional councils have come to be accepted as the central organs of Aboriginal and Torres Strait Islander affairs, and the increased responsibilities that have flowed from such factors as the response of governments to the report of the Royal Commission into Aboriginal Deaths in Custody.

I remind the House that the Standing Committee on Aboriginal and Torres Strait Islander Affairs, in its 1992 report, *Mainly urban*, unanimously recommended that:

Commissioners of the Aboriginal and Torres Strait Islander Commission should receive a salary, to be determined by the Remuneration Tribunal, which reflects the full time nature of the position and recognises the responsibilities devolved to Commissioners (Recommendation 66).

The present workloads of regional council chairpersons will increase considerably as a

result of the reduction in the number of councils, and of the progressive transfer to regional councils of additional responsibilities, as envisaged in the recommendations of the review report.

Over the next two months ATSIC is organising a series of workshops of commissioners and regional council chairpersons to discuss implementation of the changes that are included in this Bill, and also the various other reforms proposed in the commission's report. One important matter to be discussed in these consultations will be the option of introducing, if possible for the 1993 elections, a ward system for regional council elections. Such a system would provide an assured level of representation for each significant area of a region. I would like to stress that a crucial element of the strategy of the commissioners which is supported by the Government is the devolution of greater decision-making powers and responsibilities to the regional councils.

I now turn to the major provisions of the Bill. Clause 2 provides for the provisions of the Bill to come into effect on royal assent, except for the new section 30 relating to full-time appointment of commissioners which would come into effect on a date to be proclaimed. Clause 5 amends section 27 of the Act to provide for a commission of 17 elected commissioners, and for the election by commissioners of a chairperson from among their number. Clause 6 repeals section 28, which deals with the constitution of the first commission of five appointed commissioners which operated for the first year of ATSIC's existence.

Clause 7 replaces the existing section 30 so as to provide for the full-time appointment of commissioners. It includes a provision which enables existing commissioners to elect to continue to hold office on a part-time basis until the next zone elections. This is to protect the interests of any commissioners who do not wish to put at risk their present tenure of other employment in addition to their part-time role as commissioners.

Clause 8 provides for the election by commissioners of a chairperson and deputy chairperson. These arrangements will come into effect when a new commission is elected

in early 1994. Clause 9 defines the periods of appointment of the chairperson and deputy chairperson.

Clause 14 amends section 91 of the Act to provide for the reduction in the number of regional councils from 60 to 36. A change is also made to provide for a more effective process for public notification of the boundaries of regional councils. Subsection 91(3) of the Act is repealed; this subsection prevents changes being made to regional council boundaries after 31 March in an election year and is therefore inconsistent with the intent of this Bill.

Clauses 15 and 19 exempt the chairperson of the commission from requirements for regional councillors to spend at least some time living in their regions. This is to avoid the possibility of compromise to the chairperson's position should he or she find it necessary to establish full-time residence in Canberra but is unable also to maintain a residence in their home region.

Clause 17 reduces the period between the notice by a Minister for a polling day or days for regional council elections from 90 days for 60 days, in respect of the 1993 elections only. This is to provide adequate time for implementation of necessary changes to the arrangements for the elections flowing from the amendments to the Act.

Clause 18 omits subsection 113(9) of the Act, so as to allow for election rules for regional council elections to come into effect from date of gazettal. Such an amendment is necessary if there is to be any prospect of introducing a ward system for regional council elections in 1993.

Clauses 20 and 21 deal with regional council chairpersons, including their election for the full term of a council and for their appointment on a full-time basis. Provisions are made, on a basis similar to those applying for commissioners, for resignation, termination of appointment, and leave. It is also provided that one person cannot hold the offices of commissioner and regional council chairperson at the one time—something that is possible at present while they are both part-time positions. The remuneration of regional council chairpersons will be determined by

the Remuneration Tribunal. These changes will come into effect following the next elections for regional councils.

Clause 24 amends schedule 1 to the Act. This schedule provides the basis for the division of Australia into zones and regions. Clause 25 provides for transitional arrangements for the existing 60 regional councils, which will, of course, continue to exist until the declaration of the polls for the elections to be held later this year for the 36 new councils.

The other provisions of the Bill are essentially for machinery and consequential changes. I present the explanatory memorandum. I also present, for the information of the House, maps setting out the changes to be made to regional council and zone boundaries. I hope that the proposals I put before you today—proposals which are those put to me by ATSIC commissioners—will have the support of honourable members on both sides of the House. I commend the Bill to the House.

Mr DEPUTY SPEAKER (Mr Les Scott)—The Minister needs leave for the presentation of the maps. Is leave granted? There being no objection, leave is granted.

Debate (on motion by Mr McLachlan) adjourned.

ABORIGINAL LAND RIGHTS (NORTHERN TERRITORY) AMENDMENT BILL 1993

First Reading

Bill presented by Mr Tickner, and read a first time.

Second Reading

Mr TICKNER (Hughes—Minister for Aboriginal and Torres Strait Islander Affairs) (11.40 a.m.)—I move:

That the Bill be now read a second time.

The Aboriginal Land Rights (Northern Territory) Amendment Bill 1993 reflects the commitment of this Government to ensuring that traditional Aboriginal owners will be able to enjoy security of title over their traditional lands to the fullest extent practicable. The Aboriginal Land Rights (Northern Territory)

Act 1976 provides a mechanism whereby traditional Aboriginal land in the Northern Territory referred to in schedule 1 of the Act may be granted to Aboriginal land trusts to hold title on behalf of Aboriginal people. Since the Act came into operation in 1977 a total of 54 separate parcels of land have been scheduled under the Act.

This Bill would schedule a further three areas of traditional land under the Act known as Catfish Dreaming, Eva Valley Station and Kanturpa-Kanttaji. The scheduling of the areas known as Catfish Dreaming and Eva Valley arises from an agreement—facilitated by the Commonwealth Government—between an association of Aboriginal traditional owners known as the Jawoyn Association, the Northern Territory Government and the mining company, Zapopan NL. Under this agreement Zapopan will be allowed to proceed with the important gold mining venture at Mount Todd. The Jawoyn Association has agreed not to pursue any claim for native title or support any such claim by any other person in respect of the mineral leases involved and has also agreed to give Zapopan unrestricted rights of access to the land whilst undertaking to support ongoing exploration activity by the company. Zapopan has also agreed to provide employment and training for Aboriginal people at the mining site. As part of this settlement the Commonwealth Government has agreed to amend the Act to schedule two parcels of land.

The scheduling of the third area known as Kanturpa-Kanttaji arises from a settlement reached between the Northern Territory Government, the Northern Territory Power and Water Authority and the Central Land Council, representing the claimants in the Kanturpa-Kanttaji land claim. Essentially, that settlement secures for the Northern Territory the current and future water supply for Tennant Creek, in return for its support for the scheduling of the land. This is to be achieved by the granting of a licence allowing the Northern Territory Power and Water Authority the right to continue its borefield operations in the Tennant Creek area and by the granting of a lease to secure access to

present and future borefields on that and adjacent Aboriginal land.

The Government has the assurance of all parties to the negotiations that representative views of all Aboriginal people concerned have been obtained and their wishes taken into account. There are no financial implications arising from this Bill.

The Bill represents an application of the statutory basis for granting land to traditional Aboriginal owners in the Northern Territory. Honourable members will be aware of the Mabo case in which the High Court of Australia has affirmed that the common law itself recognises native title in certain circumstances. The Government is in the process of developing a comprehensive response to the Mabo decision in the interests of all Australians. I commend the Bill to the House.

Debate (on motion by Mr McLachlan) adjourned.

AUSTRALIAN NATIONAL TRAINING AUTHORITY AMENDMENT BILL 1993

First Reading

Bill presented by Mr Free, and read a first time.

Second Reading

Mr FREE (Lindsay—Minister for Schools, Vocational Education and Training) (11.45 a.m.)—I move:

That this Bill be now read a second time.

This Bill makes some minor amendments to the Australian National Training Authority Act 1992 in relation to staffing of the authority. The Australian National Training Authority was established formally in December 1992 following an agreement between heads of government in July of that year. The authority is developing its organisational structure and engaging staff progressively during 1993, leading to full implementation of the new national vocational education and training system from the beginning of 1994.

As a truly national body, the authority should be able to draw its staff from a wide range of sources in both the public and private sectors, during its establishment period

and on an ongoing basis. The existing provisions of the Act already provide a good deal of flexibility in staffing arrangements. However, it now appears that the existing provisions are not sufficiently flexible in two small, but important, respects.

The first relates to the authority's chief executive officer. The authority has recently conducted an exhaustive public recruitment campaign for its first chief executive officer. During this process, it became apparent that a capacity for the authority to arrange for secondment of a chief executive officer would enhance its ability to engage suitable people from the public sector.

The Act currently provides for the authority to appoint a chief executive officer but makes no mention of appointment by way of secondment, although there is provision for secondment of other staff. I am advised that, without an explicit provision, the authority would not be able to second a chief executive officer.

On this basis the authority asked the Minister for Employment, Education and Training (Mr Beazley), in his capacity as chairperson of the Commonwealth-State ministerial council to which the authority reports, to seek the council's agreement to introduction of an amendment to the Act to make such an explicit provision. The council agreed to this proposal at its meeting on 23 April and also endorsed the authority's selection of a senior Victorian public servant, Mr Terry Moran, to be its inaugural chief executive officer. The authority proposes to second Mr Moran using the new provisions should they be enacted.

Clause 3 of the Bill would make explicit provision to permit the authority to appoint a chief executive officer by way of a secondment from the Commonwealth, a State or Territory or from an authority of the Commonwealth, a State or Territory. It is common practice for a person to retain similar salary and other entitlements as apply to his or her 'home' position while on secondment. For this reason, the Bill provides that a seconded chief executive officer would not be subject to the provisions of the Act dealing with the setting of remuneration and other

matters by the Remuneration Tribunal or the ministerial council.

The financial impact of this provision would depend on the terms of an individual secondment arrangement. The cost to the authority, and therefore to the Commonwealth which provides the authority's operating funds, could be higher or lower than that which would otherwise apply. Any additional cost would be expected to be only a very small component of the authority's total operating budget.

The Act already provides that the authority would have to consult with the ministerial council before appointing a chief executive officer. This would also apply in relation to a person whom the authority proposed to appoint by way of secondment.

A secondment from the Australian Public Service or a Commonwealth authority would be under the usual arrangements for secondments to a Commonwealth statutory authority. The amendment also provides specifically that the authority would have to consult the ministerial council on any proposed arrangement for the secondment of its chief executive officer from a non-Commonwealth body. The council could, if it wished, lay down guidelines for such arrangements.

I turn now to the second aspect of the amendments which deals with a possible limitation in the existing provisions of the Act for secondment of staff other than the chief executive officer. There is some doubt whether those provisions, as currently worded, would enable the authority to make secondment arrangements with State and Territory authorities including, for example statutory authorities with responsibilities in vocational education and training. Clause 4 of the Bill would remove any such doubt by providing explicitly for these secondments.

The amendments which I have outlined will assist the Australian National Training Authority to proceed with its important job of working with all governments to create an effective national vocational education and training system. I commend the Bill to honourable members and present the explanatory memorandum to this Bill.

Debate (on motion by Mr McLachlan) adjourned.

TAXATION LAWS AMENDMENT BILL 1993

First Reading

Bill presented by Mr Gear, and read a first time.

Second Reading

Mr GEAR (Canning—Assistant Treasurer) (11.50 a.m.)—I move:

That the Bill be now read a second time.

The Taxation Laws Amendment Bill 1993 was originally introduced as the Taxation Laws Amendment Bill (No.7) 1992, but lapsed with the calling of the election. The major change to the Bill as previously introduced is to include a transitional measure for one of the proposed amendments to the capital gains provisions.

The Bill will amend the taxation laws in a number of respects. It includes an amendment to the existing law to provide specifically for the assessability and deductibility of payments made in respect of accrued leave entitlements by one employer to another at the time an employee transfers to a new employer. This measure will operate where payments made are to facilitate the transfer of the employee pursuant to, or to accommodate the implementation of, an industrial award. Such payments will be called accrued leave transfer payments.

The Bill proposes a number of amendments to the provisions relating to the taxation of capital gains and losses. The Bill also contains measures to synchronise the capital gains tax and plant depreciation treatment of terminations of crown leases. These measures were foreshadowed in the explanatory memorandum to the depreciation crown lease amendments contained in Taxation Laws Amendment Bill (No. 3) 1992.

Several technical amendments are to be made to various capital allowance provisions and to anti-avoidance rules relating to those provisions. The Bill will make two changes to depreciation cost price limit rules for luxury motor cars. One will exclude certain

motor cars from the limit. The other will remove an anomaly under which some taxpayers gain earlier access to an indexed limit than others.

Other amendments to the Income Tax Assessment Act proposed by the Bill relate to dividend streaming arrangements, PAYE, and the gift provisions. The Bill also includes minor amendments to fringe benefits tax provisions and the Taxation Administration Act. I turn now to a more detailed discussion of these measures.

Assessability and Deductibility of Accrued Leave Transfer Payments

In general, employees accrue leave entitlements based only on the period of employment with their current employer. However, in some industries, such as the waterfront industry, employees are likely to change employers so often that they could never take leave, but rather would be paid out the value of leave entitlements each time they transfer to a different employer. In those industries, leave entitlements under the terms of an industrial agreement or award may be based on total service with a number of employers. Accordingly, employers may be required, or may as a matter of commercial reality decide, to pay one another on account of a transferring employee's accrued leave entitlements.

Under the existing law, an employer is not entitled to a deduction for a payment made in respect of leave entitlements that have accrued to an employee in the course of his or her employment with that employer unless it is made directly to the employee or, if the employee is dead, to a dependant or personal representative of the employee. Consequently, if a payment in respect of an employee's accrued leave entitlements is made by one employer to another upon the transfer of the employee, no tax deduction is available to the employer who makes the payment.

This amendment will allow the employer who makes the payment to claim a deduction for the amount of that payment. The amendment also will ensure that the amount of the payment will be assessable income of the employer who receives the payment. The amendment is intended to facilitate structural reforms such as flexible employment prac-

tices, specifically where there are industry practices for the transfer of employment pursuant to, or to accommodate the implementation of, an industrial award. The amendment is not likely to have any effect on the revenue.

Capital Gains Tax

The Bill proposes a general anti-avoidance provision relating to the transfer of assets within company groups to which a CGT rollover applies. The current CGT group rollover anti-avoidance provisions will be repealed as a consequence. The new anti-avoidance provision will deem the disposal and re-acquisition of an asset which has been rolled over within a company group if the company holding the asset ceases to remain part of the group in respect of which the rollover was available. This will occur where, for example, the company is sold outside the group.

A new transitional provision will have the effect that the current CGT group rollover anti-avoidance provisions will not apply after 16 December 1992 in circumstances where the new general anti-avoidance provision would not apply. Consequential amendments will be made to the capital gains record keeping requirements.

The Bill also proposes an amendment which will ensure that the capital gains provisions do not apply inappropriately to tax an amount, or part of an amount, which is concessionally taxed under another provision of the Act. This amendment will apply where the effect of that other provision is that all or part of the amount is not included in a person's assessable income.

A further amendment will ensure that a taxpayer holding a statutory licence which is cancelled by the issuing authority for no consideration will not be deemed to have received the amount that would have been the market value of the licence prior to its cancellation.

Technical amendments are also proposed to the provisions relating to the principal residence exemption and the transfer of capital losses. The amendments to the CGT provi-

sions are not expected to have any significant impact on revenue.

Capital Gains Tax—Depreciable Property Installed on Crown Leases

Further amendments to the capital gains tax provisions are to be made so that disposals of interests in plant installed on crown leases of land are treated consistently with their treatment under the depreciation crown lease provisions. This amendment will prevent capital gains or losses from accruing in respect of plant installed on a crown lease where a lease is terminated but the lessee retains an interest in the plant. It will also prevent capital losses from accruing in respect of plant installed on a crown lease where the lease is terminated and an associate of the lessee obtains an interest in the plant.

These changes will apply to relevant disposals occurring after 26 February 1992. The purpose of the amendments is to prevent anomalous results and there is no direct impact on the revenue.

Technical Amendments to Capital Allowances

Five technical amendments are to be made in relation to provisions dealing with deductions for the capital cost of income producing property. The first amendment relates to the broadbanding of depreciation rates for plant acquired before 27 February 1992. The amendment will make it clear that rates of depreciation determined on effective life that match a broadbanded rate cannot be increased to the next highest broadbanded rate. The amendment will apply from the same time as the broadbanding measures; that is, in relation to the 1991-92 and subsequent years of income.

The second will amend the plant depreciation crown lease provisions in relation to disposals of pre-27 February 1992 plant, for which deductions have been allowed under the prime cost method, to prevent balancing loss deductions for that portion of the cost of plant notionally depreciated before 27 February 1992. It will also ensure that tax is imposed on the recoupment of previously allowed deductions. The amendment will apply to disposals occurring after 26 February 1992,

the date from which the crown lease provisions applied.

A third amendment will replace an existing option taxpayers have to adopt annually a lesser rate of depreciation for an asset with a once-only option to adopt a lesser rate of depreciation that is not less than that based on effective life. This new option rule will apply in relation to current and subsequent years of income. Next, to correct an oversight, the petroleum mining rollover relief provisions are to be amended so that they apply, as appropriate, to pre-18 September 1974 expenditure.

The final amendment in this series relates to anti-avoidance rules applicable to arrangements involving the use of property by tax exempt bodies and the like. The amendment will make it certain that those rules can apply to arrangements where a person is entitled to deductions under a capital allowance provision in relation to property which they do not own. The amendment will apply to relevant arrangements entered into after today. These technical amendments are unlikely to have a significant effect on the revenue.

Depreciation Cost Price Limit Rules

Two changes are to be made to depreciation cost price limit rules for motor cars. One will exempt motor cars specially fitted out for the carriage of disabled persons seated in wheelchairs from the limit. The cost of this concession is estimated to peak in seven years at about \$1 million per annum.

The other change is to remove a distortion arising from the annual indexation of the limit. At present, the limit is indexed in relation to each year of income. Taxpayers whose year of income commences earlier than others can obtain an advantage from earlier access to a new limit. This second change is expected to be revenue neutral. Both measures apply to motor cars acquired after today.

Dividend Streaming Arrangements

I announce today amendments to the dividend streaming provisions of the income tax law which will ensure their consistent application. The amendments contained in the Bill will ensure that dividend streaming arrangements using an interposed entity between

shareholders and companies carrying out the arrangement are subject to the provisions. Arrangements using an interposed entity are otherwise the same as arrangements already subject to the provisions in that they seek to stream franked dividends to those shareholders able to benefit most from the imputation credits attached to those dividends. The amendment will apply to dividends paid under these arrangements on or after the date of royal assent of the Bill and will prevent the loss of unquantifiable amounts of revenue.

Pay as you earn or the PAYE Provisions

The Bill will also amend the PAYE provisions in the income tax law. First, the definition of salary or wages will be expanded to include training allowances paid to participants in the landcare and environment action program and remuneration and allowances paid to members of an eligible local governing body. Second, the current arrangements for variations of PAYE tax instalment deductions will be modified so that an employee with more than one employer may obtain a single variation in the amount of deductions to be made from his or her salary or wages.

Gifts

This Bill will amend the gift provisions of the income tax laws to give effect to the announcement of the Treasurer (Mr Dawkins) of 25 November 1992. The announcement allows gifts of the value of \$2 or more made to the Shrine and Remembrance Restoration and Development Trust to qualify as an income tax deduction if made on or after 25 November 1992 and on or before 30 June 1995. This measure is to assist with the restoration of the shrine, as it is in a serious state of disrepair and needs urgent attention to avoid further deterioration. The impact of the amendment on revenue is not expected to be significant.

Fringe Benefits Tax

This Bill will amend the Fringe Benefits Tax Assessment Act 1986 to correct a technical error and to reflect a change in the name of the Commonwealth Savings Bank of Australia to the Commonwealth Bank of Australia.

Access to Taxation Information by the Queensland Criminal Justice Commission

The Bill also proposes to amend the Taxation Administration Act 1953 to include the Queensland Criminal Justice Commission within the definition of law enforcement agency for the purpose of gaining access to taxation information. I present the explanatory memorandum, which contains more detailed explanations of the provisions of the Bill, and I commend the Bill to the House.

Debate (on motion by Mr Tim Fischer) adjourned.

TAXATION LAWS AMENDMENT BILL (No. 2) 1993

First Reading

Bill presented by Mr Gear, and read a first time.

Second Reading

Mr GEAR (Canning—Assistant Treasurer) (12.08 p.m.)—I move:

That the Bill be now read a second time.

The Taxation Laws Amendment Bill (No. 2) 1993 will amend the taxation laws in a number of respects. It includes a number of measures announced in the Prime Minister's *Investing in the nation* statement on 9 February 1993. These measures are the introduction of a general investment allowance, the reduction in the rate of tax for most companies in Australia from 39 per cent to 33 per cent, the introduction of revised company tax collection arrangements, and an extension of the child care exemption currently available to priority access payments to eligible child-care centres.

The Bill also proposes some amendments to the foreign investment fund measures enacted by the Government late last year, an income tax exemption for the pay and allowances of Defence Force and federal policy personnel serving in certain areas, and an amendment to the secrecy provisions to provide certain information concerning unlawful immigrants. Lastly, the Bill includes a law improvement measure by proposing the amendments of the gift provisions to improve the overall readability of these provisions.

The changes to the company tax regime introduced by this Bill will act as an important stimulus to business investment in this country. They will increase the level of profits companies can retain to finance expansion and future investment and improve the attractiveness of Australia for investment by both Australian and foreign investors. Together with the changes already made by the Government to provide full dividend imputation and to improve Australia's depreciation provisions, the measures I am introducing today will provide Australian industry with a most competitive and supportive business tax environment.

I now turn to a more detailed discussion of these measures.

General Investment Allowance

This Bill introduces the general investment allowance foreshadowed in the Prime Minister's *Investing in the nation* statement of 9 February 1993. A general investment allowance, which will provide an additional short-term incentive for investment, is to be available for eligible plant and equipment acquired or commenced to be constructed between 9 February 1993 and 1 July 1994 and which is first used for the purpose of producing assessable income, or installed ready for such use, before 1 July 1995. The allowance, which will be deductible in the year eligible property is first used, will be at the rate of 10 per cent and will be additional to both depreciation and the development allowance.

The general investment allowance will operate similarly to the development allowance, the principal differences being that the capital cost of a unit of property must be not less than \$3,000 and that the expenditure need not be in relation to a project that qualifies for the development allowance. To qualify, property must be plant or articles, within the meaning of the depreciation provisions, acquired or constructed by a taxpayer solely for use in Australia in the production of assessable income.

Certain items will not qualify for the allowance, including property deductible under certain provisions providing a special basis of

deduction, passenger motor vehicles, household appliances, furniture, fixtures and fittings, unless for use in the entertainment/tourist accommodation industry, artwork, books, non-protective clothing and accessories, and aircraft.

The property must be retained by the taxpayer for at least 12 months and must not, in that period, be made available for use by other persons or be used either outside Australia or otherwise than for producing assessable income. Further, the allowance can be withdrawn at any time if property is acquired or constructed by taxpayers with the intention of dealing with it in a disqualifying manner even after the first 12 months.

The allowance will be available to leasing companies if lessees contract to use the property for not less than four years. Lessors will have the option to transfer some or all of their entitlement to the allowance from leased property to the lessee. This measure is estimated to cost \$130 million in 1993-94, \$330 million in 1994-95 and \$270 million in 1995-96.

Company Tax Rates Reduction

This Bill will reduce the rate of tax for most companies in Australia from 39 per cent to 33 per cent by amending the Income Tax Rates Act 1986. It will also reduce the rate of tax for pooled development funds from 30 per cent to 25 per cent. This measure will ensure that Australia continues to be an attractive location for business investment.

The reduction of the rate of tax on company profits to 33 per cent will improve Australia's attractiveness as a destination for foreign direct investment. A 33 per cent company tax rate compares favourably with the rates prevailing in the major economies from which Australia draws most of its foreign direct investment. Lower company rates will also ensure that Australian investment will be less likely to locate offshore simply because of more attractive tax regimes in other countries, especially in the Asia-Pacific region.

Cutting the company tax rate will not induce a rush to incorporate for tax avoidance reasons. The Australian Taxation Office advises that, based on the most recent Court

authorities, part IVA of the Income Tax Assessment Act 1936 provides an adequate response to attempts to alienate income from personal services for tax purposes. The new rates will apply to the 1993-94 income year and subsequent years of income.

These amendments will result in consequential amendments to the franking of dividends provisions of the Income Tax Assessment Act 1936. These consequential amendments will be introduced in a later Bill.

The reduction in the company tax rate will, after allowing for some clawback through the imputation system, cost the revenue \$0.4 billion in 1993-94, \$1.8 billion in 1994-95, \$1.6 billion in 1995-96 and \$1.7 billion in 1996-97. The pooled development fund rate cut will cost an additional \$3 million in 1994-95.

Company Tax Instalment System

This Bill will give effect to the revised company tax collection arrangements announced on 9 February 1993 by the Prime Minister (Mr Keating) in his *Investing in the nation* statement. This measure will improve the equity of the company tax instalment system relative to other taxpayers, particularly unincorporated businesses. The most fundamental change introduced in the amendment is that for most companies there will be four payments to make each year, rather than the existing two payments. Some very small companies will be required to make only one payment. For larger companies the timing of those payments will generally be earlier than those under the existing payment arrangements. For small companies the new arrangements should result in lower financing costs because, on average, they will result in a deferral of their tax payments.

The revised company tax instalment arrangements will apply to large companies in the 1995-96 year of income and to all other companies a year earlier, in the 1994-95 year of income. In order to avoid an overlap with the existing company tax instalment arrangements, large companies will have transitional payment arrangements in the 1995-96 year of income.

The amendments contained in this Bill will result in consequential amendments to the franking of dividends provisions of the Income Tax Assessment Act 1936. These consequential amendments will follow in a later Bill. The measures introduced in this Bill will result in the bringing forward of \$0.6 billion of revenue into 1994-95, \$1.6 billion into 1995-96 and \$1.7 billion into 1996-97.

In the *Investing in the nation* statement it was announced that the new company tax instalment system would contain rules to prevent small companies in large company groups taking advantage of the more generous payment arrangements for small companies. In view of the numerous methods available to consolidate the tax position of a group of companies for these purposes, it is the Government's view that there should be wide public consultation during the formulation of these rules. Accordingly, these rules have not been incorporated into this Bill and will follow, after adequate consultation, in a later Bill.

Fringe Benefits Tax—Extension of Child Care Exemptions

Under the existing fringe benefits tax law, employers who secure priority of access in child-care centres for children of employees by making payments under a program operated by the Department of Health, Housing, Local Government and Community Services are exempt from fringe benefits tax on the benefit provided. These child-care centres must be an eligible child-care centre for the purposes of the Child Care Act 1972.

This Bill will give effect to the announcement on 9 February 1993 by the Prime Minister in his *Investing in the nation* statement to extend this exemption to payments made for priority of access to family day care, outside school hours care and vacation care. The payments must now be made under the children's services program which has replaced the program known as services for families with children. The estimated cost to revenue is \$0.5 million in 1993-94, \$1.5 million in 1994-95, \$2.2 million in 1995-96 and \$3.0 million in 1996-97.

The Taxation of Foreign Investment Funds

This Bill contains amendments that relate to the foreign investment fund measure enacted late last year. These measures sought to remove the tax deferral advantage that could have been obtained by resident taxpayers who held interests in certain offshore companies and trusts. Australia now has a comprehensive system of taxing foreign source income. The first two parts of this system were the foreign tax credit system and the controlled foreign company measures. The third and last part of the system, the foreign investment fund measures, took effect from 1 January 1993. These measures have been kept under constant review to put right any difficulties which might arise in the course of their operation.

The review has confirmed the validity of the measures that have been put in place. However, some amendments to the law are required to finetune the foreign investment fund measures and to align them properly with existing provisions, particularly the controlled foreign company measures. The Bill contains these amendments. These amendments will have minimal effect on revenue.

Income Tax Exemption for Defence Force and Federal Police Personnel Serving in Certain Areas

The Bill will also exempt from income tax the pay and allowances of members of the Australian Defence Force allotted for duty in Somalia and the United Nations peacekeeping force in the area formerly known as Yugoslavia. Members of the Australian Federal Police serving with the United Nations Transitional authority in Cambodia will also receive an exemption from income tax of their pay and allowances. These amendments are expected to cost \$13 million and \$1 million for the 1992-93 and 1993-4 income years respectively.

Amendment Relating to Migration Information

The Bill gives effect to the announcement of the Minister for Immigration and Ethnic Affairs on 17 December 1992 to introduce new measures aimed at detecting and locating overstayers and visitors working in Australia

without authority. The Bill will amend the secrecy provisions to permit the commissioner to furnish information to the Secretary to the Department of Immigration and Ethnic Affairs for the purpose of assisting in locating persons who are unlawfully in Australia. The amendment is not expected to impact significantly on the revenue.

Amendments to Improve the Readability of Section 78

The gift provisions of the income tax law will be amended to improve the overall readability of the provisions. The amendments are part of the ongoing efforts to improve the tax laws while not changing the policies and principles underlying the existing legislation. These changes will have no impact on revenue.

The amendments remove the ad hoc list of funds, authorities and institutions that have been added to the law since 1936 and replace it with a comprehensive index and a set of tables dividing the various funds into broad categories. This will help the reader to locate a particular fund far more easily than in the past. The amendments will also group together and clarify the valuation rules relating to gifts of property. Transitional arrangements will ensure that those funds, authorities or institutions approved under the existing legislation will continue to hold that approval under the new legislation. These amendments will take effect on 1 July 1993. I present the explanatory memorandum, which contains more detailed explanations of the provisions of this Bill. I commend the Bill to the House.

Debate (on motion by Mr Connolly) adjourned.

TAXATION LAWS AMENDMENT (SUPERANNUATION) BILL 1993

First Reading

Bill presented by Mr Gear, and read a first time.

Second Reading

Mr GEAR (Canning—Assistant Treasurer) (12.17 p.m.)—I move:

That the Bill be now read a second time.

Mr Deputy Speaker, the Taxation Laws Amendment (Superannuation) Act 1992 implemented many of the measures outlined in the Treasurer's *Security in retirement* statement of 30 June 1992. Those measures introduce changes to both the voluntary and compulsory tiers of the Government's superannuation policies—changes which are designed to make the Government's policies fairer, simpler and more efficient. This Bill, which is largely the same as Taxation Laws Amendment (Superannuation) Bill (No. 2) 1992, will introduce two of the remaining measures outlined in that statement: the treatment of death benefits and excessive components.

The Bill also gives effect to the announcement of the Treasurer (Mr Dawkins) of 4 September 1992 relating to the tax exemption available to continuously complying fixed interest approved deposit funds, ADFs. Other amendments contained in the Bill change the notice requirements relating to personal superannuation contributions and rectify some technical difficulties relating to the tax treatment of allocated annuities.

Finally, the Bill will make some changes to the Occupational Superannuation Standards Act 1987—the OSS Act—which are consistent with current policy, and to the Superannuation Guarantee (Administration) Act 1992 to allow a superannuation scheme which is not a defined benefit scheme to be treated as a defined benefit scheme for the purposes of the Act.

Taxation Laws Amendment (Superannuation) Bill (No. 2) 1992, which was introduced on 16 December 1992 but lapsed on the dissolution of the Parliament in February, proposed amendments to the OSS Act and to the Income Tax Assessment Act 1936 to allow ADFs to provide allocated pensions. That proposal is not included in the current Bill but will be considered in the development of superannuation savings accounts. I turn now to a more detailed discussion of the measures in the Bill.

Death Benefits

The Bill introduces amendments to assess lump sum superannuation benefits received by a person, on the death of another person,

against the deceased person's reasonable benefit limits, RBLs. The purpose of these amendments is to reduce the scope for estate planning and to ensure the retirement plans of non-dependants are not disrupted by a bequest of a superannuation benefit.

The Bill also changes the taxation treatment of death benefit eligible termination payments, ETPs. Under the current arrangements the tax treatment of a death benefit varies considerably, depending upon the source of the benefit and whether it is received direct or through the deceased's estate. The new arrangements are both simpler and more equitable.

If a death benefit ETP is within the deceased's pension RBLs and is paid to a dependant of the deceased the benefit will be exempt from tax. If the benefit is paid to a non-dependant the ETP will be broken into its ordinary components. However, the post-June 1983 component of the benefit will be taxed at a maximum rate of 15 per cent, plus Medicare levy, if paid from a taxed source and 30 per cent, plus Medicare levy, if paid from an untaxed source. Benefits in excess of the deceased's RBL entitlement will be taxed as an excessive component of an ETP whether paid to a dependant or a non-dependant of the deceased.

These measures will apply from 1 July 1994 and are not expected to have any revenue implications.

Excessive Component

At present, under the Income Tax Rates Act 1986, the excessive component of an ETP is taxed at the taxpayer's marginal rates of tax. In line with the Treasurer's statement, the Bill will amend that Act to ensure that the excessive component of an ETP, that is, the amount in excess of the RBL, is taxed at the top marginal rate of tax—currently 47 per cent—plus Medicare levy.

These amendments will apply from 1 July 1994. This measure, combined with the measures relating to limits on deductions for superannuation contributions and RBLs, is expected to increase revenue by \$20 million in 1995-96.

Notice Requirements

The Bill will amend the notice requirements relating to the tax treatment of personal superannuation contributions. Under the existing arrangements superannuation funds must treat all personal superannuation contributions as taxable contributions unless they are notified that the member is not going to claim a tax deduction for their contribution.

As most personal superannuation contributions do not qualify for a deduction, the Bill proposes that personal superannuation contributions will not be treated as taxable contributions by a superannuation fund unless the fund has received a notice from the member stating that they are intending to claim a deduction for their contributions.

Consequently, taxpayers will be eligible for a deduction for personal superannuation contributions to a complying superannuation fund only if they give a notice to the fund advising the fund that they are intending to claim a tax deduction for their contributions and receive an acknowledgment of the notice from the fund.

These new arrangements have been actively sought by the superannuation industry because they substantially reduce the administrative burden on superannuation funds. These amendments will apply to contributions made to a fund on or after 1 July 1992, other than contributions made by a person who has ceased to be a member of the fund before the date of royal assent. These measures are not expected to have any revenue implications.

Continuously Complying Fixed Interest ADFs

The Bill will make a technical amendment in relation to continuously complying fixed interest ADFs. Continuously complying fixed interest ADFs are exempt from tax on income that is referable to certain deposits held in ADFs as at 25 May 1988 when the tax arrangements applying to superannuation funds and ADFs were announced. The exemption applies only if an ADF receives at least 90 per cent of its investment income as interest or from amounts received in respect of the disposal of long-term securities.

Given that the disposal of securities is a normal activity of these investment bodies, the Bill will allow ADFs to take into account profits on the disposal of securities to determine whether they qualify as continuously complying fixed interest ADFs. This measure will apply from 1 July 1988 as it is broadly consistent with the original policy intention of exempting continuously complying fixed interest ADFs. The measure is not expected to have any revenue implications.

Allocated Annuities

The Bill will make some technical amendments to ensure that the income derived by an annuity provider in respect of an allocated annuity is exempt from tax and that allocated annuities are not qualifying securities for taxation purposes.

The amendments will apply from 22 December 1992, when allocated annuities became acceptable products for ETP purposes, and are not expected to have any revenue implications.

Occupational Superannuation Standards Act

The Bill makes some changes to the OSS Act which are consistent with current policy. Very briefly, the changes to the OSS Act are to put appropriate rules on the number of employer sponsors that have to be notified for superannuation guarantee purposes if there is a breach of the OSS Act, formalise the arrangements under which the ISC can release information to the public, make some minor changes to the information that the ISC can release about superannuation funds used for superannuation guarantee purposes, provide the Insurance and Superannuation Commissioner with discretionary powers to deal with prospectus requirements for superannuation funds, make it easier for retired persons to select the pension provider of their choice, and extend the exemption from reporting ETPs of small value for reasonable benefit limit purposes to all payers of ETPs other than ADFs and deferred annuity funds.

Superannuation Guarantee (Administration) Act

Finally, the Bill will amend the Superannuation Guarantee (Administration) Act to allow

the trustee of a superannuation scheme which is not a defined benefit superannuation scheme to elect that the scheme be treated as a defined benefit superannuation scheme for the purposes of the Act. This will enable employers, when measuring the level of employer support in such a scheme, to take account of reserves or surpluses which are used to provide benefits to members. The amendments will not have any revenue effect. Full details of the amendments are contained in the explanatory memorandum being circulated to honourable members. I commend the Bill to the House.

Debate (on motion by Mr Connolly) adjourned.

SOCIAL SECURITY AMENDMENT BILL 1993

First Reading

Bill presented by Mr Sciacca, for Mr Baldwin, and read a first time.

Second Reading

Mr SCIACCA (Bowman—Parliamentary Secretary to the Minister for Social Security) (12.27 p.m.)—I move:

That the Bill be now read a second time.

On Saturday, 13 March 1993, the Australian people clearly indicated that they shared the Government's belief that this nation must advance together. By advancing together, not only will we build a strong economy, but a fairer society that pays particular attention to the special needs of groups such as the aged and the unemployed.

The cornerstone of the Government's retirement incomes policy is, and remains, an adequate age pension for those most in need. But that does not mean that we cannot do more. First, the Government recently extended full Commonwealth fringe benefits to all pensioners and older long-term allowance and agreed to compensate the States in 1992-93 for the cost of extending verified State concessions to this group. We have also introduced the superannuation guarantee charge to improve access to higher private income in retirement.

Secondly, as part of its commitment to a fairer Australia, the Government announced in *Building on strength* that it would improve the position of low income retirees by easing the pensions assets test. The Government recognised that although some retirees have suffered from a reduction in their nominal income due to recent falls in interest rates that would entitle them, under the income test, to either a pension or a higher rate of pension, they would still not receive this because of their relatively high level of assets and the effect of the pension assets withdrawal rate. The Social Security Amendment Bill 1993 gives effect to this initiative.

From 20 September 1993, the pensions assets test set out in the Social Security Act 1991 will be adjusted so that if a person has assets in excess of the assets test threshold applicable to them, the person's pension will be reduced by \$19.50 rather than \$26 for every \$250 above the threshold. This means that many retirees will either get more pension or qualify for a pension for the first time.

For example, a single person currently receiving an age pension who has assets of \$230,000, no source of income apart from the pension and lives in rented accommodation will receive an additional \$37 per fortnight. A retired married couple with assets of \$300,000 apart from their principal residence will each now receive an age pension of \$52.90 per fortnight provided that they satisfy the qualification rules and their combined income is less than \$922 a fortnight. In *Building on strength* the Government reaffirmed that its overriding priority for the next three years is jobs.

In *Investing in the nation* the Government noted that many people seeking full-time work are currently holding part-time jobs that continued to grow during the recession. An increasing proportion of jobsearch allowance and newstart allowance recipients are reporting income from casual and part-time work. The Government indicated its support for this trend given that as well as providing an additional source of income, such employment assists job seekers to maintain their skills and their informal network of contacts that can be so important in finding a full-time job. To

further encourage the trend the Government announced a range of measures that would both improve the financial return from undertaking part-time or casual employment and reduce client uncertainty about the effects of such employment on future entitlements.

This Bill introduces two of those measures. The Social Security Act will be amended from 20 September 1993 so as to introduce an additional free area for earned income of \$30 per fortnight for single recipients of jobsearch allowance, newstart allowance and sickness allowance and to increase the free earned income area applicable to a partnered allowance from \$30 to \$50 per fortnight for earned income.

The Social Security Act will also be amended from that date to replace a number of differing provisions for exemption from the ordinary waiting period for these allowances with one simple provision. Under the new arrangements, claimants of jobsearch allowance, newstart allowance or sickness allowance will not have to serve an ordinary one week waiting period if they have been in receipt of income support within the previous 13 weeks. This provision will be much simpler for clients to understand and for departmental staff to administer.

There are a number of common terms used in social security and migration laws. As a result of recent amendments to the migration regulations from 1 February 1993, there is a need to make a number of minor technical amendments to the Social Security Act so as to ensure ongoing consistency in terminology. This Bill effects those amendments. I commend the Bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Ruddock) adjourned.

VETERANS' AFFAIRS LEGISLATION AMENDMENT BILL 1993

First Reading

Bill presented by Mr Sciacca, and read a first time.

Second Reading

Mr SCIACCA (Bowman—Parliamentary Secretary to the Minister for Social Security) (12.33 p.m.)—I move:

That the Bill be now read a second time.

This Bill proposes amendments to the Veterans' Entitlements Act to implement the Government's election promise to reduce the assets test withdrawal rate from \$104 to \$78 per annum for each \$1,000 of assets above the assets test threshold. This change, which takes effect from 20 September 1993, provides for greater equity in the assessment of pensions under the assets test.

The Government's promise to make this change is a positive response to the adverse impact falling interest rates have on pensioners in some circumstances and it has been welcomed by pensioner groups and non-pensioner retirees as a positive and well-targeted measure. It will particularly benefit retirees in rural and remote areas who own farming properties.

The Bill also proposes three changes as a result of Government decisions to commit Australian Defence Force personnel to serve with United Nations peacekeeping forces in a number of areas. The first of these relates to Cambodia. The Veterans' Entitlements Act was amended in 1992 to designate Cambodia as an operational area. This allowed for the extension of benefits under the Act to members of the Australian Defence Force serving with United Nations forces as part of the peacekeeping efforts in Cambodia.

Advice has recently been received by the Government from the Chief of the Defence Force that some members of the Australian Defence Force have been engaged in United Nations operations across the Cambodian border in Laos and Thailand. Accordingly, the Government has decided to amend schedule 2 to the Act to extend the operational area of Cambodia to include areas in Laos and Thailand that are not more than 50 kilometres from the border with Cambodia. This amendment takes effect from 20 October 1991, the same date that Cambodia was declared an operational area. It will ensure that any Australian Defence Force personnel who cross

the Cambodian border into either Laos or Thailand, will continue to be covered for benefits under the Act in respect of that service.

The second change arises from the Government's decision to extend benefits under the Act to members of the small Australian Defence Force contingent serving with the United Nations peacekeeping forces in the former Yugoslavia. In view of the significant additional risks associated with such service, the Bill proposes that the area comprising the former Yugoslavia be designated as an 'operational area'. This change will take effect on and from 12 January 1992, that being the first date on which Australian Defence Force personnel commenced serving in the area.

The third change is an amendment to give effect to the Government's decision, announced in December last year, to provide benefits under the Veterans' Entitlements Act to members of the Australian Defence Force serving with the United Nations in Somalia as part of Australia's contribution to Operation Restore Hope and the United Nations Operation Somalia. This amendment will take effect from 20 October 1992.

The effect of declaring both the former Yugoslavia and Somalia as operational areas is that it will allow for any claims for disability pension, due to injury or death in respect of such service, to be determined on the more generous standard of proof provisions in the Veterans' Entitlements Act. Service in each of these areas is also to be regarded as 'qualifying service'. This will allow access to service pension provided the other conditions relating to age, income and assets are also met. The Bill proposes the necessary amendments to give effect to this decision. It also contains some minor consequential amendments to the Income Tax Assessment Act and the Public Service Act to ensure that they recognise the newly proposed operational areas for the purposes of the benefits available under those Acts.

Complex legislative and administrative problems arise on each occasion Australia is asked to contribute to international peacekeeping obligations. It is in no small measure due to the linking of the portfolio responsibilities

of Veterans' Affairs and Defence Science and Personnel that each of these legislative changes can be implemented so soon after the Government has announced its commitment, or in the case of Cambodia, after the Government considered the need for change in the light of new circumstances. The changes underline the importance the Government attaches to the continuing welfare of veterans and their families. I commend the Bill to the House and present the explanatory memorandum to the Bill.

Debate (on motion by Mr Connolly) adjourned.

EXCISE TARIFF AMENDMENT BILL 1993

First Reading

Bill presented by Mr Lindsay, and read a first time.

Second Reading

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Industry, Technology and Regional Development) (12.38 p.m.)—I move:

That the Bill be now read a second time.

This Bill proposes amendments to the Excise Tariff Act 1921 to decrease the excise duty payable on gasoline for use in aircraft, or avgas, and to increase the excise duty payable on tobacco and tobacco products.

Avgas

The proposed decreases in avgas occur in two stages. The first is effective from 7 May 1992 and the second decrease is effective from 19 August 1992. The decreases result from two sources. The first is from the Government's policy of transferring Commonwealth owned aerodromes to full local ownership and encouraging aerodrome owners who are receiving funding under the aerodrome local ownership plan to accept full financial responsibility for their aerodromes. The second is from a reduction in Civil Aviation Authority costs.

The resulting reduction in funding is then passed on to the aviation industry in the form of decreases in the rate of excise duty to be paid on the avgas. This Bill proposes a total

decrease of 2.1c per litre. A decrease of 2c per litre is attributable to the aerodrome cost recovery program. The other 0.1c per litre is attributable to the CAA achieving cost savings in the provision of its rescue and fire-fighting services. These cost savings result in a corresponding reduction in the proportion of excise duty used to fund that service.

Tobacco

The proposed increase in excise duty on tobacco products amounts to \$5 per kilogram. The Government is concerned about the social costs of smoking. However, it realises a balance must be struck with this concern and placing an unfair burden on tobacco users which may also have an undesirable inflationary impact. The Government considers that the proposed increase is a responsible measure which adequately satisfies this balance.

Both the decrease in the duty payable on avgas and the increase in duty payable on tobacco took effect last year pursuant to excise tariff proposals Nos 1 and 2 of 1992. These proposals lapsed upon the dissolution of the House on 8 February this year and then their effect was reinstated by excise tariff proposal No. 1 of 1993. Notwithstanding their lapsing, duty collections continued at the rates specified in the proposals and therefore this Bill proposes to validate those collections as well as incorporating excise tariff proposal No. 1 of 1993 into the Excise Tariff Act 1921.

Financial Impact Statement Gasoline for Use in Aircraft

The reduction of 2c per litre in respect of the Department of Transport and Communication's aerodrome cost recovery program will result in a reduction of revenue in the order of \$1.8 million in 1992-93 and \$2 million in 1993-94. The decrease of 0.1c per litre requested by the Civil Aviation Authority is balanced by the reductions in moneys appropriated to it, so therefore there will be no net financial impact.

Tobacco Products

The increase in the excise duty on tobacco products, together with the corresponding increase in the customs duty, was estimated as part of the 1992 Budget to result in an

increase of \$80 million for 1992-93 and \$100 million for 1993-94. I commend the Bill to the House and present its explanatory memorandum.

Debate (on motion by Mr Connolly) adjourned.

Sitting suspended from 12.42 to 2 p.m.

MEMBERS SWORN

The following honourable member made and subscribed the affirmation of allegiance: Dawkins, John Sydney, Fremantle, Western Australia

MINISTERIAL ARRANGEMENTS

Mr KEATING (Blaxland—Prime Minister)—I inform the House that the Special Minister of State, the Hon. Frank Walker, will be absent from Question Time. In his absence questions should be directed to me.

QUESTIONS WITHOUT NOTICE

Pay Television

Dr HEWSON—I ask whether the Minister for Communications agrees with the view expressed by Senator Richardson on the John Laws program today that although price should be 'the final determinant' for pay TV tenderers:

obviously you've got to make sure that they can perform the task that they're bidding for and you've also got to make sure they can pay for it.

Does the Minister agree with the criteria laid down by Senator Richardson? Were those criteria observed in the pay TV tender process?

Mr BEDDALL—I thank very much the Leader of the Opposition for his question today. I would just like to put a bit of this in perspective. There is very much a community view about pay television. That community view is that the Government should receive the best price possible for what is a community asset. In fact, this is a very valuable community asset.

The Government policy was to go into a price based system that would determine the best possible outcome for the people of Australia. In previous instances when these types of licences have been determined we

have had what has been commonly referred to as a beauty contest. That does not necessarily get the best sort of price outcome for the people of Australia. It is still the Government's intention to follow that policy.

The Government is very committed to achieving the best possible outcome for pay TV licences in this country. The Government policy will, I think, return to the people of Australia a very large and substantial fee for the pay TV licences. In fact, that is the process that was gone through. It is not correct when the Leader of the Opposition says there is no check and balance in the system. What will happen, of course, is that these licence tenders—they are only tenders; nobody has yet been issued with a pay TV licence—will be referred to the Australian Broadcasting Authority which will make the determination under the Act.

It is important that we do get national pay TV systems up, and this is the process that we have undertaken. I think it is the correct process. Obviously a potential deficiency has now been identified in the process. The Leader of the Opposition is making a dangerous assumption. Two companies have bid. He is making an assumption that those two companies cannot fulfil the obligation. There is a process. The Leader of the Opposition can do economic damage to those companies. He can make an assumption about those companies if he wants to, but the correct process is in place.

It is important that we get the right outcome. That is why, if there is a potential deficiency, when we introduce legislation I am sure the Opposition will support it. We have said that this process will now flow through. The two bidders that have bid for licences will actually go through the full process. If, for any reason, either or both of these two bidders do not come up with the appropriate amount of money, which is payment in full within 30 days of the advice of the Australian Broadcasting Authority, then the next highest tenderer will be put into the assessment process. Under the legislation we are introducing, what would then happen is that the next highest tenderer would be required to put up five per cent deposit.

Election Commitments

Mr BEVIS—My question is addressed to the Prime Minister. Can he inform the House of progress in implementing the Government's election commitments?

Mr KEATING—Yes, the store is open for business. A little over two months ago the Government presented a comprehensive program of economic expansion while maintaining a safety net to protect all Australians in their way of life—the way of life they have come to know and enjoy. Of course the Government received a mandate for that mix of policies and the philosophy of those policies after having had the opportunity to put them.

What I am delighted to be able to report today is that we are moving swiftly to implement this program. I would like to mention a few examples. We are moving to implement the business tax reforms announced in the document *Investing in the Nation*. That will mean that the corporate tax rate will be cut from 39 per cent to 33 per cent for taxable income for 1993-94 and subsequent income years. In other words, this will be a tax rate comparable with Singapore and about the average of those in the region.

Legislation to give effect to this decision will be introduced into Parliament this week. Legislation giving effect to the reduction in the concessional tax rate for pool development funds from 30 to 25 per cent will also be introduced this week. Legislation giving effect to the 10 per cent general investment allowance for qualifying plant and equipment ordered on or after 9 February and before July 1994 will be introduced into Parliament this week also.

The extension of eligibility for the development allowance to a range of industries, including the motor vehicle and communications industries, was announced in my statement *Advancing Australia*. Eligible projects from these sectors will qualify at the same time as those sectors already covered in the allowance. So there will be an early introduction of the company tax changes and the investment allowance, both things which we believe will spur investment, because we made clear in the course of the election

campaign that putting the tax rate up from 39 per cent to 42 per cent—when compared with a tax rate of 33 per cent—could only hinder investment where the focus also was not on an investment allowance.

In health and social security, legislation will be introduced to bring into effect changes to the income test and waiting period arrangements to help the unemployed which were announced in *Investing in the nation*. That legislation will also be introduced this week. Legislation to ease the pension assets test withdrawal rate from \$104 to \$78 per week for each \$1,000 of assets will also be introduced this week. Work on the details of implementation of the home child-care allowance and the new dental health care program is proceeding. Work on the implementation of a provisional age pension for the long-term unemployed aged 60 and over and of the seniors health card is also, I am happy to report, well advanced.

On women's issues, the Government is proceeding to implement a range of election commitments to benefit women. Important among these is a legislative amendment to the Health Insurance Commission Act to introduce the working parents' child-care cash rebate. That has already been drafted and will be introduced in this sitting. These are a range of very important key parts of the Government's election commitments which will be introduced either this week or in the session.

We are also moving swiftly to implement other commitments, particularly our commitment to the long-term unemployed. We believe that we cannot afford to see the long-term unemployed in this country sidelined and that they must be brought back into the mainstream of opportunity and economic involvement in the community. So, as a first step, we are reviewing all labour market programs to ensure that funds are directed in ways in which they are most effective at getting people jobs. Our labour market programs are now in some way contacting about 450,000 to 500,000 people a year. Our experience of the programs is that, if people are trained and given a job opportunity, their prospects for maintaining themselves in work are very greatly enhanced.

We also acknowledge that new policies and programs may be needed, and work has already been put in hand on these issues. The Minister for Employment, Education and Training has appointed Dr Bruce Chapman from the ANU as a consultant on ways to improve assistance to the long-term unemployed. We will make sure that our existing programs are effective. Those that are most effective may garner more support in terms of program funding. As well as that, we are looking more broadly at novel ways in which we can engage the long-term unemployed in training and work experience to get them back into work and participating with the rest of the community.

These issues, along with the ones which I first mentioned—the tax changes and the changes to social security and health—were the key elements of the Government's policy platform at the election. I am very happy to report that we are moving expeditiously to implement them.

Pay Television

Dr KEMP—My question is directed to the Minister for Communications. Did the Minister say on 1 May that he was happy with the highest bids that had been tendered? It is alleged that he said:

Why wouldn't I be [happy] if I can walk into Ralph Willis and say here is \$389 million to help you with the Budget.

Does the Minister still stand by that confident prediction?

Mr BEDDALL—I am happy to provide any amount of money I can to the Minister for Finance in this particular Budget context. We will receive from this process a much higher amount of money for the pay TV licences than we would have received. The honourable member for Goldstein makes an assumption that the people who have bid for these licences do not have the financial capacity to do so. I do not know the basis on which he makes that assumption. They have bid for those licences. The assumption that he makes denies these applicants due process. If he wants to do that, it is up to him; it is not something that the Government will do. Due process is to be followed.

If those bidders are found suitable by the ABA, 30 days after that advice they will have to provide \$389 million. If they do not provide that money, the next highest tenderer will be offered the licence.

Economy

Mr ELLIOTT—My question is directed to the Treasurer. Can he provide the House with information regarding the consequences for the Australian economy of last week's G7 meeting in Washington?

Mr DAWKINS—I thank the honourable member for his question. I have just returned today from meetings of the World Bank, the IMF and the Asian Development Bank. Just before the meeting of the IMF, there was a meeting of the G7, the seven largest industrialised economies, and they produced a communique which, of course, helped to inform the discussions of the interim committee of the IMF.

I think the important feature of that communique is that the G7 finance Ministers identified the key problem for the industrialised world as ensuring that there was sufficient growth to restore strength to their economies and, most particularly, to provide jobs for the large number of people who remain unemployed in many of those economies, particularly the European economies. The G7 Ministers noted the action that had been taken by their various economies. In North America there was emphasis on the efforts that are being taken by the United States and Canada to restore their fiscal position and to deal with the fiscal deficits which have grown up in both those economies during the 1980s, and also on the action which is intended to be taken by both governments to reverse that trend.

In Japan, there was a noting of the very welcome action taken by the Japanese Government to stimulate that economy through a collection of both expenditure and tax measures designed to bring on a recovery within the Japanese economy which will have significant consequences for the world economy. In Europe, there was a noting that the situation there is both varied but generally weak with the situation in Germany much worse

than people anticipated and the German Minister, Mr Waigel, noting that perhaps the worst was yet to come as far as Germany was concerned. There was a noting of the decision of the European Community to embrace the European growth initiative, which it agreed to at its most recent meeting in Edinburgh.

Whilst all these actions are welcome, I think all Ministers, not just G7 Ministers but others outside of the G7, hope that further action will be taken in Europe. Chancellor Lamont, from the United Kingdom, said once again how important it was for the German Bundesbank to bring down interest rates as quickly as possible—important for the general state of the recovery in Europe and the contribution that it can make to the world economy itself.

The other area where Europe has a particular responsibility is the area of trying to finalise the Uruguay Round of trade negotiations. I think the Europeans have been complacent on this issue for long enough. It is time that this matter was brought to a conclusion, and I found it very welcoming that Secretary Bentsen from the United States would have made such a strong statement about the importance—

Mr Downer—He's still drinking that red.

Mr DAWKINS—Mr Bentsen made the observation about how much he had appreciated his introduction to some Australian wine which he had enjoyed on a Qantas flight and appreciated the fact that I had put him in touch with someone who could provide him, at his expense, with some further quantities of Australian wine for his own purposes.

I would have thought that promoting Australian wine, particularly from a South Australian, would have been a welcome initiative, not one to make fun of. Bearing in mind that this incident took place some six to eight years ago and was still fresh in Secretary Bentsen's mind, that does indicate the impression that presumably the quality of the wine made on him—not only that but the quality no doubt of the discussion I had with him at the time. Secretary Bentsen made it very clear that the United States was committed to doing whatever it could to bring about a resolution of these discussions and looked forward to

progress at the Tokyo summit, in the hope that these negotiations could be settled by the end of the year.

I think the important resonance coming out of the G7 communique for Australia was that the areas identified there were precisely the areas which we ourselves have identified as key issues for Australia, particularly the implementation of a medium-term strategy for a consolidation of the Budget in Australia, the containment of labour costs and the improvement of competitiveness generally and measures designed to improve domestic savings. Also, there was an emphasis on the need to promote investment in both physical capital and human capital, and there was a need to address the economic effects of an ageing population. These are all issues which are quite clearly on the agenda of this Government and are important to this nation, and it is clear that Australia's policy development is very much in tune with what is happening in the rest of the world.

However, I was gratified to receive so many complimentary remarks about how well the Australian economy was going relative to the others. An important point for those opposite to recognise is that, although we would like the Australian economy to be growing faster, the IMF, in its world economic outlook, suggests that there will be very few economies which will be growing even between two and three per cent during 1993.

Australia will be one of the few that will be doing so, and it is our objective to ensure that the benefits of that growth can be sustained, that the low inflation that we have achieved can be sustained and therefore that the benefits of that low inflation sustainable growth can be shared by more people in Australia and can particularly be directed towards helping those people who are unemployed.

Pay Television

Dr WOOLDRIDGE—My question is directed to the Minister for Communications. Do government tender processes in the communications industry usually require bidders to lodge a deposit of at least five per cent of the total of their price bid within a certain time period? Why was there no requirement

in the tender process for satellite licences for pay TV for the bidders to lodge a deposit or to demonstrate any financial viability?

Mr BEDDALL—It is the usual practice of the department to have a five per cent deposit in the bid process. This was not the case in this particular instance, although the successful bidders are required within 30 days to pay the total amount. That is the potential deficiency that we are addressing by legislation. May I make this point: it is a potential deficiency. If the two highest bidders come up with the money within 30 days of being advised by the ABA, then there is not a problem. There is a potential deficiency if that does not happen. We are committed to giving Australian pay TV services in the quickest possible time using digital compressed satellite transmission.

Wool Industry: Financial Assistance

Mr HARRY WOODS—My question is addressed to the Minister for Primary Industries and Energy. What has been the reaction to the Government's package of financial assistance to the wool industry?

Mr CREAN—I am very pleased to see the honourable member for Page back in the Parliament. He will continue to deliver good policy for the rural sector. It goes without saying that the wool industry is in very difficult circumstances at the moment. That comes about because of low prices occasioned by the recession in Western economies, the fact that Russia is not back in the market and the oversupply that is in the system. Of course, all of this has been compounded in parts of Queensland and New South Wales by the drought.

In response to this, the Government last week acted decisively in announcing a package of assistance which included financial assistance to those farmers affected. The package of assistance includes a \$50 million additional commitment by the Commonwealth under the rural adjustment scheme which, if fully matched by the States, will draw another \$22 million for assistance under the exceptional circumstance provisions. This is on top of \$320 million which the Commonwealth has already committed since July of 1991 to assist

the rural sector and this amount is currently underpinning in excess of \$2.3 billion in farm debt.

The other dimension of the package was to take the speculative pressure off the stockpile. I think the early indications are that that has begun to work. The third element of the package is that we have announced a major review into the industry to ensure that it has a more demand orientated focus rather than, as in the past, just being driven by supply.

As for the honourable member's question as to how this has been received, it has been received extremely well by the various farm organisations. The NFF has welcomed it, as have the New South Wales Farmers Federation, the Victorian Farmers Federation and, in the case of the grains section and drought in Queensland, the Queensland grain growers. The major press comment has been very favourable, indicating in the main that it is a responsible package, and the industry is getting much needed assistance.

Two responses that were interesting were, first of all, from the Victorian Premier, who described the package as inadequate almost as soon as the ink was dry—a view, I might say, which was not shared by those farm organisations I have referred to—and this from a Premier who will cut agricultural expenditure in his State by 10 per cent over the next three years and who, if he really is concerned about assistance, can maximise it by making an early commitment to his State matching its requirements.

The other indication of a negative response came from the honourable member for Gwydir, whom I welcome to his new position and congratulate on having attained the deputy leadership in his party, but I say to him that I really think that he has to do a bit better than come out with negative reactions which are not shared by the farm organisations, who have welcomed what has been done. He has to do better than come out with negative responses. I would suggest that one action he may take is to use the pressure that he has through his party to get on to the Victorian Government and get it backing this package so that we can maximise the support to the woolgrowers who need it.

Pay Television

Dr KEMP—My question is once again directed to the Minister for Communications. Can the Minister confirm that a key clause relating to the tender process for a five per cent deposit was omitted from the legislation? Was this deliberate or was it a mistake? If it was deliberate, who made the decision? If it was a mistake, who was responsible for that mistake?

Mr BEDDALL—The question bemuses me because I am not sure to which legislation the honourable member particularly refers. As I have said, the normal process is for the department to handle these particular bids.

Mr Howard—Oh, the department.

Mr BEDDALL—You cannot have it both ways. At one stage you want total ministerial direction; at the other stage there is a request for arm's length. This process is at arm's length. There is a determination signed by the Minister. As we said, there is a potential deficiency in the process. That potential deficiency will be fixed by legislation.

Japan: Trade Relations

Ms CRAWFORD—My question is directed to the Prime Minister. Can the Prime Minister tell the House the outcome of his discussions with the Japanese Prime Minister, Mr Miyazawa, and the implications for Australia's trade?

Mr KEATING—The Government was very happy to welcome Prime Minister Miyazawa last week as the first head of government to visit Australia since the March election. My discussions with him were extremely useful—not just carrying forward a bilateral dialogue between Australia and Japan, but also building on the relationship that we already have established over a long period of time. The Prime Minister said at his Canberra press conference following our meeting that my visit to Japan last year marked a turning point in our relations.

I think that we do enjoy a very soundly based relationship with Japan which is free of any serious issues of friction. Prime Minister Miyazawa remarked that this is one country where he does not have to apologise for the

trade surplus, because with us he has a healthy trade deficit.

I did have an opportunity to discuss with him his recent discussions with President Clinton about trade differences between the United States and Japan and to affirm Australia's position in favour of free rather than managed trade. I think that for Prime Minister Miyazawa this is an important affirmation because he is taking the view that the Government of Japan cannot make commitments on behalf of commercial companies and that the notion of managed trade is a basis of regulation of imports into Japan. As he said himself very forthrightly in Washington, 'These are the very problems, of course, the old Soviet Union had. You are urging us to help them get out of it while at the same time we are being urged to get into it'. He was very forthright in his support for an open and non-discriminatory trading system.

We discussed the prospects of the G7 meeting, which he will chair in Tokyo later this year—I think in July—and I urged Prime Minister Miyazawa to look at ways in which Japan might help generate some new momentum on the Uruguay Round. Largely, the Uruguay Round has been a negotiation or discussion between the United States and the Europeans—mainly the French—with the Cairns Group, which we lead, being the other large bloc of countries which has participated fully in the Uruguay Round from the time it began.

Japan, on the other hand, is the second largest industrial country in the world. While Japan has been a participant in the Uruguay Round, it has not played a leading role in shifting the Europeans—the French and others—in support of the United States on some of the issues where the United States has displayed very clear leadership. I suggested to Prime Minister Miyazawa that perhaps Japan might play a role in starting the round; that is, adopting the Dunkel package and seeking to provide some impetus through the G7 meeting in July to try to get the round shifted again to give the United States a hand in getting that focus back onto European policy to see whether we could bring the round to a conclusion.

To bring the round to a conclusion would provide a nice philosophical backdrop to trade right around the world. Just in Australia's terms, a change of the kind being envisaged for agriculture would probably see Australia advantaged to the tune of a couple of billion dollars a year simply in the proceeds from our own agricultural trade. A reaffirmation of the principles of free and freer trade through the Uruguay Round also sets some of the scenery in the United States and some of the scenery for this backdrop on trade between the United States and Japan.

I also took the opportunity while the Prime Minister was here to talk about the APEC process which Australia has in many ways led, and which we will continue to involve ourselves with at the next meeting of APEC Ministers in November in Seattle in the United States. There the ministerial group will consider whether we can get together a framework agreement which will enhance trade in the APEC area.

As you know, Mr Speaker, I announced that Mr Neville Wran is the eminent person appointed to the eminent persons group, from Australia. Prime Minister Miyazawa has told me that he will soon appoint a Japanese member to this group to replace the one formerly nominated but who unfortunately died before he could take up his position. I told him that I thought the work of the eminent persons group in developing a framework agreement for the November meeting in Seattle could give tremendous impetus to APEC as a trade liberalising force. The fact that two of the members of APEC are Japan and the United States sets up another process whereby the United States and Japan can work out their own particular trade difficulties.

With a backdrop in the Uruguay Round for trade and the enhancement of trade generally, but within APEC in particular, we would have a much better context not only for all of us to improve our access to markets around the world, but particularly for the United States and Japan to work out their problems. Prime Minister Miyazawa also made very clear his support for a heads of government meeting of APEC leaders which would give APEC even

more force, not simply as a ministerial group but one where periodically the leaders of the particular nations could come together to kick along the APEC agenda.

There is a lot of interest in the Asia-Pacific area. There is now a lot of interest in North America in the capacity of APEC. But, again, it will be better if the general backdrop via the Uruguay Round is completed. It would then see us in a position where we could take better opportunities to trade in our region and where the velocity of trade would improve as impediments came down, but where this relationship between the United States and Japan concerning the very large trade imbalance in Japan's favour could be worked out in a more conducive setting, rather than simply seeking bilateral recourse through, in a sense, discriminatory non-commercial measures which have not worked in the past.

I judged the meeting with Prime Minister Miyazawa to be a very helpful one from Australia's point of view. I think, from his remarks, that he made the same judgment from Japan's point of view. It was a pleasure having him here. His comprehension of the issues not just in economic terms but also the foreign policy issues involving things which we are doing together—such as Cambodia, et cetera—demonstrated that the Prime Minister of Japan is very much across all the issues personally and can make very clear and obvious policy responses himself. He has indicated that he will do that in respect of APEC, and I hope in respect of the Uruguay Round as well. In all, it was a successful visit. I am sure most Australians would have been very pleased to see him in this country.

Pay Television

Dr KEMP—My question is again to the Minister for Communications. I ask the Minister who is to blame for the normal departmental approach to deposits on tenders not being followed in relation to pay television.

Mr BEDDALL—Let us put this in context. Let me again say what this policy is about. This policy is about providing pay TV to the people of Australia and maximising the return to the Australian public through the licence

fees. That is what this process is about. What we are saying here is that we have identified a potential deficiency. We are talking about process, not policy. The policy is intact; the policy is correct. In fact, as honourable members are all aware, Senator Collins has written to the secretary to the department requesting a departmental investigation into this process.

Food Industry: Exports to Asia

Mr SNOW—Will the Minister for Industry, Technology and Regional Development tell the House what action he has taken to ensure that the food industry makes the most of the export opportunities in Asia?

Mr GRIFFITHS—I thank the honourable member for Eden-Monaro for his question. As a threshold observation, I should point out that it is action taken by the Government, not by me. Together with my colleagues the Minister for Primary Industries and Energy and the Minister for Trade, I chair the Agri-Food Council, which I think has proved to be a very successful initiative of this Government to help a very exciting sector of the Australian economy. Honourable members will be aware that we currently export about \$2.3 billion worth of value added food products from this country. In the wider sense, we are one of the largest food exporters in the world.

The only criticism that can be made of this sector is that it has not reached out energetically enough to grab the dividend that is there for this country to grasp by pursuing, in a perhaps dignified but aggressive way, some of the opportunities that are present in our region. What are those opportunities? I think with a little bit of creativity, hard work and involvement on behalf of the Government—something that the Opposition would rail against—we can look to the prospect of trebling our value added food exports from \$2.3 billion to about \$7 billion by the end of the decade. That would come as great news to the 170,000 Australians who work in this industry.

The essence of our approach is to ensure that Australia has comparative advantages in this area. We have a country that has, thankfully, a very clean environment relative to the

rest of the world and a very high quality regime for food growing and food production. If we can bring those things together and use them as the basis for a renewed thrust into export markets, then I think there is great potential indeed. In that context the Agri-food Council determined a successful tender last week to go into Taiwan, marketing with a generic theme all of those products where Australia may grab this export advantage or even an import substitution advantage.

Earlier today the Prime Minister referred to some of the underlying realities that allow these possibilities. For example, we have Australia's now obviously competitive tax depreciation and investment allowances regime. Productivity growth can be improved, but there has been sea change in that area. We also have industrial harmony and a low inflation outlook. Taken together, these are the underpinnings to the strong export performance we saw during the last year where we had a 20 per cent growth mainly from our small and medium enterprises in the manufacturing sector. That showed just what this country can achieve with governments, employees and companies working together in the national interest.

Pay Television

Dr KEMP—My question is directed to the Minister for Communications. If the Government believes in following normal process, why does Senator Richardson say that something has gone wrong with the process, and why has the Minister for Transport and Communications ordered his department to report on what has gone wrong with the process?

Mr BEDDALL—If the honourable member for Goldstein wants to know what Senator Richardson thinks on these issues, somebody should ask him that. I am the Minister for Communications. I am telling you what my responsibility is and the way in which we are going to handle that responsibility. I am responsible for the policy implementation. What we have said is the process is in place. What we are trying to do is maximise the return to the Australian taxpayer on the sale of pay TV licences. We are going to provide a national service of pay television through

compressed digital technology on satellite. That is the system in process.

We have now identified a potential deficiency in the process. If the two highest bidders complete the process and pay the money, nothing else happens. They will introduce compressed digital technology on satellite. If either of those two companies do not proceed, for one reason or another, there will be a subsequent offer. We are putting into place a correction to the process so that anybody who is offered the licence at a subsequent time will have to pay a five per cent deposit.

Tourism Markets

Mr HOLLIS—My question is directed to the Minister for Tourism. Is the Minister aware of reports indicating the emergence of significant new international tourism markets for Australia? Will he advise the House what the Government is doing to ensure Australia fully grasps such opportunities to boost further the country's export earnings from tourism?

Mr LEE—The honourable member for Throsby is, of course, a well-known strong supporter of Australia's tourism and travel industry and I appreciate his interest in this. I am pleased to inform the House that 1992 was another record year for tourism in Australia. Australia attracted 2.6 million visitors, and that was a 10 per cent increase on the previous year which was itself another record year.

Tourism earnt Australia \$8 billion in foreign exchange, which is more than wool and wheat combined. Tourism currently employs more than 460,000 Australians which is an increase of around 120,000 jobs during the life of the Hawke and Keating governments. These achievements in the field of tourism were built on the foundations laid by the Whitlam Government, and the late Frank Stewart. Underpinning the successful growth of arrivals was a dramatic increase in tourists from the rapidly expanding Asian economies. Arrivals from North-East Asia, excluding Japan, increased by 38 per cent in 1992, while arrivals from South-East Asia increased by 29 per cent.

Many markets continued to show exceptional growth in January 1993 compared to January 1992, including Malaysia with 86 per cent growth; Hong Kong, 82 per cent growth; Singapore, 147 per cent growth; and Taiwan, 195 per cent growth. The increase we are now achieving in tourist arrivals from these Asian countries, I believe, is the direct result of the Prime Minister's decision in One Nation to increase funding to the Australian Tourist Commission by \$15 million over the past two years. Some of the activities which have been funded by this money include additional advertising in Taiwan and Korea, and the promotion of charter flights out of Singapore which have been a great success.

In addition, the ATC was the first national tourism organisation to open an office in the Republic of Korea, and Australia is the only country with tourism advertisements on Malaysian television. The ATC has now identified China as a possible high growth source of tourists over the next five to 10 years. The ATC visited China in March to examine the size and potential of the Chinese outward bound travel market, and some people have even claimed that, by the year 2000, we could have more visitors to Australia from China than from Japan.

The ATC is now developing a strategy to capitalise on this outward travel potential. I am also pleased to inform the House that the chairman of the Chinese national tourism administration is planning to visit Australia later this year and I will have an opportunity to discuss these issues with him.

As a result of these achievements, the Labor Government has an achievable plan for sustainable tourism growth. We are on track to realise our aim of between 4.8 million and 6.8 million visitors to Australia by the year 2000. In contrast, the Opposition's claims during the election campaign that it could have 10 million visitors to Australia—claims made by the shadow Minister—have been ridiculed everywhere. Those of us on this side of the House believe that the shadow Minister has impeccable timing because, unlike—

Mr Tuckey—Mr Speaker, on a point of order: my point of order relates to standing order 145 and the matter of relevance. The

Minister was giving to the House information of great value. He suddenly could not resist the temptation. Surely he should be brought to order and made relevant to the question put to him by somebody on his side of the House. It is a perfect time.

Mr SPEAKER—I believe that in yesterday's address to this House the honourable member for O'Connor gave us quite an interesting history lesson. If he goes back and looks at *Hansard* he will recall that other Speakers have indicated in respect of matters of relevance that, under the Standing Orders, particular issues to which a Minister was referring were in order. I rule similarly. The Minister may proceed.

Mr LEE—I was pointing out that, under the Labor Government, we will be able to achieve our aim of between 4.8 million and 6.8 million visitors by the year 2000. That has to be contrasted with the Opposition's claim of 10 million, which has been ridiculed throughout the industry.

Mr Jull—Rubbish!

Mr LEE—I was simply making the point that those of us on this side of the House at least think that the shadow Minister has impeccable timing because, unlike the honourable member for Higgins and the honourable member for Flinders and Senators Baume and Bishop, at least the shadow Minister distanced himself from Fightback before the election and not after.

Pay Television

Dr KEMP—My question is directed to the Minister for Communications. If normal tender processes require a five per cent deposit, why did Senator Collins sign off on a \$500 deposit?

Mr BEDDALL—The honourable member for Goldstein gets no better. If he reads the determination he will see it is an application fee, not a deposit. It is an application fee.

Housing Industry: Trends

Mr JENKINS—Can the Minister for Housing, Local Government and Community Services inform the House of the current state of the housing industry, in particular trends in the nature and location of housing?

Mr HOWE—Figures released yesterday for housing approvals indicate that growth in the housing industry has continued. Monthly building approvals are around 14,500 units, which is the highest level for four years. Approvals rose in March by nearly two per cent, and they are now nearly 14 per cent higher than a year ago. Notably, growth in private sector starts underpinned growth in the housing sector as a whole.

It is pleasing to note that the housing industry is responding to the need for a greater variety of housing as our population changes and our patterns of working and living continue to change. An article in today's *Telegraph-Mirror* reports that one in three new dwellings built in New South Wales is now units or town houses. This ratio has risen from one in four eight years ago. This increased number of units and town houses is a clear reflection of the trend towards a greater number of smaller households.

Government policies encourage better use of infrastructure. The desire to live closer to work with environment and lively neighbourhoods and close to services such as health, child-care and recreation facilities is also contributing to this change.

The continued growth in the housing industry is the result of the Government's resolve to keep inflation under control and interest rates down. These fundamentals have led to housing being more affordable over the last 12 months than at any time in the last decade. It has also meant that the housing sector has been able to provide employment and an economic stimulus as we move out of recession. The robust growth in the industry has prompted the Indicative Planning Council for the Housing Industry to revise upwards its estimates for the 1992-93 year to 161,000 units.

In summary, we are seeing in the housing industry in this country a level of activity that is very high—indeed, higher than the Indicative Planning Council forecast. We are looking at affordability that is better than it has been for many years, certainly for the last 10 years, and we are looking at the Government's policy of encouraging more choice and

a situation where that choice is being taken up. There are many smaller households; there are a lot more town houses and units being built. The result of all that is that we are able to make much better use of our infrastructure. So our policies are working well, and they are reflected by a very strong and very buoyant industry.

Pay Television

Dr HEWSON—My question is again to the Minister for Communications. In your statement of 30 April—you will remember, Minister, that that was when you were announcing what you described then as the winning pay TV bids—you said:

The involvement of new Australian parties in the country's broadcasting industry is welcome.

When you said that, did you have in mind the alleged porn video makers, people jumping bail from drug charges, struck off solicitors and people connected with the Marshall Islands scam? Why on earth could the Government not ensure that the tendering processes for pay TV licences did not produce this sort of farce and did not make us the laughing stock of the international television and investment communities?

Mr BEDDALL—On Friday, 30 April I announced the successful bidders, not the successful licence holders. There is a very clear distinction. What I have said is in place: if you go for the highest tender bid the only thing you can possibly do is have the process we have in place. It is referred to the ABA to determine the suitability—

Dr Hewson—It is a farce, and you know it.

Mr BEDDALL—You should listen to your shadow Minister. His statement on pay television is exactly the policy that has been put in place. Check his statements; have a look at them. I am talking about your shadow Minister, not about the policy of this side of the House. The Australian Broadcasting Authority is undertaking its rightful role under the legislation, and the ABA and the Trade Practices Commission will look at the aspects they have to. The ABA will make a determination about suitability, and the TPC will determine on competition. That will then be referred back to the ABA and the ABA, if it

is satisfied, will write to the bidders telling them that, on the expiry of 30 days and the payment of the moneys tendered, they will receive the licences.

Political Parties: Policies

Mr MELHAM—My question is directed to the Prime Minister. Can the Prime Minister tell the House whether the Government sees any merit in the suggestion by the Leader of the Opposition that political parties keep their policy platform under wraps for up to two years? Does the Government intend to adopt such a strategy?

Mr Tuckey—Mr Speaker, I rise on a point of order. Under standing order 142, that question is clearly out of order. In fact, its asking demeans this place. Why cannot the Prime Minister get up and tell us some of the things he wants to do for the one million unemployed?

Mr SPEAKER—Order! The honourable member will resume his seat. There is no point of order.

Mr KEATING—Perhaps we are an old fashioned lot over here, but we think you actually have to keep policy moving; you actually have to say what you are doing. You talk, you discuss, you bring policy together and you actually announce it and stick to it. That is what the Government has done since 1983, right throughout. I had the pleasure with the first question of articulating exactly how we are legislating this week for things we said we would do in the course of the election campaign and before. But we will not be keeping policy under wraps. The Leader of the Opposition said:

We won't be doing a lot in a public sense on policies in the next couple of years apart from of course the GST which we—the life of which we terminated last week.

The Leader of the Opposition said:

I am quite happy to stake my political career on arguing for what has got to be done openly and honestly. I am really not playing the political game. I am painting an honest alternative.

Then, after the election, he said:

No, I wasn't rolled on the GST. I think probably in the party room more people spoke in favour of it. I decided it was a political liability and we had to drop it.

That is the sort of policy making we will not be doing. We will not be saying one thing and meaning another. We will not be out there proselytising about a policy upon which the whole mountain of policy must sit and then say, 'For political liability reasons we had to drop it'. We will be doing as we have always done: working through our policy framework carefully, consulting with the various interest groups in this country, the business community and the trade unions—all people, including renters—and arriving at policy outcomes which the Government thinks can advance the common cause of the country, and we will see ourselves advanced economically and socially. We will not be keeping things under wraps for a couple of years.

I am very surprised by this first Question Time. What has a man got to do to get a question around here from the Opposition? There has been nothing. Here I am, briefed up, ready and raring to go, and nothing has come my way. After the moment of the election campaign and the issues involved, to have the Leader of the Opposition chasing down issues of pay television policy, as he has tried to do with his shadow Minister today, demonstrates the breadth with which those opposite were going to come at the Government today. One issue goes across their trail, and away they go after that.

I see the former Prime Minister Gough Whitlam and Margaret Whitlam in the House today. It is always lovely to have them here. I am sure that no Opposition he led and no government he led would ever have let such an opportunity go by without asking the Prime Minister of the day the key questions. Of course, I am not letting it go by. I am making it clear just how ineffective this Opposition will be. It is not able to ask one broad policy question at Question Time, and it is going to keep its policies under wraps for two years. Tut, tut, tut.

Pay Television

Dr KEMP—I ask the Minister representing the Minister for Transport and Communications: did the Attorney-General's Department provide advice to the Minister's department that raised doubts about the legality of certain

aspects of the tender process? If so, why was this advice ignored, and will the Minister table it in the House?

Mr BEDDALL—I have answered the question nine times. This time I will say I have been advised that there was advice from the Attorney-General's Department that in fact to put a financial hurdle in place would not enable us to have a price based system.

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

QUESTIONS TO MR SPEAKER

Number of Questions

Mr TIM FISCHER—Mr Speaker, I have a question for you relating to your administration. In view of the fact that in 58 minutes in this first Question Time we have had 17 questions and answers and that a de facto maximum reply of five minutes effectively applied, could you indicate to the House whether that is a good benchmark, a good start, and one which might be a guideline for future Question Times?

Mr SPEAKER—As the Leader of the National Party knows from remarks I made yesterday and other comments that I have made since, I have suggested that the fortunes of this place rest with the members. If honourable members are quite satisfied with the performance here today on their own behalf then clearly in their own minds it is a reasonable benchmark.

Ministerial Statements

Mr TUCKEY—Mr Speaker, I draw your attention to the steady decline of ministerial statements in this place in recent years, namely, from an average of 73 per annum during the Fraser Government to 12 during the last year of the first Keating Government. In the light of this statistic and in the light of the Prime Minister's having used Question Time today to advise the House on an important visit to Australia by the Prime Minister of our largest trading partner, Japan, would you be prepared, in the interests of the Parliament, to request the Government to bring such matters in the future to the Parliament by way of ministerial statement so as not to clutter

Question Time and so as to facilitate serious debate on such important matters?

Mr SPEAKER—Again, the honourable member for O'Connor raises a question of procedure in this House. I might suggest that when the new procedures committee is formed that be a submission which he might care to make to that body so that a recommendation would come forward to the Parliament.

AUDITOR-GENERAL'S REPORTS

Mr SPEAKER—I present the Auditor-General's reports Nos 23 to 29 of 1992-93 entitled as follows:

No. 23—*Aggregate financial statement prepared by the Minister for Finance year ended 30 June 1992.*

No. 24—*Project audit—Department of Defence: Interface systems.*

No. 25—*Efficiency audit—The jobs, education and training program—Departments of Social Security, Employment, Education and Training, and Health, Housing, Local Government and Community Services.*

No. 26—*Project audit—Department of Industry, Technology and Regional Development: Pharmaceutical industry development program—the factor scheme.*

No. 27—*Registered publications service—A response to Senate questions regarding Australian Postal Corporation.*

No. 28—*Report on ministerial portfolios—Autumn sittings 1993.*

No. 29—*Aggregate and departmental financial statements 1991-92.*

Motion (by **Mr Beazley**)—by leave—agreed to:

That:

- (1) this House authorises the publication of the Auditor-General's audit reports Nos 23 to 29 of 1992-93; and
- (2) the reports be printed.

PAPERS: PRESENTATION

Mr BEAZLEY (Swan—Leader of the House)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in *Hansard* and the *Votes and Proceedings*.

The schedule read as follows—

1. GRAINS RESEARCH AND DEVELOPMENT CORPORATION—Annual Report 1991-92—including the Auditor-General's report—section 28 of the Primary Industries and Energy Research and Development Act 1989.
2. FISHERIES RESEARCH AND DEVELOPMENT CORPORATION—Annual Report 1991-92—including the Auditor-General's report—section 28 of the Primary Industries and Energy Research and Development Act 1989.
3. HOUSING LOANS INSURANCE CORPORATION—Annual Report 1991-92—including the Auditor-General's report—section 39 of the Housing Loans Insurance Corporation Act 1965.
4. AUSTRALIAN AIRLINES LIMITED—Annual Report 1991-92.
5. COMMONWEALTH BANK OF AUSTRALIA—Equal Employment Opportunity Annual Report 1991-92—section 9 of the Equal Employment Opportunity (Commonwealth Authorities) Act 1987.
6. AUSTRALIAN TOURIST COMMISSION—Annual Report 1991-92—Erratum.
7. AUSTRALIAN NATIONAL PARKS AND WILDLIFE SERVICE—Annual Report 1991-92—including the Auditor-General's report—section 52 of the National Parks and Wildlife Conservation Act 1975.
8. DEPARTMENT OF VETERANS' AFFAIRS—Annual Report 1991-92, volume 2 and REPATRIATION COMMISSION—Annual Report 1991-92—Corrigendum.
9. ADVANCE AUSTRALIA FOUNDATION—Annual Report 1991-92—section 18 of the Advance Australia Logo Protection Act 1984.
10. OZONE PROTECTION ACT 1989—Annual Report 1991-92 on the operation of the Act—section 68 of the Ozone Protection Act 1989.
11. HAZARDOUS WASTE (REGULATION OF EXPORTS AND IMPORTS) ACT 1989—Annual Report 1991-92 on the operation of the Act—section 61 of the Hazardous Waste (Regulation of Exports and Imports) Act 1989.
12. AUSTRALIAN SPORTS COMMISSION—Annual Report 1991-92—including the Auditor-General's report—section 48 of the Australian Sports Commission Act 1989.
13. ARTBANK—Annual Report 1991-92—including the Auditor-General's report—section 41D of the Audit Act 1901.
14. SPORT AND RECREATION MINISTERS' COUNCIL—Summary Record of Proceed-

- ings—Twenty-first Meeting—Adelaide, South Australia —27 March 1991.
15. AUSTRALIAN HERITAGE COMMISSION—Annual Report 1991-92—including the Auditor-General's report—section 43 of the Australian Heritage Commission Act 1975.
 Note:a preliminary report which did not include diagrams and photos was tabled on 17 December 1992.
16. ANTI-DUMPING AUTHORITY—Annual Report 1991-92—section 29 of the Anti-Dumping Authority Act 1988.
17. WESTERN AUSTRALIAN FISHERIES JOINT AUTHORITY—Annual Report 1991-92—section 12G of the Fisheries Act 1952.
18. SUGAR RESEARCH AND DEVELOPMENT CORPORATION—Annual Report 1991-92—including the Auditor-General's report—section 28 of the Rural Industries Research and Development Act 1989.
19. AUSTRALIAN FISHERIES COUNCIL—Resolutions of the 22nd Meeting—Port Lincoln, South Australia—4 September 1992.
20. AUSTRALIAN SAFEGUARDS OFFICE—Annual Report 1991-92 of the Director of Safeguards—section 51 of the Nuclear Non-proliferation (Safeguards) Act 1987.
21. DRIED FRUITS RESEARCH COUNCIL—Annual Report 1991-92—section 105 of the Rural Industries Research and Development Act 1989.
22. INDUSTRY COMMISSION—Report No.29—Horticulture—18 February 1993—section 9 of the Industry Commission Act 1989.
23. FEDERAL AIRPORTS CORPORATION—Equal Employment Opportunity Annual Report 1991-92—section 9 of the Equal Employment Opportunity (Commonwealth Authorities) Act 1987.
24. CHRISTMAS ISLAND SERVICES CORPORATION—Annual Report 1991-92—section 6 of the Local Government (Transition) Ordinance 1992.
25. AUSTRALIAN INSTITUTE OF FAMILY STUDIES—Annual Report 1991-92—including the Auditor-General's report—section 63M of the Audit Act 1901.
26. AUSTRALIAN EDUCATION COUNCIL—Reports—
 . National Report on Schooling in Australia 1991
 . Statistical Annex
 section 51 of the States Grants (Schools Assistance) Act 1988.
27. ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION ACT 1989—Review of the operation of the Act—report to the Minister for Aboriginal and Torres Strait Islander Affairs—section 26 of the Aboriginal and Torres Strait Islander Act 1989.
28. ABORIGINALS BENEFIT TRUST ACCOUNT—Annual Report 1991-92—including the Auditor-General's report—section 41D of the Audit Act 1901.
29. ABORIGINAL AND TORRES STRAIT ISLANDER COMMERCIAL DEVELOPMENT CORPORATION—Annual Report 1991-92—including Auditor-General's report—section 189 of the Aboriginal and Torres Strait Islander Commission Act 1989 and section 63 of the Audit Act 1901.
30. ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION—Annual Report 1991-92—including Auditor-General's report—section 72 of the Aboriginal and Torres Strait Islander Commission Act 1989.
31. CENTRAL LAND COUNCIL—Annual Report 1991-92—section 37A of the Aboriginal Land Rights (Northern Territory) Act 1976.
32. ANINDILYAKWA LAND COUNCIL—Annual Report 1991-92—section 37A of the Aboriginal Land Rights 1992)
33. TIWI LAND COUNCIL—Annual Report 1991-92—section 37A of the Aboriginal Land Rights (Northern Territory) Act 1976.
34. NORTHERN LAND COUNCIL—Annual Report 1991-92—section 37A of the Aboriginal Land Rights (Northern Territory) Act 1976.
35. REVIEW OF BOUNDARIES UNDER THE ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION ACT 1989—Reports—
 . Interim Review Report
 . Interim Review Report—Boundary Maps
 . Final Report
 - section 144 of the Aboriginal and Torres Strait Islander Commission Act 1989.
36. AUTOMOTIVE INDUSTRY AUTHORITY—Report on the State of the Automotive Industry 1992—section 8 of the Automotive Industry Authority Act 1984.
37. DEPARTMENT OF EMPLOYMENT, EDUCATION AND TRAINING—Report on Higher Education Funding for the 1993-95 Triennium.

SPORT AND RECREATION MINISTERS COUNCIL

Summary Record of Proceedings

Motion (by Mr Beazley) proposed:

That the House take note of the paper.

Debate (on motion by Mr Howard) adjourned.

MATTERS OF PUBLIC IMPORTANCE

Pay Television

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

The debacle of the Government's allocation of pay television licences.

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—

Dr KEMP (Goldstein) (3.03 p.m.)—It is already very clear that the Government has got off to a bad start. In fact it has got off to a very bad start. It is in a shambles in relation to the big picture, the handling of the economy. It is in a shambles when one looks at each of the individual areas of policy and particularly the one before us today: communications policy and the handling of pay television.

The Government went through an election campaign effectively without any policies, without any plan to deal with the nation's problems—an election it won on the basis of lies and misrepresentation; an election in which it told the nation that it did not need reform and change to deal with the problems; and an election followed by the promotion of the narrowest possible base for the Government that we have seen for many years—the promotion of the mates of the Prime Minister (Mr Keating) in the New South Wales Right to the predominant position on the front bench of the Government.

We have a government which began its term of office with graceless, vindictive attacks on its opponents, which has already

begun to break promises and whose policy—as the balance of payments figures showed yesterday—is in a complete shambles. It is a government without plans, vision or policy.

Pay TV is simply the big picture writ small. Pay TV is what happens when one looks at the performance of this Government and the chaos of its policy making in a particular area of policy. The man at the centre of this shambles is the Minister for Transport and Communications (Senator Collins). Of course Senator Collins does not like this. He has set out to blame everybody else—to blame his department, to blame the Opposition—but, whatever happens, to move fast. He is moving very fast, and that is something that one might not expect of someone like Senator Collins. But even when he moves fast Senator Collins presents a very substantial target. He has done that in the last two days.

Indeed, to protect himself—as I propose to discuss—he has humiliated the Minister for Communications (Mr Beddall), who in Question Time today conceded unambiguously that the Government had erred in this process; that there was a fault in this process. Of course, he refused to answer the question about who was responsible for the fault, because he knows who was responsible, and anybody who knows our system of government knows who was responsible for the fault.

The Minister says that due process is being followed. In his view there was no need for a substantial financial commitment by the tenderers, but then, in his very last answer, he contradicted himself. He said that, although the Government sees no need for it, it is introducing legislation. That is what is happening. The Government, apparently, has committed no fault in this regard. It is not quite clear what the fault is. The Minister has admitted the fault, but that was not the fault. But the Government is introducing legislation in order to ensure that any alternative bidders who enter the process will have to pay this deposit.

Mr Beddall—Subsequently.

Dr KEMP—The Minister says, 'Subsequently'. So it was not necessary on the first bid, but it is necessary on all subsequent bids. The logic of that probably escapes the indus-

try; it certainly escapes all those on this side of the House and I dare say it probably escapes Senator Richardson. It escapes anybody who follows this process. Yet the Minister has failed totally to provide the House with any explanation of the shambles which has made this country a laughing stock worldwide amongst all involved in the media industry and in financial circles.

Looking at Senator Collins's responsibility and how to some extent he is shifting the fire to the hapless Minister for Communications, let us go back to the determination that Senator Collins issued on 19 January. That determination called for bids for pay television and set out the rules for those bids. Those rules required the bidders to pay a \$500 non-refundable deposit. The Minister says, 'Oh, well, it is an application charge. It is not a deposit'. Five hundred dollars was all that was required of the bidders; no evidence whatever was required of substantial financial strength or commitment to the bid.

It was a set of guidelines, a set of rules, for the tendering process which completely neglected the public interest of this country. It was a set of rules which opened the way to speculation, to abuse of the process and to interminable delays in the awarding of the pay TV licence. We ask today in the House who was responsible for the departure from normal tendering processes. Here is the cover sheet to the determination.

Dr Wooldridge—Whose signature's on that?

Dr KEMP—The Deputy Leader of the Opposition asks whose signature is on that cover sheet. It is the signature of Senator Collins. Senator Collins has signed the cover sheet. Senator Collins has endorsed the cover note but not endorsed its contents. We are seeing the pattern, the shambles, which we know too well from this Government: the endorsement of the cover and the running away from the contents. It is no wonder that the Minister has become a laughing stock and has put his Ministry right on the line. Under our system he has signed the determination. It was his duty to ask questions and to look at the advice that the Department gave him. He should have read the rules that were

suggested by the Department and asked questions about them. He should have satisfied himself that they were the appropriate rules.

As has been commented in the press today, it is remarkable how little Senator Collins has learnt about his portfolio given his time in the position. He is very uncomfortable about the technology in the portfolio. The Prime Minister came in, because he never likes to see a shambles going on without stirring the pot, and changed the rules for microwave transmission. The Minister himself now says that he did not know.

In order to increase the expertise available to the Government on this subject, the Government has appointed the Minister for Communications, who is on the other side of the table, as its specialist Minister for this portfolio. This is the Minister who in the last Parliament was famous for reading the indications given by his indicative indicators and telling us that we should not be troubled by the rate of bankruptcy in small business in this country. That was the grasp that he had on this portfolio.

It is understandable that people on this side of the House were sympathetic to the industry's howls of concern and outrage when the appointment was made. The industry believed that communications deserved a proper and strong representation in the Cabinet. It had Richo. I do not know whether it retains any unfortunate misconceptions about Senator Collins, but it was concerned when this Minister stepped into the role. Into the swamp he wandered. He obviously saw his role in the communications industry as Mr Sunshine, because he was not troubled when the successful bids were announced. In fact, he said that, contrary to the views of those experienced in the industry, he was not surprised that there were bids of up to \$170 million. He said that he was delighted that these bids had been made and that he would be able to present the Minister for Finance (Mr Willis) with \$389 million for the Budget. He was not concerned at the fact that the winning bidder might be a bidder of very little substance.

It is extraordinary not that the bidders should be given their chance—of course they should be—to find the money for this licence bid but that one of these companies had only been in existence for three weeks. Some of them have got old friends, whom we recognise from earlier discussions in this House. I have with me here a document of the Republic of the Marshall Islands Investment Trust. There are some familiar names attached to this document, including Bruce Dennis and Bruce Hocking, legal and financial advisers to the Republic of the Marshall Islands Investment Trust, in which as we know Senator Richardson had a relation involved.

These people, it appears from this morning's *Financial Review*, are associated with the winning bidders. The company secretary of Hi Vision is one of these gentlemen. Hi Vision uses the firm's former legal adviser to Mr Symons, Mr Bruce Dennis. Hi Vision's company secretary is Mr Bruce Hocking. There are certain interesting features of this winning bid but the Minister is not concerned about this. As far as he is concerned, everything has proceeded properly.

It is true that totally different criteria, in the Government's view, should now be applied to any alternative bidders. One of the ways in which the public interest was totally betrayed in this case was that it was possible for the winning bidders to put in multiple reducing bids so that if they could not raise the money on the first bid they would be able to raise it hopefully at a lesser level on the second bid or the third bid—the disappearing bids, as they vanish. That is the system that the Government set up and the Minister is trying to defend it, saying that everything is appropriate.

No wonder even Senator Richardson is running very hard to get himself out of the firing line. He is quite willing to point the finger at the Minister, who has been told by Senator Collins that the process has to be changed. Senator Collins is dragging him in—the friendly, helping hand that the Prime Minister spoke about is reaching down from the Senate chamber into the House of Representatives and drawing the Minister for Communications very close to him. This is a

process for which the Minister here and Senator Collins are deeply responsible, which has betrayed the public interest of this country and has created a shambles. That shows what we can expect from this Government as time goes on. It has had no plans; it has had no policy; it has had no vision; and it has no capacity to govern this country. (*Time expired*)

Mr BEDDALL (Rankin—Minister for Communications) (3.18 p.m.)—Mr Deputy Speaker, may I on this very pleasant day wish you well in your elected position, and I ask you to pass on to the Speaker my best wishes to him in his newly elected position.

We have just heard presented an extraordinary MPI, the first of this new parliament, delivered by probably the most ineffectual shadow Minister in this Parliament—the honourable member for Goldstein (Dr Kemp). He obviously has no grasp of the communications industry, so perhaps what I will do now is educate him on the matter.

As I said in Question Time, one of the most important things to keep in perspective is the policy outcome desired by the Government in a national pay TV regime—that is, providing the Australian people with a national system of pay television that is delivered by a satellite system using compressed digital technology. That is the policy; the policy is still in place.

Dr Hewson—MDS.

Mr BEDDALL—I will come to all the technologies for you.

Opposition members interjecting—

Mr BEDDALL—Unlike the Leader of the Opposition (Dr Hewson), I do not need notes. In fact, the policy is to deliver to the Australian public a national system of pay television through the Optus satellite using compressed digital technology. We looked at the best possible way to do that. The Government determined that we would have a price based tender. That price based tender was determined to be the most effective way to maximise the return to the Government, in essence, to maximise return to the Australian taxpayer. That is what the process has been about.

Mr Sharp—We will all die of old age before this happens.

Mr BEDDALL—No, you will not have to wait that long.

Opposition members interjecting—

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The Minister will proceed and ignore the interjections.

Mr BEDDALL—Honourable members opposite can interject all they like—

Mr Costello—Will you table the Attorney-General's advice?

Mr BEDDALL—I will come to that later. The Attorney-General's advice, as I am advised, was to the department, not to the Minister. I want to take honourable members through the whole process of how it was set up, because I think that is important. The process to allocate licence A and licence B following the close of tenders involved basically three steps: bids assessed on price only, with impartial means of selecting who goes on to the next stage; the ABA and the Trade Practices Commission to institute the checks; and the final price bid to be paid at the expiration of 30 days and the licence issued.

The detail of the process was that a decision was made by the communications selection team, with the Attorney-General's advice, conforming to the highest bids. The highest price tender was then identified for each licence, licence A and licence B. The important point is that there was always an intent to get an additional player into the market and that is why licence A was reserved for new players, whereas licence B was open to all comers. Details of the successful tenderers were then referred to the Australian Broadcasting Authority by the Secretary to the Department of Transport and Communications to enable the process to be undertaken for the issue of the licences.

The Australian Broadcasting Authority will need to form a view about the suitability of the applicants under section 98 of the Broadcasting Services Act 1992. The Australian Broadcasting Authority has referred the ownership details of each tender to the Trade Practices Commission for an opinion under

section 93(7) of the Broadcasting Services Act 1992 regarding compliance with part IV of the Trade Practices Act 1974. The Trade Practices Commission has a maximum of 45 days to provide the opinion to the ABA, but it can obviously take much less time, depending on the complexity of the issues involved.

When these processes are complete, the ABA will notify the applicants that the licence can be issued on payment of the bid price within 30 days. In a situation where a company is not currently in a position to pay the bid, a process will need to be pursued in the marketplace whereby the amount that was bid is placed with a range of companies in order to obtain commercial finance.

I want to establish the background to this matter because I do not think the shadow Minister understands it. The policy process is still in place. It is the process where we see that there is a deficiency. We are changing the process.

Dr Hewson—You have changed the process. You did not get a five per cent deposit.

Mr BEDDALL—The Leader of the Opposition makes an assumption that is not correct. There is a potential deficiency in the process, and we are going—

Opposition members interjecting—

Mr BEDDALL—I understand from the interjections from members of the Opposition that they will be supporting the amendment. We have not changed the process for the original bidders. If the original bidders meet the criteria set out by the ABA and the TPC and are able to fund their original bids they will be granted the licences.

Mr Howard—So the amendment is not retrospective?

Mr BEDDALL—The amendment applies only if either or both of the successful tenderers do not proceed with the bid or do not raise sufficient finance. Under the terms of the tender, the next highest bidder would be the one offered the licence.

Dr Hewson—Who?

Mr BEDDALL—I do not know. Honourable members opposite may know. I specifically do not know—

Mr Howard—They have to pay the five per cent, which makes the five per cent retrospective.

Mr BEDDALL—what is the next highest bid or what is the name of the company—

Dr Hewson—Why are you legislating if you do not know?

Mr BEDDALL—It is because we are aware that there are multiple bids.

Mr Costello—How many?

Mr BEDDALL—I do not know; neither should I know.

Mr Howard—But they were put in under the original legislation, weren't they?

Opposition members interjecting—

Mr McGauran interjecting—

Mr Leo McLeay—I raise a point of order, Mr Deputy Speaker. The honourable member for Bennelong did not ask a question at Question Time but he wants to interject on the Minister all the time now. Do you think he might be called to order?

Mr DEPUTY SPEAKER—Order! The honourable member for Gippsland will cease interjecting. The point of order has an element of relevance. The honourable member for Goldstein was heard in silence. Interjections are out of order. It would assist the Chair if Opposition members were to cease interjecting and if the Minister would direct his remarks through the Chair.

Mr BEDDALL—Mr Deputy Speaker, I was trying to explain to the Opposition the process that is in place—the process we will continue to use until such time as either one or both of the bidders are unsuccessful or do not proceed. In such circumstances there is a legitimate case to make that the subsequent highest tenderer would be subject to the provisions of the amendment that we propose to make to the Act.

Mr Howard—That is retrospective.

Mr BEDDALL—No, it is not retrospective.

Mr DEPUTY SPEAKER—Order! The Minister will ignore the interjections. The honourable member for Bennelong will cease interjecting.

Mr BEDDALL—There will be no expectation that it would be able to receive subsequent allocation because it had not been successful in being the highest bidder. As I have pointed out, I am not aware of what the next highest bid is or the name of the next highest bidder—neither should I be. These are areas of very high commercial confidentiality. The process is handled by a selection team in the Department of Transport and Communications, as is proper. This selection team has handled a number of very sensitive bids in recent times, the most recent being the issue of the third mobile phone licence to Arena, which is now known as Vodafone.

We are trying to ensure that the policy intent of the Government is implemented through due process. The difficulty we now have is that if there were, as the Leader of the Opposition interjected, a large number of bidders who were not able to meet the financial requirement, then we could have an unnecessary delay in the process. That is where, as I said, we have identified a possible deficiency in the process. We have a statutory requirement that the money has to be paid 30 days from the ABA advising the successful tenderer that not only has it been through the ABA's hoops, but that it has also met the preconditions of the Trade Practices Commission. That particular amendment was moved in the Senate and was referred to by Senator Collins on the weekend as adding an additional 45 days to the whole process. That is not necessarily the case because the Trade Practices Commission may find that there is no problem with competition policy and therefore it could find after a period of much less than 45 days and advise the ABA that it can proceed with its checks.

What we have said is that the normal practice of the department has been to accept a five per cent deposit—or initial payment—so that we can go into the next round, if there is to be a next round, of this process.

Dr Hewson—Ha, ha!

Mr BEDDALL—I do not prejudge; the Leader of the Opposition prejudices. The Leader of the Opposition may have information that I am not aware of, because I am not aware that either of these—

Dr Hewson—We're not aware of it; you're not aware of it, all right.

Mr BEDDALL—No, I am not. We have to allow for full due process. The full process is that the two first highest bidders will go right through the due process and be afforded that courtesy because it is their right as the successful tenderers.

If that process is completed and these two bidders are able to provide the funds, then we will have reached a successful outcome. We are now providing for the eventuality should that happen. That is where we have said that we have perceived a potential deficiency in the process—

Dr Kemp—You said you made the fault.

Mr BEDDALL—A fault, a deficiency. One can engage in semantics. I am saying that it is a potential deficiency in the process—

Mr Howard—It is not the usual process.

Mr DEPUTY SPEAKER—Order!

Mr BEDDALL—It is not the usual process that applies to these licensing provisions. That is why Senator Collins has written to the department asking for an investigation.

Mr Peacock—What sort of deficiencies?

Mr DEPUTY SPEAKER—Order! The honourable member for Kooyong will cease interjecting.

Mr BEDDALL—I come back to the original point: the intent of this policy is to provide pay television. We are making sure that the process is correct. We have identified a potential deficiency in the process and we are moving to rectify it. We hope that, in essence, honourable members will be able to support that so that we can come to a satisfactory resolution of this tender process as quickly as possible. In essence, the policy is correct. It is the process that may be deficient, and we will fix that.

Mr Howard interjecting—

Mr DEPUTY SPEAKER—Order! The honourable member for Bennelong will cease interjecting. The Minister will direct his comments through the Chair and the Minister will be heard in silence.

Mr Howard—This is the clearing house for the nation's ideas.

Mr DEPUTY SPEAKER—Order! The honourable member for Bennelong will cease interjecting.

Mr Howard—This is the first day back.

Mr BEDDALL—It is indeed. A long and arduous process on pay television is about to come to fruition, based on the highest bid. We have found some deficiency in that process and we are going to correct it. We are sure the Opposition will support the process so that we can get on with the real intent of the policy—that is, to allocate pay TV licences.

Mr DEPUTY SPEAKER—Order! I call the honourable member for Fadden.

Mr Howard—Mr Deputy Speaker, I take a point of order. I move:

That the honourable gentleman's time be extended.

Mr DEPUTY SPEAKER—Order! I call the honourable member for Fadden.

Mr Howard—I have moved the motion:

That the honourable gentleman's time be extended.

Mr DEPUTY SPEAKER—Order! The honourable member for Bennelong will resume his seat. At the time that the Minister resumed his seat his time had not expired. I call the honourable member for Fadden.

Mr Howard—I can move a motion that somebody's time be extended in those circumstances. I want that motion put to the House.

Mr DEPUTY SPEAKER—The Minister had resumed his seat before his time had expired. Therefore, there is no possibility that the motion, as couched by the honourable member for Bennelong, can be before the chamber.

Mr JULL (Fadden) (3.33 p.m.)—In the reams and reams of editorial that have appeared in the newspapers over the last 48 hours concerning the pay TV debate, I thought that the comments of Anne Davies in this morning's *Sydney Morning Herald* said it all. She started off her article as follows:

The latest debacle on pay TV is reminiscent of an episode of *Yes, Minister*. It has all the elements:

intrigue, high farce, and a succession of ministers who have been led by the Department of Transport and Communications down a policy road which they clearly did not understand.

I think that is right. When we are talking about *Yes, Minister* my mind goes back to that classic episode where Jim Hacker was absolutely delighted when his department advised him that it had been a pleasure to work with him. We found out a little later from the secretary of the department that the reason it was a pleasure to work for him was that he merely accepted the department's advice, with no thought or intellectual rigour whatsoever on his part.

Obviously, we are seeing the same sort of thing happening with this particular debate today. In my 15 or 16 years in this Parliament we have never seen such a pathetic performance from a Minister who, frankly, does not know what it is all about. He has the hide to come in here today and say that at the end of the day what the Government wants is a policy and a pay TV system that are the best for the Australian public. I think that just defies description. The reality is that this country could have had pay television 10 years ago, and for the 10 years of this Labor Government we have seen nothing but procrastination, nothing but changes of policy, nothing but continual intervention by the Prime Minister (Mr Keating), to the stage where today we have a situation of absolutely high farce and the reputation of Australia as a major player in the broadcasting game is in jeopardy. We have enjoyed one of the highest reputations in the world, but we are going to have real problems with the overseas financial sources, who see the way that we do business in this place as a bit of a joke.

At the end of the day are we going to end up with anything? Are we really going to see the advent of pay television in Australia? Sadly, it is possible that we will not see it because this process that we have been exposed to over the last couple of days will go on and on and on. Another commentator said in one of the papers this morning that the process at the moment was a bit like peeling an onion: you take off one layer and you find nothing there, and you go to the next layer. We have learned that there are 50 bidders. Do

we have to go through this whole process with 50 bidders only to find in about five years time that there is nobody left because everybody has given up and gone away? That is the real tragedy of this particular situation that is facing us today. It is absolutely incredible to see the blithering incompetence of the Minister at the table, knowing that in the other place we have another blithering incompetent in charge of a portfolio that is one of the most crucial in this nation.

It is not just in relation to pay television that this Government has been found out. Senator Collins is exactly the same Minister who sat there and defended his department all the way through the granting of the new aviation systems—the TAAATS systems—for air navigation in Australia. He sat there and he backed the department up and he ran the departmental line the whole time. It was such an unholy mess that he had to appoint the Hon. Ian Macphee to head an independent inquiry into it. Mr Macphee found that the government processes were all wrong and that Senator Collins had made an absolute botch of things. That is just one example.

We have another example that hit the decks yesterday. There was an incident at Brisbane airport last year when a 727 aircraft had to make an emergency landing. What do we find? The department of which Senator Collins is the head released a report yesterday with most of the graphic details and most of the serious criticisms of the department and the Minister blanked out. They are not there. The department was not game to tell the people what was really going on with the administration of the Civil Aviation Authority. Once again the responsible Minister was Senator Collins.

We have a real difficulty in this particular portfolio because we have a Minister who does not have a clue in the world about the technicalities of what is a very complex portfolio area. There is no doubt that Australians are getting to a stage where, if they ever get pay television, they may have very great difficulty in affording it. What we are talking about here is not just the \$500 for registration, or indeed the five per cent. We are talking about delaying tactics that are costing

tens and tens of thousands of dollars, and ultimately if we do get some system of pay television it may well be beyond the reach of the average Australian. If a company has to put a couple of hundred million dollars up for a licence, what is it going to cost by the time it puts in the equipment, buys the first release movies, buys the international news services and buys the rights to major sporting events? The industry estimates that at the moment it will cost about \$800 million to put the thing together.

Will ordinary Australians be able to afford to subscribe to pay television? When we look at what has happened in the United Kingdom, we see that it has a system of two players who have a monopoly. Even with that population, one of them has gone out of business. The plain fact is that the delivery of the pay TV services through this particular system is particularly expensive. What about the changes that have been brought about by this particular Government, by the interference of the Prime Minister, by the succession of Ministers into the nature of the technology that Australians could have enjoyed?

We see in the courts at the moment the process against the Cosser organisation and the throwing overboard—or what will be retrospectively obviously thrown overboard—of the NBS delivery system. Look at those reports and the studies that were done by a committee of this House which in fact made a recommendation that Australia should look at going towards microwave technology so that we could deliver pay television to every home in Australia at a very affordable rate. Even now, Telecom has the capacity to be able to deliver up to 50 channels of television into the homes of most Australians.

Mr Beddall—Where?

Mr JULL—It is there. Microwave technology is there, and they will have it. At the moment, in New York, they are working on a microwave cable system that will not deliver just 50 but will deliver 500 channels of vision into every home. The Minister would not know that, and Senator Collins would not know it either, because we have had this blithering incompetence going on and on, and now they are being found out. They

are running this way and that, and we have this absolute farce which ultimately, I believe, will be to the detriment of the Australian viewing public.

Why cannot we have a system here where it is not just entertainment; where it is not just going to be first run movies or sport or news or porn, or whatever is going to be put on the thing to make it pay? Why cannot we have the full information technology that these systems can bring, because we are not going to get it out of this particular lot that we have got at the moment. We certainly are not.

If we sit around with this process that the Government is going on with at the moment, and if we are going to continue to have these delays and these absolute areas of high farce in terms of the tendering process and the continuing reviews, that is exactly what is going to happen. We are going to see a situation where pay television goes further and further into the background, and if we get it up and running, then in fact very few Australians will have the capacity to pay it.

Quite frankly, the Prime Minister should take some action, and Senator Collins should be sacked. His record is such that he does not have a clue in the world about what is going on in a technological sense. He obviously does not have a clue in the world about the Westminster system and the obligations that he has as a Minister in running a particular department. Indeed, I think the Prime Minister would be very kind if he moved this particular Minister away to another portfolio as well.

There is very little time for Australians to retrieve this system. There is very little time left for us to get to a stage where all Australians can benefit from the advantages that pay television can bring, both in an entertainment sense and in an information sense. Quite frankly, we are not going to get it out of this lot of blithering incompetents.

Mr ELLIOTT (Parramatta) (3.43 p.m.)—In this matter of public importance today, it is interesting to note that in all the changes that have taken place in telecommunications and communications over the last few years, all initiated by the Government, we have always had the spectacle of the Opposition saying we were in the process of picking winners; we

were looking after mates; we were doing all those things rather than allowing technology to rip, the market to rip, and so on.

If we read the reports of all the debates in this House and in the Senate committees, time and time again we find Senator Alston and others saying constantly that the Government should get out of this process, should leave it all to the market, let market factors decide what is the appropriate regime for pay TV, as well as other areas of communications reform.

The net result of that sort of process is that we adopt a price based bidding process for pay TV licences, and precisely the sort of initiative that the Opposition was seeking in those Senate discussions was the very thing that is contrary to what the honourable member for Fadden (Mr Jull), has just been talking about today in relation to issues like viability, comprehensiveness of service, and so on; the appropriateness of the best type of technologies.

What have we seen from the former shadow Minister for communications? He is no longer in this place, I suspect partly because of some of the statements that he was making in these areas but also because throughout this whole process the former shadow Minister and the Opposition have not cared about the affordability of pay TV or services to the Australian community. The Opposition has never regarded those things as important, and there has been a constant litany of statements and press releases attacking the Government and stating that all of the Government's policies on pay TV were about looking after its media mates.

In January, those opposite criticised the Government's proposals in relation to not allowing MDS, inferior technology, to jeopardise the potential for comprehensive pay TV services. The Government realised the potential impact of MDS proceeding in that way. It decided, quite rightly in my view, to look at how satellite and digital technology could be used. Since then, the Opposition has continually said that the Government was getting its hand into this process in an unwarranted fashion—picking winners, as the honourable member for Goldstein (Dr Kemp) said today.

We adopted the price based process. One can argue that pay TV, because of the constantly evolving changes in technology, does need a fair amount of flexibility in the approach taken. That is true. It is difficult to predict what technology and its impact on communications delivery will be in a year from now, but if we accept that the price based approach is the approach to adopt and that the real concern is to get the best price and to have new players—as the Opposition has argued from time to time; it has said that existing players do not count—then we will adopt the sorts of approaches that the Opposition talked about in the Senate inquiry.

If we were to go back and read the debates in this place as well, we would note that in the last Parliament the Opposition argued that we were putting too many threshold restrictions on pay TV. Because we were concerned about content, about industry plans and about the involvement of the ABC in pay TV the Opposition said that we were being unduly restrictive and not letting the market have free rein. As a result of the election on 13 March, there may be some change in attitude on the part of the Opposition. Maybe the ideology that drove it prior to 13 March has changed as a result of the election. Certainly all of the statements that it made to that time indicated that it was only interested in the bottom line price of pay TV: get it delivered as quickly as possible; to hell with whatever consequences there might be of inferior technology and so on.

In none of those discussions was there anything to suggest that the Opposition was really concerned about the cost of the investment in pay TV, either in terms of licence cost or the investment in the technology and the production delivery and so on, which is considerable. In any event, most of the experts in the field indicate quite clearly that pay TV will be only a marginal operation for the first few years. Of course, there is the need to get the financial support critical to that process.

The Bill which went through the Senate, with amendments from the Opposition relating to trade practices and so on, adopted very much the procedure that the Minister then

signed off in December based on the tender bidding process that is now being followed. The Opposition is really trying to have it both ways; the honourable member for Goldstein certainly tried to have it both ways in this discussion today.

Throughout the Government's process of adopting the model for the A and B licences, it has expressed the concern that there should be scope for experienced, well-known people who have the capacity both in the television medium and in the broader communications industry to participate in this process. That was important. It has been shown now through the bidding process why that experience, why that level of expertise, is important if we are to have comprehensive and affordable pay TV for the Australian community.

The honourable member for Fadden is getting away with far too much when he asserts that that has been the Opposition's motivation. All through that process it has ridiculed every single attempt to ensure thresholds in the process that give pay TV potential—its rights and its economic and social capacity. That is what our policy has been on changes to the broadcasting area.

As the Minister identified today, as regards the bidding process we should not be assuming that any particular bid has fallen over at this stage. The process that was adopted—at the explicit direction of the Senate—as to the role the ABA and the Trade Practices Commission would have in determining the bidding process should be allowed to be followed and completed. It is clear that in that process there is the potential for follow-on thresholds to be unnecessarily delayed and restricted. So the Government quite rightly has foreshadowed that it will make the change to the threshold relating to the five per cent deposit fee.

What really matters is the far bigger test, as the Minister quite rightly pointed out, as to the time in which the dollars have to be found by successful bidders in the event of the awarding of the licence. That is really the key threshold to be met. No-one should walk away from that fundamental fact.

I come now to some of the other issues in the debate about pay television over recent

times. The honourable member for Fadden referred to the use of microwave technology and the Government's failure to let that process run its course, resulting in legal proceedings, et cetera. It is clear from that whole process that the development of technology has been supported pretty broadly as far as the use of digital technology and the desire to encourage in the broader Australian community a very comprehensive allocation of pay television opportunities are concerned. The best way to do that is to ensure that we use technology which will not be out of date and which will not minimise access to pay TV services across the nation. If we allow the MDS network to proceed, we know that the limitations of that process will automatically mean that many people will be denied access to pay TV.

Some people say there is not quite as high a demand for pay TV as some in the media would suggest. Ultimately, what matters is that the pay TV regime we adopt will give all Australians a chance to watch what is on offer. We want pay TV to create the opportunity to extend Australian production and to give Australian industry the opportunity to develop and advance as a result. These things never matter to the Opposition, but they are important if we believe in the ongoing development of our communications industry.

In the programming area, we are concerned to encourage the production of Australian content—again something which the Opposition has never seen as particularly important. But it must be seen as important if we want pay TV to be viable and not do further damage to the free to air television services. That has always been the danger in adopting the laissez faire approach which the Opposition has consistently argued for.

I come back to the fundamental points in the debate about pay TV. Throughout the whole process, the Opposition has constantly accused the Government of having 'media mates', 'picking winners' and so on. But an arm's length approach has been adopted which is effectively providing the very scenario the Opposition has argued should be adopted. Senator Alston's amendments from the Senate were all adopted. Yet Opposition

members still have the hide to come in here and criticise Government Ministers because they adopt a process which is fundamentally the same as the one the Opposition has followed. (*Time expired*)

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

REGISTRAR OF MEMBERS' INTERESTS

Mr DEPUTY SPEAKER—In accordance with resolution (3) of the House of Representatives relating to the registration of members' interests, the Speaker has appointed Mr L.M. Barlin, Clerk of the House of Representatives, as Registrar of Members' Interests in the 37th Parliament. The Speaker has also appointed Mr B. C. Wright, Acting First Clerk Assistant, to act as Registrar during any period of absence of Mr Barlin.

SERJEANT-AT-ARMS: APPOINTMENT

Mr DEPUTY SPEAKER—Following the appointment of Mr Phil Bergin as the Speaker's senior adviser, the Speaker wishes me to inform the House that Mr David Elder has been appointed to the position of Serjeant-at-Arms.

PROTECTION OF THE SEA (OIL POLLUTION COMPENSATION FUND) BILL 1993

First Reading

Bill presented by Mr O'Keefe, and read a first time.

Second Reading

Mr O'KEEFE (Burke—Parliamentary Secretary to the Minister for Transport and Communications) (3.55 p.m.)—I move:

That the Bill be now read a second time.

I am pleased to introduce the Protection of the Sea (Oil Pollution Compensation Fund) Bill 1993 to the House as part of a package of four Bills concerning compensation for damage caused by oil spills from tankers. The purpose of the Bills is to give effect to the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage 1971. The convention

is widely referred to as the fund convention. The Bill will also enable Australia to give effect in due course to protocols amending the fund convention adopted in 1976 and 1992, although neither of these has yet entered into force internationally.

The international regime providing compensation for damages caused by oil spills from tankers is governed by the fund convention and another convention, the International Convention on Civil Liability for Oil Pollution Damage 1969, known as the civil liability convention. Both conventions were drawn up under the auspices of the International Maritime Organisation, which is a specialised agency of the United Nations. Australia has been a party to the civil liability convention since 1984, and its requirements are implemented by the Protection of the Sea (Civil Liability) Act 1981. The civil liability convention deals with the liability of shipowners for pollution damage and currently guarantees that some \$A266 per ton of the ships tonnage up to a maximum of \$A28 million is available to Australian interests in the event of oil pollution damage.

The fund convention is supplementary to the civil liability convention and establishes a regime for compensating victims when the compensation under the civil liability convention is inadequate. This is achieved by applying an annual levy to any oil company which receives after carriage by ship more than 150,000 tonnes of contributing oil in a calendar year. 'Contributing oil' for the purposes of the convention includes mainly crude oil and heavy fuel oil. Non-persistent oils such as gasoline, light diesel oil and kerosene do not fall within the scope of the convention. Thus the burden of providing compensation for oil pollution damage is shared between the ship and cargo owners.

Acceptance of the fund convention will immediately increase the amount of compensation for oil pollution damage available to Australian interests to some \$A120 million. This will increase to \$A400.8 million when the 1992 protocol amending the convention enters into force and certain other conditions are met. It is not possible to predict when the 1992 protocol will enter into force, as it is

entirely dependent on how quickly the required level of international acceptance is forthcoming. I would be surprised, however, if it were not either in force or substantially close to it within five years.

Australia's rights and obligations under the convention will only be applied to oil pollution incidents which occur after Australian acceptance of the convention. Acceptance of the fund convention will also mean that Australian shipowners will be indemnified for a part of the total amount of their liability under the civil liability convention.

The fund convention represents the legal intergovernmental version of a voluntary scheme set up by the major international oil companies in 1971. The scheme is called the Contract regarding Interim Supplement to Tanker Liability for Oil Pollution, abbreviated to CRISTAL. This scheme still exists but was only developed as a temporary measure until the fund convention achieved a sufficiently high level of acceptance internationally. CRISTAL is due to cease operation in February 1994.

The fund convention has established a worldwide intergovernmental organisation, the International Oil Pollution Compensation Fund, known as the IOPC Fund, to administer the compensation regime. Reports on quantities of oil received in a calendar year are forwarded by governments to the IOPC Fund, with the contributions being paid by the individual companies directly to the IOPC Fund. There are currently 51 member countries.

There are two types of contributions to the IOPC Fund. An initial contribution is payable by receivers of oil when a country becomes a member of the IOPC Fund. Annual contributions are levied to meet the anticipated payments of compensation, indemnification and administrative expenses during the subsequent year. Annual contributions therefore vary widely, and since the fund convention entered into force internationally in 1978 the total amount required from contributors in all member countries has varied from zero to \$A60 million. The IOPC Fund paid out over \$A20 million in claims during 1992.

Based on 1992 figures for the transportation of oil into and around Australia, the nine Australian companies which receive more than 150,000 tonnes of contributing oil per year would be required to contribute to the IOPC fund a combined total of some \$138,000 as an initial contribution and \$568,000 in the following year as an annual contribution. It can be seen that the outlay is relatively small in comparison to the compensation available, and these contributions would replace existing CRISTAL contributions.

Although the convention entered into force internationally in 1978, until recently successive Australian governments were opposed to Australian acceptance of the convention on the ground that the risk of major oil pollution damage occurring in Australia was low, and that consequently Australia would be subsidising countries of higher risk.

The first significant change to the basis for this position occurred during the late 1980s when an amendment to the industry based CRISTAL scheme introduced a reimbursement system for oil companies contributing to the fund. As all major Australian oil companies currently contribute to the voluntary scheme, the net cost to Australian industry will be minimal.

The other major development followed the grounding of the *Exxon Valdez* in Alaska in March 1989, when the Australian oil industry carried out an assessment of Australia's ability to deal with large spills from oil tankers. One of the outcomes is industry support for Australian acceptance of the fund convention. The order of clean up costs which emerged from the *Exxon Valdez* spill indicates that existing compensation under the civil liability convention would be totally inadequate to cover a very large spill.

The pollution incident involving the tanker *Kirki* off the Western Australian coast in 1991 clearly demonstrated that Australia cannot be considered immune from large tanker spills. Had the *Kirki* been a total loss, damage claims could easily have exceeded existing compensation limits.

The IOPC fund has established a global reputation for its quick settlement of claims

and since 1978 has been involved in the settlement of claims arising out of 60 incidents. The IOPC fund pays compensation for expenses incurred for clean up operations, preventative measures, damage to property and economic loss. I believe this concept of economic loss to be particularly significant, as compensation can now be provided for loss of earnings suffered by fishermen or by hoteliers and restaurateurs at seaside resorts.

Let me now turn to the supporting Bills. The Protection of the Sea (Imposition of Contributions to Oil Pollution Compensation Fund—Customs) Bill imposes contributions where oil is imported into Australia from a place outside Australia. The Protection of the Sea (Imposition of Contributions to Oil Pollution Compensation Fund—Excise) Bill imposes contributions where oil is moved by sea from one place in Australia to another place in Australia. The Protection of the Sea (Imposition of Contributions to Oil Pollution Compensation Fund—General) Bill imposes contributions where the contributions appear to be duties of customs or duties of excise but a court rules that they are neither.

The Protection of the Sea (Oil Pollution Compensation Fund) Bill essentially establishes the procedure by which companies will be required to provide details of oil receipts to the IOPC fund through the Australian Maritime Safety Authority. The Bill also imposes an obligation on oil receivers to pay contributions and gives effect to the various operative provisions of the fund convention. Penalties are provided for companies that fail to provide details of the amount of oil received or provide false information or returns.

I have already mentioned that the Protection of the Sea (Oil Pollution Compensation Fund) Bill will enable Australia to adopt the two protocols to the fund convention adopted by the International Maritime Organisation in 1976 and 1992. Neither of these instruments is yet in force. The 1976 protocol is administrative in nature, as it deals only with the units of account used by the convention.

The 1992 protocol, however, represents a significant step in providing compensation for oil pollution damage. As well as significantly providing for an increase in the amount of

compensation available to over \$400 million, the protocol will widen the scope of the convention to cover damage within the exclusive economic zone, spills from unladen tankers and the cost of preventative measures taken when no oil spill occurs. The Bill contains provisions which will be proclaimed to commence when this protocol enters into force internationally.

Adoption of the convention and protocols and the passage of the Bills currently before the House will place Australia in the international forefront of providing compensation for damages caused by oil pollution from tankers. The measures contained in the Bills will not have any effect on Commonwealth revenue and they will have no significant effect on Commonwealth expenditure. I commend the Bill to the House and present the explanatory memorandum for the four Bills, that is, this Bill, the Protection of the Sea (Imposition of Contributions to Oil Pollution Compensation Fund—Customs) Bill, Protection of the Sea (Imposition of Contributions to Oil Pollution Compensation Fund—Excise) Bill and Protection of the Sea (Imposition of Contributions to Oil Pollution Compensation Fund—General) Bill.

Debate (on motion by Mr Sharp) adjourned.

**PROTECTION OF THE SEA
(IMPOSITION OF CONTRIBUTIONS
TO OIL POLLUTION
COMPENSATION FUND—GENERAL)
BILL 1993**

First Reading

Bill presented by Mr O'Keefe, and read a first time.

Second Reading

Mr O'KEEFE (Burke—Parliamentary Secretary to the Minister for Transport and Communications) (4.07 p.m.)—I move:

That the Bill be now read a second time.

This Bill imposes contributions to the international oil pollution compensation fund only so far as the contributions are neither duties of customs nor duties of excise. I commend the Bill to the House.

Debate (on motion by Mr Sharp) adjourned.

**PROTECTION OF THE SEA
(IMPOSITION OF CONTRIBUTIONS
TO OIL POLLUTION
COMPENSATION FUND—CUSTOMS)
BILL 1993**

First Reading

Bill presented by Mr O'Keefe, and read a first time.

Second Reading

Mr O'KEEFE (Burke—Parliamentary Secretary to the Minister for Transport and Communications) (4.08 p.m.)—I move:

That the Bill be now read a second time.

This Bill imposes contributions to the international oil pollution compensation fund only so far as the contributions are duties of customs. I commend the Bill to the House.

Debate (on motion by Mr Sharp) adjourned.

**PROTECTION OF THE SEA
(IMPOSITION OF CONTRIBUTIONS
TO OIL POLLUTION
COMPENSATION FUND—EXCISE)
BILL 1993**

First Reading

Bill presented by Mr O'Keefe, and read a first time.

Second Reading

Mr O'KEEFE (Burke—Parliamentary Secretary to the Minister for Transport and Communications) (4.09 p.m.)—I move:

That the Bill be now read a second time.

This Bill imposes contributions to the international oil pollution compensation fund only so far as the contributions are duties of excise. I commend the Bill to the House.

Debate (on motion by Mr Sharp) adjourned.

**ROAD TRANSPORT CHARGES (AUSTRALIAN CAPITAL TERRITORY)
BILL 1993**

First Reading

Bill presented by Mr O'Keefe, for Mr Beddall, and read a first time.

Second Reading

Mr O'KEEFE (Burke—Parliamentary Secretary to the Minister for Transport and Communications) (4.10 p.m.)—I move:

That the Bill be now read a second time.

The purpose of the Road Transport Charges (Australian Capital Territory) Bill 1993 is to give effect to the National Road Transport Commission's first determination regarding annual registration charges for vehicles rated above 4.5 tonnes and permit charges for vehicles operating above 125 tonnes. The Bill is vital to the Government's national micro-economic reform agenda for land transport.

For too long the efficiency of Australia's interstate road transport operations has been impeded by a lack of uniformity in regulations and charging. Currently, heavy vehicle operating conditions and registration charges vary considerably between nine different jurisdictions and bear little relation to the costs imposed on the road system by various types of vehicles.

The NRTC, which is an independent statutory authority, was established as a result of the Heads of Government Agreement of July 1991 and set up under Commonwealth legislation passed in December of that year. Its purpose is to investigate and make recommendations regarding the establishment of a national registration scheme and uniform road use charges for heavy vehicles, and nationally consistent operating regulations for all vehicles.

The intergovernmental agreement, which forms a schedule to the National Road Transport Commission Act 1991, requires the NRTC to recommend charges for heavy vehicles which achieve full cost recovery; achieve a reasonable balance between administrative simplicity, efficiency and equity; improve the link between pricing and investment decisions; and minimise the incentive

for road transport operators to shop around for lower charges.

The ministerial council approved the NRTC charging determination on behalf of State and Territory governments. It is envisaged that each of the States and the Northern Territory will pass legislation in their respective parliaments which will adopt the legislation passed in respect of the Australian Capital Territory and any regulations made under it. This will ensure that there is a uniform charging for heavy vehicles throughout Australia.

In accordance with the intergovernmental agreement, this Bill will require the government of the Australian Capital Territory, from 1 July 1995 onwards, to fix annual registration charges for vehicles rated above 4.5 tonnes and to fix charges for the granting of permits to operate vehicles with a gross mass exceeding 125 tonnes. Those charges will be fixed in accordance with the schedule to the Bill. The Bill will not affect the existing registration scheme in the Australian Capital Territory other than to fix the charges to be collected when a heavy vehicle is registered. Responsibility for determining registration exemptions or concessional charges will continue to be a matter for the Australian Capital Territory. Revenue from the registration charges will be retained by the Territory.

The charges provided for in the schedule to the Bill may be increased or decreased by regulations under the proposed Act. The amount of increase or decrease is limited to a maximum of five per cent per annum. Heads of government have agreed that the particular matter of concessional registration charges for particular groups is for each State and Territory to address according to their own priorities, with the cost to revenue being met from their own budgets. In accordance with this decision, the NRTC charging determination does not make recommendations on the level and structure of concessions.

During the process of implementing national charges, the States and Territories will be reviewing the structure of registration concessions in their individual jurisdictions, including those which apply to the rural sector. The charges provided for in this Bill do not include, and the schedule does not preclude,

the fixing of fees for administration and other services provided by the Australian Capital Territory.

In this context, it would be contrary to the spirit of the intergovernmental agreement for governments to impose administration or inspection fees that varied greatly across jurisdictions, as road transport operators would see these as part of the total cost of registering a vehicle. This would encourage operators to shop around between the States and Territories. A working group of officials is currently examining the issue of acceptable and uniform levels of administrative charges and inspection fees and is expected to complete its report in the next couple of months.

As in the Australian Capital Territory, revenues from national registration charges received by the States and Northern Territory will be retained by them and will be available for use on roads. The use of those funds, including distribution to local councils, and the determination of road funding needs, will be decided by each jurisdiction.

The passage of this Bill is testimony to the continuing commitment of the Federal Government to implementing the reforms in the road transport industry which have been needed for so long, and which were agreed to by the heads of government. I expect that heads of government will honour their commitment made in the intergovernmental agreement and all administrations will implement the reforms by July 1995.

Road transport is an essential part of our land transport system, and approximately 70 per cent of freight which is moved in Australia travels by road at some stage. Australia cannot afford to squander opportunities to bring about workable and acceptable reforms in the road transport industry. These reforms will assist in enhancing Australia's international competitiveness. There will be no significant costs, revenues or savings to the Commonwealth arising from the Bill. I present the explanatory memorandum to this Bill and commend the Bill to the House.

Debate (on motion by Mr Sharp) adjourned.

BANKRUPTCY AMENDMENT BILL 1993

First Reading

Bill presented by Mr Kerr, and read a first time.

Second Reading

Mr KERR (Denison—Minister for Justice) (4.17 p.m.)—I move:

That the Bill be now read a second time.

The Bankruptcy Amendment Bill 1993 proposes amendment to a provision of the Bankruptcy Act 1966 which is a small but significant feature of the compulsory income contribution regime provided for in the Act. The Bankruptcy Act enables a trustee to make an assessment of the income a bankrupt is likely to derive during the period of bankruptcy and where the income is assessed as being above a specified threshold the bankrupt is liable to make contributions from his or her income of 50c in each dollar above that threshold. Section 139ZG of the Act enables a trustee to file a certificate in a court of competent jurisdiction in respect of amounts of contribution which a bankrupt has refused or failed to pay. The Act provides that such a certificate operates and is enforceable as if it were a final judgment of the court in which it is filed.

There are proceedings currently on foot in the High Court of Australia which challenge the validity of subsections 139ZG(3), (4) and (5) on the basis that, because a bankruptcy trustee's certificate is given the status of a judgment of the court in which it is filed, the provisions enable a person who is not a judge or holder of other judicial office to exercise the judicial power of the Commonwealth, contrary to chapter III of the Constitution. The Government has been advised that there is a significant likelihood of the provisions being declared to be invalid. The case is scheduled for hearing before the court on 7 June 1993.

The Government is concerned that there should be adequate means of enforcing the obligations of bankrupts to make contributions from income to their estates. This Bill proposes the substitution of the impugned procedure

with new provisions which give the trustee a right to take action in the courts against a bankrupt who has refused or failed to pay income contributions to the estate. The trustee will be able to file a certificate in relation to any proceedings for the recovery of such debts stating the nature of the debt and the amount owed, and the certificate will be *prima facie* evidence of those matters. The Government has been advised that the revised provisions could not be considered to trespass upon the judicial power of the Commonwealth since the trustee will be required to initiate court proceedings to recover amounts of unpaid income contribution from a bankrupt.

The Government moved decisively in 1991 to tighten up bankruptcy law in response to community concern that certain high-flying bankrupts were avoiding their responsibilities to creditors. This was done by introducing a compulsory income contribution regime specifically designed to prevent persons from diverting income at source to associated entities and putting it beyond the reach of creditors. The present High Court challenge was initiated by one of the persons whose activities gave rise to the community concern to which I have referred.

The Government is determined that the integrity of the important reforms it has made in the bankruptcy area be maintained, and it brings forward this Bill in order to achieve this. I commend the Bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Sharp) adjourned.

APPROPRIATION BILL (No. 5) 1992-93

Second Reading

[COGNATE BILLS:

APPROPRIATION BILL (No. 6) 1992-93

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 1992-93

SUPPLY BILL (No. 1) 1993-94

SUPPLY BILL (No. 2) 1993-94

**SUPPLY (PARLIAMENTARY
DEPARTMENTS) BILL 1993-94]**

Debate resumed from 4 May, on motion by
Mr Willis:

That the Bill be now read a second time.

Mr COSTELLO (Higgins) (4.21 p.m.)—Before the House are three appropriation Bills—Appropriation Bill (No. 5) 1992-93, Appropriation Bill (No. 6) 1992-93 and Appropriation (Parliamentary Departments) Bill (No. 2) 1992-93—appropriating funds additional to those appropriated by the Budget last August in relation to this financial year 1992-93. In addition, there are three Supply Bills—Supply Bill (No. 1) 1993-94, Supply Bill (No. 2) 1993-94 and Supply (Parliamentary Departments) Bill 1993-94—appropriating some \$15 billion for government expenditure to 30 November 1993.

The object of Supply is to ensure that finance is available for the ongoing services of government until the next appropriation should be made as part of the 1993 Budget. However, it appears from the Commonwealth financial accounts that the position of the Commonwealth Budget at the moment is alarming. In the Budget last year it was estimated that the deficit, the shortfall, in this financial year would be around \$13.4 billion. In February of this year, that was revised downwards, and the current estimate is that in this financial year the Commonwealth will come in with a deficit of about \$15.9 billion. That means that every day during the financial year the Commonwealth will be overspending by about \$43 million; that is, spending about \$43 million more than it raises in all of its revenue activities for every day during the financial year 1992-93. But it does not stop there. In absolute terms, the projected Budget deficit of \$15.9 billion is the highest ever in the Commonwealth account.

Those honourable members who have been in this House for some time will have memories of the current Prime Minister (Mr Keating), who swaggered his way through seven, eight or nine years as Treasurer, whenever he got into trouble looking at the Opposition and saying, ‘Remember in 1982-83 the Budget deficit could have gone to \$9.6 billion’. It did not, of course; it came in at

around \$7.9 billion, about half of that which the deficit will come in under his prime ministership. He is still talking about it 10 years after the event, and it was about half of that which will come in this year.

In percentage terms, the Budget deficit in this financial year as a measure of GDP will be about 3.9 per cent. In 1982-83 it was about 2.6 per cent. That is, this year the loss that the Commonwealth shows on its revenue and outlays account will be half as much again as a percentage of GDP. This will be a Budget deficit of Whitlam-esque proportions. It is the only period that we can compare with the dreadful and alarming state of the Commonwealth Budget deficit in this particular year.

But it does not stop there. When the current Minister for Finance (Mr Willis) became the Minister for Finance back in March of 1990 he had a surplus of around \$8 billion. He has not only taken back that surplus but also gone into deficit of about \$15.9 billion in a three-year period. In a three-year period he has gone from a surplus to a deficit of historic proportions—an overall turnaround of about \$33 billion. That is the three-year record of the Minister for Finance. It is very hard to know whether that record will ever be matched in the history of the Commonwealth. We have heard about the six million dollar man. This is the \$33 billion Minister—I suppose I should say ‘malad-Minister’—who has taken that surplus and come in with a record of historic proportions.

Company directors get sacked for this kind of thing. Company directors who gain control of companies and turn profits around to losses of that dimension either resign, get sacked or find their way to Majorca in Spain. But this Minister for Finance who presides over this turnaround in the Commonwealth finance Budget gets rewarded. He is reappointed as the Minister for Finance, holds his position and carries on with business as normal. How can the Government do it? How can it allow this kind of thing to happen? A decent Minister doing the decent thing would accept responsibility.

The only short, brief, non-committal statement we get from this Minister that shows any sense of responsibility and of meeting his

obligations is that he will get the deficit back to about one per cent—about \$4 billion—in four years time. That is his aim: to get back to a lesser loss, a lesser deficit, in four years time. This is the man who goes from surplus to a record deficit and says, 'Well, look, in about four years time I might get back to about one per cent of GDP'. He ought to have the decency, having incurred this terrible financial turnaround in a three-year period, to right it in a three-year period. His promise to the Parliament ought to be, 'Look, I mucked it up; I failed. I turned it around in three years. I had a disastrous period in my last Parliament, but I will turn it back in the next three years'. That is how he ought to be assuring the House. He ought to be able to stand up and say, 'In three years time I'll get the deficit back to where it ought to be'.

He cannot even do that. In a half-hearted attempt, with a lackadaisical approach—an approach that shows no recognition of the seriousness of the position—he gives some kind of commitment that in four years time, when this Government will not even be in power, when he is pretty sure that he will not even be the Minister, he will get the deficit back to around one per cent of GDP. On this dreadful turnaround of the Commonwealth financial account, the Minister shows no common decency, takes no responsibility, comes up with no plan and has no strategy.

Bear in mind that when we are factoring in the terrible state of the current Commonwealth Budget we have to take into account the fact that the Government is already committed to cutting back its revenue with legislated tax cuts in July 1994 and January 1996, which are projected to take out over \$8 billion of revenue. We then have the frenzied promises that were made during the *Investing in the nation* campaign: \$700 million went into those promises. We had the election promises of \$400 million being factored into the current Commonwealth account. We have a burgeoning problem with health care. We have a health care cost which is blowing larger all the time, and a Prime Minister who factionally got votes for his leadership by promising there would be no co-payment. The Minister for Health (Senator Richardson) talks

to Laurie Oakes about not doing anything to raise revenue in relation to health care.

Mind you, the Minister for Health regularly comments on just about everything. He commented today on pay TV and said quite sensible things, but he has said that he cannot do anything in relation to raising health care levies. We are starting off with a \$15.9 billion deficit and giving away \$8 billion of revenue. We have an exploding health care crisis, all of the election promises factored in and a government that has no strategy and no plan to deal with the burgeoning problem on its Budget position.

The Government, if it has one obligation to the Australian electorate, if it has one promise that it made clear throughout the whole of the election campaign, if there was one thing that did garner it votes, it was its promise for no new taxes. This is 'no new tax Keating'. Here is the man who set his face against broadening the indirect tax system, who has a mandate not to increase taxes, and who will be chased and chased and hounded and hounded by this Opposition to make sure that he makes good on that particular commitment.

This Opposition will not acquiesce in any of the breaking of the promises by the Prime Minister. Whatever be the rationale, whatever be the justification, whatever be the argument, whatever be the changed circumstances, whatever be the mirage, the mirrors, the obfuscation, the cloud, the argument that is put forward, this Opposition will not acquiesce in any new taxes. We will not acquiesce in an energy tax. We will not acquiesce in the long-held Labor belief in and Labor hankering for estate duties. We will not acquiesce in any of the potential funding taxes that the Government has its departments working on night and day to try to rescue the dreadful situation that it finds itself in now.

This is a government that has a mandate for no new taxes and this is an opposition that will make sure that it is hounded on that particular front. Is it any wonder that facing this \$15.9 billion deficit, facing a diminution of income tax revenue, with legislative tax cuts, facing no mandate whatsoever for a broadening of the indirect tax base, facing the problem of burgeoning health costs, facing the

problem of *Investing in the nation*, facing the problem of the election promises, facing the problem that if this investment really did take off under the development allowance the Government's Budget projections in relation to the cost of that will blow, facing all those problems the Government is looking every which way for funny money raising schemes. The latest was the pay TV licences. What was it that the sometime Minister for Communications, the honourable member for Rankin (Mr Beddall), said in his press statement of 1 May, after he had announced that the Government had these two bids for pay TV licences, one for \$177 million and one for \$212 million? What was the great pronouncement that he made? He said:

Why wouldn't I be (happy) if I can walk into Ralph Willis and say here is \$389 million to help you with the budget.

I have visions of all of these Ministers trying to make Ralph happy, walking into his office with funny money raising schemes: 'Guess what I have done for us, Ralph? I have got \$177 million out of this company that nobody knows. Overlook the fact that the director might have been in porn TV and overlook the fact that he is familiar with Filipino gaols; overlook the fact that none of them has ever produced any television. Listen, Ralph, I've got \$389 million. Whacko!'. Minister Beddall is coming to the party. I do not know if the Parliamentary Secretary to the Treasurer (Mr Johns), who is at the table, has come up with any money raising schemes recently. He could probably make himself a hero with Ralph too, if he could walk in with a few of these funny money schemes and say to Ralph, 'Perhaps you might go and look for a Pakistani commodities dealer'. That might be the next thing that Ralph is looking for, as he fronts up to this terrible Budget deficit crisis.

It is quite clear that when the Government gets into a financial problem of this dimension, when it is on the end of this large financial difficulty, considered and measured and long thought out policy goes out the window. It just cannot afford it. It has to go for anybody who raises his or her hand on pay TV and say, 'You have it', because it is looking for dollars everywhere. The Australian public are going to be in for a very bad

period of short-term decision making as we have this scramble for dollars to try and make good all the logical impossibilities that are fronting up against this Government. It is true, as was said in debate earlier in the House, that we have become a laughing stock over this pay TV business but the real problem, the underlying problem, that gets us into this position is wanton financial management.

I said this was the Minister that had turned an \$8 billion surplus into a \$33 billion deficit. His predecessor, Senator Peter Walsh, really used to take his job seriously. He really used to think that a Minister for Finance had the obligation to say no, to try and make the accounts balance at the end of the day. But this is a Minister who has taken no responsibility, whose conviction pales beside the measure of his predecessor because he has been unable to match the duties that ought to be expected of him as a Minister.

So we have this run-down of the Budget. It would be a different thing if this run-down of the Budget had been accompanied by positive results; if we could say, for example, this run-down of the Budget is terrible but look what it has brought us—it has brought us full employment or it has brought us big investment or it has brought us infrastructure that will be valued for 10, 20, 30 or 40 years. But we cannot even say there is a redeeming factor of that nature. We have run up this terrible Budget deficit in the context of the highest unemployment ever in Australian history, the one million unemployed Australians and the 700,000 children growing up in families where no-one works. No redeeming benefit whatsoever can be pointed to to justify this terrible position.

Yesterday we had the address of the Governor-General outlining what the Government intended to do. One cannot hold it against the Governor-General that his speech was so poor because, as everybody knows, it is written for him and he has to deliver it faithfully. I thought at one stage that this might in fact be a plot to undermine the vice-regal office, to write a speech so bad to be delivered by the Governor-General that everybody would say yes, we have to change our constitutional arrangement.

It would be one of the most pathetic speeches that have ever been delivered on behalf of the Government. It is possible to tell it was so pathetic because things were gone through in alphabetical order. We started off with Aboriginal and Torres Strait Islanders; then we had arts; then we had Australian economy; then we had constitutional reform; then we had D and then we had F and then we had H and then we had I and we finally got down to W, which was for women, and the speech was over.

Every Minister, no doubt in alphabetical order, was asked to put together a couple of paragraphs and they were sewn together into a speech—no coherent direction, no plan, no indication of what the Government is going to do about the actual problems in Australia. It was cobbled together in a way which indicated a paucity of depth and a paucity of policy. Its going to be called the A to W speech. A is for abrogation of responsibility, W is for wishful thinking, and there was nothing whatsoever in between. I looked up the section on employment; I thought there might be some hope there for the one million Australians who are out of work. What were the pledges? To review our labour market programs, including our youth labour market program. There were no predictions about unemployment, no positive plan, no indications as to where the Government is going to go, what its targets are, what unemployment is going to be at the end of the term—no indication whatsoever, no hope.

An unemployed Australian sitting listening to Parliament yesterday who listened to the A to W speech, about as interesting as the telephone directory A to W, would have found no inspiration and no hope in any of it. There is just no redeeming element that has been brought about by the run-down of the Commonwealth Budget. The Government will say, no doubt, 'Well this was fiscal stimulus. We were in a terrible unemployment situation. The economy needed fiscal stimulus. We ran up the biggest Budget deficit ever and it was there to help'. Who? Whom was it there to help, with record unemployment, with children growing up in families where nobody worked. Whom did it help?

Yesterday we had the absolute rocket when the current account deficit came in. The current account deficit is our trading account between Australia and external destinations. When that came in yesterday on a seasonally adjusted basis we had another deficit on the current account of \$2.1 billion.

Mr Rocher—For one month.

Mr COSTELLO—It is \$2.1 billion for one month. As I read that figure a terrible fear began to grow, because it is the highest since January 1990. Do honourable members know what happened in early 1990, when we started to get current account deficit figures of this dimension? The Prime Minister decided to call on 'the recession we had to have'. He said, 'We had to have a recession to stop current account deficit numbers of that dimension'. He plunged this country into recession. He blew the Commonwealth Budget. He got one million unemployed, and the figures are right back where they were at the start.

When the Prime Minister hears the words 'current account blow-out', he reaches for the lever called recession. Do honourable members remember how he used to say that he had his hands on all the levers—fiscal policy, monetary policy, the Reserve Bank? He said, 'I have my hands on all the levers'. When he hears the words 'current account deficit blow-out', the lever he reaches for is recession. We are supposed to be coming out of recession. We now see the current account deficit back where it was at the start, only this time we are coming off not a Budget surplus, as we were at the beginning of the recession, but the worst Budget deficit ever in absolute terms; in percentage terms of Whitlam-esque proportions, and into the bargain we have one million unemployed Australians.

Where in all of this is the economic strategy of the Government? Where is it that the Government can say, 'We actually have improved it'? I have no doubt that we should watch for a new theory. Honourable members will remember that we had the J-curve theory on the current account deficit. Then we had the twin deficits theory. No doubt there will be the spinning of the tale over the next year; watch for them. The whole object of these theories is to mesmerise the gallery for long

enough until the Government can get on to the next show pony stunt and keep attention off the real problems. But watch for them; there will be some new highfalutin, overblown, poetic, rhetorical prose that will be used to justify what is, deep down, economic mismanagement.

Terry McCrann, the noted writer, had an interesting article today in the *Herald-Sun*. He was referring to a corporate brief by David Love of Syntec. He said this:

By the end of 1992 Canada's net international liabilities had risen to 43 per cent of GDP and 165 per cent of annual exports.

According to Love, US investment bank Salomon Bros had discovered this and had 'reportedly' caused the IMF to issue a warning about those growing Canadian deficits.

McCrann said:

And what must start big red lights flashing, is that our deficit ratios are far worse than Canada's. At the end of 1992, our net international liabilities amounted to 54.5 per cent of GDP and 297.5 per cent of export income.

The question is very obvious. If the IMF is warning Canada on its ratios, why isn't it warning Australia. Or has it already, Love asks?

That is a very interesting question. We have a government that has net foreign liabilities of \$168 billion, a Budget deficit that is projected at about 3.9 per cent, a commitment to reducing revenue and increasing expenditure and a situation of high exposure. It is a very, very good question that has been posed by Syntec, a question that perhaps the Parliamentary Secretary to the Treasurer (Mr Johns) can answer.

Of course, when we front up to some of the political debates that are on the agenda at the moment, constitutional debates and the topic so beloved of our Prime Minister—*independence under an Australian head of state*—perhaps we ought to remember where the real threat to Australian independence comes from. There is no independence in having an Australian head of state if economic policy is determined by foreign banks. That is no independence, no independence at all. The real threat to Australia's economic sovereignty is to make sure that we as Australians so manage our own affairs that we, through elections, through the people who stand in

this place and through the Ministers who are appointed to serve in the Government, have complete freedom of decision making and that they so manage things that they do not get into hock to overseas interests. The great struggle for independence in the next decade ought to focus on financial sovereignty. That means reining in Budget deficits, reining in the current account, stabilising the foreign debt and taking control of our own economic future.

It is quite clear that the other part of the very urgent need which will be addressed in this Parliament—I hope by the Government—over the next couple of years will be the falling levels of Australian savings. The ANZ saving report for December of 1992, which was released recently, noted that public sector saving was at 3.6 per cent in 1988, but plunged by December 1992 to minus five per cent. The report stated:

The ANZ Public Saving Measure showed dissaving for eight consecutive quarters, with public savings falling by just under \$5 billion in the December quarter. For 1992 as a whole, public saving slumped to minus 4.6 per cent of GDP, easily eclipsing the previous record low in any 12 month period . . .

What is clear is that one of the major problems with Australia's savings is the dissaving that is going on in the public sector. Here we have Vince Fitzgerald being appointed by the Treasurer (Mr Dawkins) to look at how we can boost Australia's savings. He has been appointed by the same Treasurer who is presiding over this run-down in savings, this net dissaving in the public sector in the Commonwealth Budget. What is absolutely clear is highlighted in a document entitled *Australia's savings challenge* released today by the ANZ Bank. That is that savings have fallen below average OECD rates in the last 12 months, both in the public and the private sector. The document states:

Part of the savings problem is caused by the recession but there is also a structural deterioration

.

A concerted effort to wind back Budget deficits and borrowings by all levels of government will make a major contribution to solving the nation's savings problems.

If the Government really wants to make a contribution, by all means have Vince Fitzgerald out there looking at the way in which we can boost savings, but, by golly, have the Minister for Finance (Mr Willis) working in that ERC cutting back expenditure to bring the Commonwealth Budget deficit back. The ERC may have a task of the order of \$25 billion or more on its starting position to get back to a balance.

This Government has not announced its strategy. It has not indicated what it has to do. I do not even know if it recognises the full dimensions of the problem, but quite obviously, if it wants to guarantee some kind of financial independence, if it wants to get the Commonwealth Budget back under control, if it wants to do something for economic development, if it wants to really do something practical in policy terms, rather than issuing these A to W speeches as it did with the Governor-General's speech, by golly, something has got to be done to turn around the Commonwealth Budget deficit.

Because these are Supply and appropriation Bills, the Opposition will allow passage of these Bills—we will not be opposing them—which are necessary for the ongoing services of government, but I propose a second reading amendment condemning the Government for its problems and its economic management. I move:

That all words after "That" be omitted with a view to substituting the following words: "whilst not declining to give the Bill a second reading, the House:

- (1) notes the dramatic deterioration in the Budget position estimated in the August Budget as a \$13.4 billion deficit and subsequently revised to \$15.9 billion deficit;
- (2) notes the fact that in the last three years there has been an effective fiscal deterioration of \$33 billion;
- (3) notes the Government is pledged to introduce no new taxes; but has no strategy to reduce the Budget deficit by reducing outlays; and
- (4) condemns the Government for its failure of economic management".

Mr DEPUTY SPEAKER (Mr Les Scott)
—Is the amendment seconded?

Mr Sharp—I second the amendment and reserve my right to speak.

Mr JOHNS (Petrie—Parliamentary Secretary to the Treasurer) (4.51 p.m.)—I support the Appropriation and Supply Bills—and reject the Opposition's attempts at amendment. I am glad that the shadow Minister for finance, the honourable member for Higgins (Mr Costello), raised the question of savings because it is central to the health of the Australian economy. I want to address in this debate the question of superannuation, which is one of the most prominent vehicles that this Government has arranged so that Australians can make provision for their own futures. In this way, superannuation becomes a most important tool by which to improve the nation's savings.

As I read the public debate, the concept of superannuation is not as widely known or appreciated in the Australian community as I would like, yet its growing importance and its now compulsory nature means that it cannot be ignored and we cannot afford to have it misunderstood. As 1993 will undoubtedly become a major signpost on the road to retirement income reform, it would be of some use to reflect for a moment on the road that the Government has travelled in achieving that reform, and this will provide us with a backdrop against which we can tackle the fresh challenges that await us in this new Parliament and for which I have some responsibilities. Superannuation, as I said, is a key weapon in the Government's retirement incomes policy, and that policy is simply to ensure that all people have an adequate and secure level of income in retirement. In achieving that, the Government is committed to providing a minimum acceptable level of income through the social security system and also to encouraging private provision for retirement, notably through superannuation.

Superannuation is now on the public agenda as never before. Many honourable members would have heard the alarming statistics on Australia's ageing population, but it is worth remembering them to keep the urgency of the situation focused in our minds. Over the next 20 years the baby boom generation will start reaching pension age. At the moment there

are about 1.9 million people, or 11 per cent of the total population, aged 65 or over, but that number will rise to 5.2 million people, or 20 per cent of the population, by the year 2031. In addition, it is probably safe to assume that people retiring now and in the future will expect a higher standard of living than when their parents retired. Adding to the pressure is the fact that people are now living longer. The average life expectancy of men will rise to 81½ years during the next 30 years, and for women it will rise to 87. These figures indicate the urgency and importance of making provision for retirement in the future.

When Labor came to power in 1983 superannuation was largely the preserve of the upper middle class, white collar workers and public servants. Despite an attempt by the Whitlam Government to construct some sort of national superannuation scheme, the yawning inactivity of the Fraser years ensured that reform was not forthcoming. Superannuation was geared to those who worked full time and was largely a device used by employers to retain or to lock in their employees. Those with intermittent work patterns were mostly excluded. This particularly affected workers with family responsibilities and those working in industries where it is uncommon to have long periods of employment with one employer.

The introduction of the three per cent award based superannuation in June 1986 and changes in the associated regulatory and taxation arrangements dramatically altered the profile of superannuation. The proportion of employees covered by federal awards who were entitled to award based superannuation has been progressively extended since 1986. Between August 1985 and July 1991 the percentage rose from 39½ per cent to 72.2 per cent. In that time, coverage of part-time employees has increased from 20 per cent to 40 per cent, and coverage of full-time female workers has increased dramatically from just over 24 per cent to 72½ per cent. It was with the introduction of award based contributions that superannuation moved from being a human resource management issue to being a genuine retirement income issue. It was at

that time that the focus of superannuation policy was switched from the needs of employers to the needs of workers and the nation.

With the introduction of the super guarantee charge regime, Australia now has a compulsory, although privatised, national superannuation scheme. The effect and worth of the scheme should not be understated and, given the restrictions imposed by the Constitution, Australia can hold its head high on the international retirement income stage. The SGC scheme requires employers to make fully vested contributions on behalf of their employees at certain, rising rates over the next decade. The SGC scheme underpins the Government's retirement income policy objectives by providing, first, a major extension of superannuation coverage to employees not currently covered by award superannuation; second, an efficient method of encouraging employers to comply with their obligation to provide superannuation to employees; and, third, an orderly mechanism by which the level of employer superannuation support can be increased over time consistent with retirement income policy objectives and the economy's capacity to pay.

The Government has enacted a coherent and equitable framework in which the retirement income objectives can be progressed. The rising level of required contributions ensures that the nation is eased into contributing at rates which will allow sufficient retirement benefits to be accumulated. Hand in hand with the growth of funds flowing into superannuation is the tightening prudential controls that Labor has enacted and will continue to enact. At the same time as the Government supported the ACTU push for award based superannuation, it also announced its intention to introduce new operational standards for superannuation funds. These serve a dual purpose: to ensure the proposed productivity benefits were genuinely preserved for use in retirement; and to tighten supervisory control over superannuation arrangements. To this end the Government established the Insurance and Superannuation Commission in 1987 and introduced the Occupational Superannuation Standards Act 1987. That allowed for a

system of control of the superannuation industry.

The fundamental conditions laid down in the OSS regulations which funds must adhere to in order to gain complying status and thus tax concessions cover trustee election conditions, in-house investments, vesting preservation and portability, acceptance of contributions, payment of benefits, loans to members, disclosure, reporting and fund records and matters required in trust deeds.

The swelling of funds in the superannuation industry and the stark examples of corporate collapses in the late 1980s prompted a re-evaluation of the prudential arrangements governing superannuation. The time has come again to revisit the question of prudential controls, and to this end the Treasurer (Mr Dawkins) in his *Strengthening super security* statement of October 1992 foreshadowed a number of reforms. These reforms followed a long and exhaustive review process undertaken by the Senate Select Committee on Superannuation.

The regulatory reforms are far ranging and acknowledge that although superannuation is not compulsory it is not government guaranteed. The policy of the Government is to supervise the industry to the extent necessary to secure benefits and to ensure that the substantial tax concessions given to superannuation are not dissipated. The Government's supervision also acknowledges that although it has made superannuation compulsory it has not, and will not, guarantee the benefits to individuals through a large government fund. Similarly, the level of supervision must reflect the fact that a superannuation entitlement is one of the largest assets that individuals will amass in their lifetime. Supervision also recognises the relative inflexibility of superannuation as an investment and the lack of control beneficiaries have over their entitlement.

The new arrangements present a sea change for the primary regulator, the Insurance and Superannuation Commission. They give the ISC a pro-active and interventionist mandate. In addition, the increase from \$9 million to over \$26 million in resources through the increased supervisory levy provides the ISC

with the dollars to be a vigilant regulator and to efficiently police the industry.

Although the introduction of the prudential Bills has been delayed, that certainly is not a sign of uninterest by the Government; rather, the opposite is true in that in the period between the announcement last October and the introduction of the commencement of the measures, the ISC still has a large educative task. It is in this period that the ISC and I will focus the minds of trustees on their new responsibilities.

The other area where the Government has effected substantial reform is in the taxation of superannuation. The cost in terms of revenue forgone of the concessional treatment of superannuation has always been significant. At present the Commonwealth forgoes around \$5 billion a year in revenue through these concessions. With the shift, though, from a voluntary to a compulsory system, and in the light of prevailing fiscal requirements which we are now debating, the Government last year pared back some of the incentives to contribute. It is largely realised that generous tax incentives provided under a voluntary scheme are not essential nor affordable under a compulsory scheme.

The taxation rate of superannuation has long been attacked for its incomprehensibility. The Government made substantial inroads into the complexity of the reasonable benefits limit regime by moving from a complex salary based reasonable benefits limit to a flat dollar limit of \$400,000 indexed for lump sums, and \$800,000 indexed for annuities. This move was made at no cost to the equity in the system and continued the Government's encouragement of annuities.

The final achievement I will briefly touch on is the benefit to national savings of the Government's retirement incomes policy. There is currently around \$150 billion locked up in superannuation. Current estimates of the size of funds to be held by the end of the decade are \$600 billion. This will represent about six to seven per cent of GDP. These figures have significance for the current debate on our level of national savings. The recent press speculation on the outcomes of the inquiry by Dr Vince Fitzgerald have

largely nominated compulsory superannuation as one of the best means of increasing national savings.

Informed speculation also never fails to mention the negligible effect of tax incentives on the level of national savings. In fact, all of the international evidence concludes that tax incentives do not lift national savings but merely shift them from one sector, or savings vehicle, to another. That is why we rely on compulsory savings through our scheme of superannuation.

There are forces at work, however, that have the capacity to frustrate the Government's retirement incomes policy. Specifically, there are leakages from the system that occur for a variety of reasons, including inadequate vesting and preservation, excessive fees and charges, and insufficient portability. With respect to preservation, the Treasurer announced in his *Security in retirement* statement of last June that regulations will be introduced to ensure that contributions set aside for retirement will be used for that purpose.

In addition, one of the key requirements of contributions made pursuant to awards or for superannuation guarantee charge purposes is that they fully vest in workers. These measures will stem the estimated \$2.6 billion in leakage from the system per year that Dr Vince Fitzgerald identified for us late last year.

With respect to the effect of fees and charges, it is refreshing to note the blossoming of the role of industry funds. These funds have delivered cost-effective, reliable and portable superannuation to the bulk of the work force. The cost to an average member is only between \$35 and \$50 per year. I note that there are other arrangements such as master trusts, employer funds and personal funds which can also accommodate SGC contributions. The Government has not made superannuation compulsory to see contributions consumed by excessive transaction costs. Yet it is ironic that some of our opponents across the chamber have protested against this most refreshing development. It is ironic that in the name of economic efficiency and improved productivity some State govern-

ments wish to individualise the administration of superannuation funds under the banner of freedom of choice. It is likely that under their policies gross inefficiencies would result.

The final threat posed is that relating to the leakage due to early release of benefits for hardship. The Government's policy to date has reflected the need for both commonsense and compassion in dealing with people who fall on hard times. The recession has led to a significant boost in the number of people trying to access their superannuation entitlements before retirement. It is likely that, as we emerge from the recession, this number will fall back to a reasonable level. But in the interim we will continue to monitor that situation so that when people feel it absolutely necessary to have access to their superannuation the ISC can make a decision in their favour. But we certainly will not be opening the floodgates or sending signals to people that superannuation is something that people can call upon as they would call upon a bank account. It is not; it is a long-term investment for the future. It is a savings vehicle that is meant to be put away for people's retirement. In that sense, we simply cannot allow a free rein for people to have a call upon that pool of savings.

An item which will occupy much of the Government's energy in the near future is tackling the nation's lump sum mentality. As most of us would realise, Australians have a very high attraction to taking their retirement benefits in lump sum form. An important part of the Government's reform will be to engineer a shift in thinking from lump sums to income stream products. Of particular importance will be the role of certain products on offer such as allocated or cash back pensions. It is hoped that, given the appropriate level of government support, these products will help overcome the reluctance of people in the community to take their retirement benefits in income form.

Prior to the last federal election there was a clear call from the industry for a bipartisan approach to retirement incomes policy. This is in part a reflection of the importance and long-term nature of the issue and of the divergent and fundamentally irreconcilable

policies of the coalition with those of Labor. Now that the election is over and we are going to be here for some time to come, there is really no need, I guess, in that sense—

Mr Nugent—A couple of years.

Mr JOHNS—A couple of terms at least. There is really not much need for us to reconcile our differences. We will be here long enough to see through all of these changes. I note from the recent edition of *Superfunds* that the re-election of the Labor Government was greeted with sighs of relief from many industry identities—and, I might say, for good reasons. Labor has had the sense and decency to lay out its plans for the next decade so that there is no uncertainty as to what its approach will be. It is often said that wisdom does not reside in one half of this chamber alone. On this occasion, with respect to the correct approach to superannuation policy, it does. Australia is well armed to face the challenge made by its ageing population. The Government has realised the need for urgent action on this question and has taken it.

Mr ROCHER (Curtin) (5.10 p.m.)—I am pleased to have the opportunity to support the amendment moved by the honourable member for Higgins (Mr Costello) who in his address enumerated the reasons for the amendment very well indeed. The fact that I will be touching on some of those points in more detail might further enhance and recommend that amendment to the House generally.

Appropriation Bill (No. 5) 1992-93, Appropriation Bill (No. 6) 1992-93 and Appropriation (Parliamentary Departments) Bill (No. 2) 1992-93 seek additional funds amounting to nearly \$1.7 billion. Also under consideration cognately are Supply Bill (No. 1) 1993-94, Supply Bill (No. 2) 1993-94 and Supply (Parliamentary Departments) Bill 1993-94 which seek funds for the period to the end of November this year, by which time the Government's Budget Bills should have been passed. These Bills serve to remind us of the extent of the deterioration in the Commonwealth's finances during the term of the previous Government, a problem which it will carry over into this term of office. Indeed, the Commonwealth Budget is in very much worse

shape than it was before the election, due to the numerous unfunded spending commitments that Labor entered into during the election.

It is now well understood that the Government's starting point Budget deficit for 1993-94 is at least \$16 billion, and that is assuming no major policy changes between now and then. But even this alarming figure understates the magnitude of the Commonwealth Government's fiscal problems in the years ahead. Even with the commitment of the Treasurer (Mr Dawkins) to reducing the Budget deficit to one per cent of gross domestic product by 1996-97, and taking some of his more optimistic growth forecasts as given—and we do not—we are looking at a string of Commonwealth Budget deficits between 1991 and 1997 amounting to \$65 billion.

In terms of the overall public sector debt in Australia, we are looking at accumulative deficits between 1989 and 1997 of around \$110 billion. This is spending by all governments at all levels around Australia. That is a massive addition to public sector debt and will impose considerable public sector debt interest burdens on the Australian people for many years to come. It is true that our children will be paying for the excesses of the last 10 years or so and that, even though we will have been collectively responsible, the Labor Government will have been particularly responsible.

The Treasurer's target of a Budget deficit of one per cent of GDP by 1996-97 will, if attained, leave us with a Budget deficit of around \$5 billion each and every year thereafter. In order to reach that outcome the Government will have to achieve an improvement in the Budget balance of at least \$1 billion each year until 1996-97, again assuming always that the Government's more optimistic growth forecasts hold true—and we all know this Government's record in the economic forecasting department.

Without annual improvements to the Commonwealth Budget balance of the magnitude I have mentioned, we will be looking at a Budget deficit of nearly \$10 billion in 1995-96, which would be around 2½ per cent of

GDP. Again, this takes an optimistic view of Australia's growth prospects in the years immediately ahead. Given more pessimistic growth forecasts, the sort of growth that we are likely to see under Labor, we are looking at reductions of around \$3.5 billion a year to get anywhere near the Government's deficit reduction target. I hasten to add that these figures are based on an analysis of the Commonwealth Budget carried out by the Macquarie Bank. However, it should be pointed out that Access Economics has arrived at some very similar estimates. According to Access Economics, in the absence of policy changes we are looking at a Budget deficit for 1996-97 of \$12.8 billion, which, on its figures, would amount to 2.3 per cent of GDP.

So the fiscal outlook for the Commonwealth is bleak, whether one takes an optimistic or a pessimistic view of our economic growth prospects. If the Government is going to realise its goal of reducing the Budget deficit to one per cent of GDP by 1996-97, as is its stated intention, then we need to ask the Government, as whingeing Wendy once asked of us, 'Where's the money coming from?'. How will the Government meet its deficit reduction target in the specified time frame? We know that this can only be done by two methods. Those methods are increased taxes or reduced spending, or some combination thereof.

On the tax side, the Government has already legislated its proposed personal income tax cuts and has committed itself to a reduction in the company tax rate. If we are generous and grant that the Government will keep these promises, then that leaves us with a particularly nasty range of revenue raising options that could be employed in the years ahead to help realise its deficit reduction targets.

Mr Cadman—Not a GST?

Mr ROCHER—A GST, but by another name—like the rose that will not smell so sweet. The most likely of these revenue raising options is an expansion of the pernicious wholesale sales tax system—perhaps the most destructive, wealth destroying tax in the Commonwealth's arsenal. Despite the ugly

nature of the wholesale sales tax, it is the most politically convenient revenue raiser for the Government to use because it is a hidden tax which the Government can expand by stealth.

In addition to a wider coverage for the wholesale sales tax, we are also likely to see an increase in the sales tax rate for many goods which will be shifted out of the lower rates presently prescribed for sales tax and into the higher rates in an effort to get more money out of the existing sales tax base. So it looks like this country will get a GST in one form or another, whether it likes it or not, as the honourable member for Mitchell (Mr Cadman) pointed out by way of an interjection a while ago.

An expansion of the wholesale sales tax base is only one measure, in what is a whole bag of tax nasties, that this Government has at the ready to address its Budget deficit problem. We know that the bureaucracy is talking in terms of a new energy tax, and a hike in petrol tax is also on the cards. A tax on a wide range of services is another favoured option. There is a range of tax compliance and enforcement measures that can be used to extract further revenue from the existing tax base without having to raise or expand the scope of existing taxes. Some of these measures have already been put in place following last year's Budget.

On the expenditure side, we are all familiar with this Government's complete inability to restrain its own purpose spending. Anyone listening to the Governor-General's address at the opening of parliament yesterday would have been struck by the fact that this Government will be spending a huge amount of money over the next three years for one questionable purpose or another. The Government always works to ensure that expenditure restraint is forced on others, most notably the States, with the result that the Commonwealth's own purpose spending has consistently burgeoned in real terms over recent years.

Now that we have a preponderance of Liberal State governments, we can expect the Commonwealth to savagely reduce grants to the Liberal States to force them into an

unpopular State budgetary decision making situation as part of the ALP's nationwide election ambitions. This will be despite the fact that of all the States it is Queensland that has the greatest potential for reductions in Commonwealth assistance, given the expansion of its revenue base over many years. Queensland's revenue base has expanded over recent years and the honourable member for Prospect (Mrs Crosio), who shakes her head unknowingly, should have known that.

It is to be hoped, but not expected, that Labor will severely curtail its own purpose spending as the major element in its program to reduce the Budget deficit. But all of these tax and spending measures, such as they are, are not likely to get the Government out of the fiscal hot water that we anticipate in the years ahead.

Indeed, given the pessimistic outlook for growth under Labor, we are likely to be stuck with high Budget deficits for years to come, with all the implications that has for the level of interest rates and economic growth. Given the dire fiscal situation in which we are placed by Labor, it is not surprising that the Reserve Bank of Australia, in its latest bulletin, should draw specific attention to the public sector's drain on national savings. Despite what the Parliamentary Secretary to the Treasurer (Mr Johns) said earlier, that is predominantly the real concern for the time being. It is the public sector which is draining our national savings effort.

The Reserve Bank of Australia points to the fact that the public sector borrowing requirement will amount to some 6 per cent of GDP in 1992-93, which is a substantial increase on the already unacceptably high four per cent of GDP that prevailed in the previous year, 1991-92. The Governor of the Reserve Bank recently pointed to the need to reign in fiscal stimulus as the economy recovers, in a clear warning to the Government to get its fiscal house in order. This is in sharp contrast to the improved savings performance of the household sector over the same period.

It is not in superannuation as the previous speaker claimed. Right now, it is the household sector which has shown improvement. That leads me to the point that clearly the

private sector is bearing the greater share of the burden of improving this country's savings performance.

The protracted decline in Australia's savings performance is beginning to take its toll, as we all know, not only in the public sector and on our external accounts, but also on the quality of investment in Australia's capital stock. We are currently experiencing the lowest rate of growth in capital stock since figures were first collected in 1959-60; that is, the lowest rate in 30 years, and probably the lowest rate ever.

The average age of business plant and equipment has increased in recent years, and is in excess of that found in comparable industrial countries. Clearly, this has adverse implications for productivity. The Government has been talking about developing a national savings strategy and a national fiscal strategy, both of which, if they came into being, would not be before time. In terms of the national savings strategy, I have already drawn attention to the Government's own contribution, or lack of one, to such a strategy.

We look forward to the report that the Government has commissioned from Dr Vince Fitzgerald on this subject, but I note for now, that there is not much point in the Government encouraging households to save—as it has been doing since the election campaign—when the Government itself is involved in massive dissaving that is more than offsetting the efforts of the household sector.

Dr Fitzgerald's report is to be aired at the time of the June Premiers Conference, which will also be the setting for consideration of the Government's so-called national fiscal strategy. The Premiers Conference, we are told, will consider a report on the national fiscal outlook, to be prepared by the Commonwealth and State treasuries. The document will then become a part of the Federal budgetary process in the lead-up to its presentation next August.

The hope is that the national fiscal strategy will give a longer-term focus to the Budget process, something which has been sadly lacking during the entire terms of this Labor administration. Whether the so-called national fiscal strategy has this impact, only time will

tell, of course. It is desirable that we should have a nationally coordinated fiscal policy, but only because the States are currently denied much of the responsibility for both raising and spending their own revenue.

Given a greater measure of fiscal responsibility, the States could perhaps be relied upon to run a more responsible fiscal policy than the Commonwealth. This would, in turn, obviate the need for a nationally coordinated fiscal policy. Indeed, it might give rise to a greater degree of fiscal competition between the States, to see which States could provide the lowest taxing—and by implication, the lowest spending—jurisdictions.

Individuals and businesses would be attracted to the low tax/low spending States at the expense of the high tax/high spending States, which would then be obliged to reign in their own public sectors. The danger with the national fiscal strategy is that it will serve as a cloak for further fiscal centralisation of public sector finances at the expense of the fiscal competition that this country needs to ensure a further, higher level of competitiveness. It would also be unfortunate if the so-called national fiscal strategy became a thinly veiled attempt to force fiscal restraint on the States, particularly the Liberal Party Government States, at the expense of Commonwealth restraint in its own purpose spending.

A national savings strategy and a national fiscal strategy would be more welcome if they could be relied upon to replace the Government's traditionally ad hoc approach to revenue raising and expenditure restraint. There are plenty of signs of adhockery left in this Government.

We see this in the form of the Minister for Finance (Mr Willis) looking for cash in the hollow logs of the various government business enterprises, as was recently reported. There is currently a push by the Government to increase the dividend payouts of government business enterprises to levels far in excess of those paid previously.

Given the monopoly power of many of these bodies, this pressure to increase dividends could very well lead to higher user charges for the consumers of the GBE goods and services. In other words, this is another

form of taxation by stealth, so beloved of Labor.

In addition to milking the GBE cash cows, the Government has commissioned the Australian Taxation Office to ferret money out of every nook and cranny of the existing income tax base. The Government's finances are suffering from the fact that the existing income tax base is already being fully utilised, such that existing taxes cannot be effectively raised without severe adverse consequences for economic activity.

Indeed, the Government has promised some major personal income tax cuts partly in recognition of this fact. The result is that the Government is exploring every microscopic corner of the income tax base to maximise the revenue that can be obtained from taxpayers at existing rates. Hence, we have horrendously complicated measures such as the foreign investment funds legislation, and some of the new fringe benefits tax measures, which raise very little revenue while at the same time impose an enormous compliance burden on taxpayers, and business taxpayers in particular.

We also have measures such as the Australian Taxation Office's ruling which taxes the benefits obtained under frequent flier programs, which again raises very little revenue compared to the headache it causes taxpayers, and the cost it imposes upon taxpayers who comply.

In addition, the Government's tax compliance and enforcement measures are aimed at increasing the resources available to the Australian Taxation Office to ensure a higher level of compliance with the current tax base. These measures take advantage of the complexity of the tax law to trip up taxpayers and hit them with back taxes. This was well illustrated recently when it was revealed that the Australian Taxation Office finds an average error of \$52,000 in its audits of fringe benefits tax returns.

The Government needs to come to the realisation, as the coalition did ahead of it in the most recent Federal election, that the tax base needs to be significantly and equitably broadened if the Commonwealth's finances are to be put on a more sound footing. Only

then can tax rates come down along with the disincentives and distortions that high rates of taxation generate. (*Time expired*)

Mrs CROSIO (Prospect—Parliamentary Secretary to the Minister for the Arts and Administrative Services) (5.30 p.m.)—I am very pleased to rise this afternoon in support of the Appropriation Bills which are before the House. In considering these Bills, which make appropriations for 1993-94 pending passage of the Budget appropriation Bills, I believe it is appropriate to consider the economic reforms of our Labor Government since 1983. These achievements are unprecedented since Federation.

The process of reform has occurred in all areas of our nation's economic life. We have seen micro-economic reform, including deregulation of significant industries such as aviation; we have seen reform in the financial markets, including the floating of our currency and the deregulation of our banking industry; and we have seen the phasing down of tariff barriers to create a more competitive internationalised economy, encouraging industries to restructure using world best practices and to build efficiency. This is in stark contrast to the scorched earth tariff reduction policies of our opponents which would serve only to decimate important industries like our motor vehicle industry and which would throw thousands of people out of their jobs.

We have also seen reform in industry plans, including our car and steel industries. We have seen fiscal reforms which removed the inequities of the tax base which was too narrow and had excessively high marginal tax rates. That has encouraged industry to invest. Government policy has progressively reduced the company tax rate while introducing policies, including dividend imputation. Recently, our Prime Minister (Mr Keating) announced that the rate for companies will be further reduced to 33 per cent and that companies may be eligible for a 10 per cent general investment allowance. In marked contrast, our opponents want to increase the company tax rate substantially and, despite their bluster about wanting to help increase the profitability of our industry, we can only

assume that such a tax hike would have a disastrous effect on business investment.

We have seen achievements in labour market reform aiming at a more skilled and flexible work force through cooperation with employers and employees. This has included the accord between the Government and the trade union movement and award restructuring. Further reforms announced recently by the Prime Minister build on the Government's movement towards a flexible enterprise bargaining system which continues to provide the vital safety net—the protection net—that the coalition wishes to rip away from our work force.

We have seen public sector reforms through corporatisation, privatisation and through introducing appropriate private sector management practices to make government enterprise more performance orientated. These are the policies that our conservative opponents did not have the guts and the determination to implement in their many wasted years on the Treasury bench. It took a government which looks after the interests of all Australians—not just a privileged few—to make the hard decisions that have paid off.

Significantly, this reform has occurred with the Government working with all sectors of our nation; not by putting one group against others as our opponents so foolishly did in their discredited Fightback plan. That plan, I am pleased to say, was convincingly rejected by the electorate on 13 March as being 'un-Australian'. The results achieved by the Keating Government have more than rewarded the strong policy moves which Labor has made.

Yesterday our opponents went to town over one month's trade figures. In my view, the Opposition should pay attention to the Acting Treasurer, the Minister for Finance (Mr Willis) when he says that last month's current account figures do nothing but highlight the fact that preliminary monthly figures like these are volatile. Despite these figures, import estimates have been flat for six months and the ABS trend series shows that exports were around \$5 billion last month, slightly lower than the \$5.1 billion peak at the end of last year.

There has been a major improvement in our trade performance as the reforms of our Government have internationalised the Australian economy which was previously cut off from the world as a result of the regressive policies of our opponents. In the past, Australia rode on the sheep's back, and the coalition—saddled with interest groups, I admit—was too short-sighted to see the challenges that lay ahead. Those opposite did not have the foresight to implement policies to assist the development of other industry sectors in the event that our nation could no longer continue to rely on rural and extractive industries to pay our way.

The success of Labor reforms is clear from an examination of the trends in our trade performance. Most significant is that in the 10 years from 1981-82 to 1991-92 we find that total exports of goods and services grew by a massive 193 per cent when we take exports at current prices. A further startling tale of success is that exports as a proportion of GDP have grown from around 14 per cent to a staggering 23 per cent of GDP in 1992.

The big expansion in our exports was in elaborately transformed manufactures, those with high value added, which grew from nine per cent to 14 per cent. Although in many cases these export prices have fallen, export volumes have continued to increase throughout the last few years. The volume of exports rose by seven per cent in 1989-90, 11.8 per cent in 1990-91 and 9.3 per cent in 1991-92. Manufactured exports have been increasing by 12 per cent to 15 per cent each year since the mid-1980s, and in 1991 manufacturing exports matched agricultural exports for the first time at around \$15 billion.

Other indicators point the same way. We have amongst the lowest tax rates of all OECD nations and we are now experiencing the lowest inflation rate since 1963. We have a substantially smaller government sector than that which the Government inherited from the coalition in 1983. Budget outlays were then something like 29 per cent of GDP, compared with only 25.3 per cent in 1990-91. The wage restraint shown by our responsible Australian work force has been an important factor in lifting corporate profits, before tax and inter-

est, from around 12 per cent in 1982 to levels around 17 per cent last year.

A significant contribution to the improvement in national economic outcomes is the rapidly rising productivity of our work force. A major contribution to this increase comes from the public sector work force. Reforms in government and government business enterprises have achieved substantial productivity gains which are being fed through to the community by way of increased services and lower costs. The Department of Finance suggests that labour productivity growth in Commonwealth Government departments exceeded three per cent per annum between 1987 and 1990.

This is one reason why I am particularly pleased to have been appointed by the Prime Minister as the Parliamentary Secretary to the Minister for the Arts and Administrative Services and to be involved in the challenge to achieve further productivity gains. The work of the department of administrative services has wider aims than simply to increase productivity. The department itself is also playing a very important role in building Australia's industrial base through procurement policy guided by Purchasing Australia.

The Commonwealth is a major national buyer of goods and services, spending around \$10 billion each year. The Government can use this bulk buying power to arrange better deals in provisioning. According to the Australian National Audit Office estimates, savings already achieved in this way amount to between \$58 million and \$66 million each year. This is another example of the policy of the Government to gain benefits for our economy through micro-economic reform, resulting in substantial savings to taxpayers with regard to the cost of government. The audit office goes on to say that further consequent savings achievable through better buying are difficult to quantify, but an efficiency gain of one per cent could deliver savings of up to \$100 million.

As I stated earlier in this speech, these quantifiable savings to the Commonwealth are just the beginning of changes that the Commonwealth can bring about through procurement policy. It is the Commonwealth

Government which has the ability to shape the development of Australian industry. Its buying decisions can make an important contribution in leading private sector investment.

In the prestigious book *The Competitive Advantage of Nations*, which was published in 1990, Professor Michael Porter states that government purchasing policy is one of the few interventionist approaches which can be a positive force in upgrading national competitive advantage. He says:

The greatest significance of home demand for competitive advantage rests not in aggregate demand but in demand conditions in particular industries. The principal aim of demand side policies should be to improve the quality of domestic demand. The most direct effect of government on demand conditions is via its role as a buyer of goods and services.

Government procurement can be a positive force for upgrading national competitive advantage.

In 1989 the Government introduced major reforms through the financial management improvement program. Reforms based on that program included building flexibility and devolution into Commonwealth purchasing. The critical element in these reforms was new guidelines setting value for money as the basis for all Commonwealth purchasing. These principles are consistent with Professor Porter's analysis. They aim to stimulate industry sectors to improve their competitiveness and thus their performance.

The job does not stop there. In 1993 the Government is implementing major reforms. Following the review of Purchasing Australia by the Australian National Audit Office, a major new training program, the national training initiative, is being initiated to improve competencies in procurement for government buyers. This includes conducting seminars to educate managers and supervisors, funding of additional places for buyers in current programs and an additional advance course in buying. The Australian National Audit Office predicts that those changes aimed at in this program could bring about additional savings of up to \$8 million gross per annum.

An integral part of this education process in purchasing is the establishment of widely

researched procurement competencies. These competencies are being developed by Purchasing Australia in conjunction with the Joint Australian Public Service Training Council. Purchasing Australia is a department within DAS of some 250 people who have not only the expertise but also the ability—they have seminars such as Meet the Buyers—to bring together a package that has certainly seen a progress of change and reform in recent years. It is also, in accordance with the micro-economic reform policies of the Government, working towards nationally consistent purchasing policies through the national supply group.

Quality assurance is another major strategy promoting more competitive industry. In May 1992 the policy on quality assurance in Commonwealth purchasing was launched by the then Minister for Administrative Services, Senator Bolkus. As this policy is implemented, Commonwealth purchasing will, in appropriate cases, identify minimum quality standards for supply to the Commonwealth and will, in those instances, require these to be met. This policy stance recognises that, internationally, suppliers of goods and services are being required now to meet quality standards.

In Professor Porter's terms, the Commonwealth is seeking to become a demanding buyer in an area which is vital to the future international competitiveness of suppliers. At the same time, purchasing has an ability to lead providers of goods and services towards provision of internationally competitive merchandise. These are vital goals for our national economic reform and I look forward to working with the Department of the Arts and Administrative Services to achieve these. I commend the Bills to the House.

Mr BRADFORD (McPherson) (5.43 p.m.)—I rise to speak on the Appropriation Bill (No. 5) and Appropriation Bill (No. 6), and to support the amendment moved by the shadow Minister for finance, the honourable member for Higgins (Mr Costello). That amendment states in effect our concern about the Government's administration of the Commonwealth's finances. Indeed, these Bills once again underline the economic ineptitude of the

previous Government—and we have already seen evidence in a very short time that this will continue.

The facts speak for themselves. Today in Question Time we had assurances by the Treasurer (Mr Dawkins) that while he was travelling overseas—I assume New York visiting the International Monetary Fund and whomever else he was speaking to—he was patted on the back and told what a great job he was doing for Australia. Perhaps he will attempt to get the great honour of his predecessor and become in his own right the world's greatest Treasurer. Good luck to him!

In recent days it has been hard to pass by without mentioning—we focused attention on it in Question Time and in the matter of public importance earlier on—the pay television scam, which has certainly at least distracted Australia temporarily from the main game of watching the Government's economic performance. This event in the context of financial management is of itself glaring evidence of Government mismanagement and, in a sense, is related to finances.

We have the fiasco, which was pointed out and for which the Minister for Communications (Mr Beddall) to his and our great embarrassment had no apparent answers in the Parliament today, of licences sold to the highest bidders, obviously without regard to their qualifications and certainly without any regard to the financial situations in those particular organisations.

As it turns out, Mr Deputy Speaker, you or I could have applied and for the small price of \$500 become nationally prominent almost overnight by suddenly getting these licences. In Question Time and in the MPI we dealt at length with the question of why they were not required to pay the five per cent deposit that is normally required in these situations. We did not get then the answer to that question. I assume that the Minister, with his departmental investigation which is going on, may eventually give us the answer. But certainly it has become quite evident that no experience is necessary to apply for a licence to operate pay television. It seems that the only experience that might commend one would be that

one might have served time in a Philippine gaol on drug charges.

These Bills before us today show us the Government coming back to the Parliament yet again—and the honourable member for Higgins dealt in some detail with the history of these—

Mr Kerr—And again, and again, and again.

Mr BRADFORD—And again, and again since the Budget asking for more money. Some of the items may of themselves be worthy of expenditure and, looking at the Bills, that is no doubt the case. Nevertheless, the question needs to be asked: why can the Government not get its house in order and in the budgeting process ensure that it has adequate funds in place? It keeps spending more and more.

I am concerned about a couple of aspects of these Bills in particular. For instance, Appropriation Bill (No. 5) provides for additional funding for the Department of Employment, Education and Training. I would have thought that that was at least one government bureaucracy which had given us considerable concern about its expenditures.

As a member of the Standing Committee on Employment, Education and Training, I have had the benefit of looking into the performance of DEET in a number of different aspects of its operations. Previous audit reports indeed have highlighted the deficiencies in the operation of Austudy by the Department of Employment, Education and Training, which is a very big expenditure item for this Government. That particular audit report of a couple of years ago pointed out the inability of the Department of Employment, Education and Training to detect fraud.

There is still considerable unease within the community about the administration of Austudy. Plenty of anecdotal evidence comes to my office—and I am sure the offices of many honourable members—about apparent rorts of Austudy: for example, students arriving at university driving BMWs and being on Austudy. So there are some genuine concerns.

There are also concerns about a number of other aspects of the administration of DEET, especially the operations of the Commonwealth Employment Service. Recently on the Gold Coast it came to my attention that the Commonwealth Employment Service gave \$92,820 to a company called Australian Business and Fax Directories. That \$92,000-odd, incidentally, was 30 per cent of an overall amount which the CES had agreed to give this particular company of \$309,400 to allow it to hire 80 long-term unemployed people for 26 weeks.

We know that the Government's main strategy with a lot of these unemployment programs has been to go to great lengths to get people off unemployment benefits as quickly as possible and into some program of some sort. Whilst that of itself might be commendable, and we certainly want to support getting people off unemployment benefits, in the Government's headlong rush into cooking up schemes to do that—I guess to save it the embarrassment of the unemployment queue consistently growing as it has done—some of these schemes have left a lot to be desired of themselves and certainly the administration of them has left even more to be desired. In this case, the people employed by this firm were only given a few weeks work and were put off. The company seems to have disappeared, which raises a number of serious questions about the administration of this scheme.

I have asked questions locally, and if they are not answered satisfactorily I will certainly ask the Minister. Why is this 30 per cent paid in advance? Apparently the superficial answer is that there were certain up-front costs involved in setting up to take on all these additional people. That may be so, but surely in this case the company's financial viability ought to have been checked out. If that rings a bell, it probably takes us right back full circle to the pay TV deal, except that in this case the shoe is on the other foot. In this case government money is being spent, and obviously without regard to the ability of this company to deliver.

Here the Government has handed over \$92,000 to a company. The agreement was

that it would employ 70 people for 26 weeks, yet two weeks later the company has gone and the people are all out of work. Where has the Government's money gone? We do not know. I am assured that action is being taken against this \$2 company to get the Government's money back. Good luck, but the question remains: why was this rushed into and why are there not proper procedures in place to make sure that this does not happen?

One other instance came to my attention recently involving another of these schemes to get unemployed people off the dole queue. In some respects this example is rather amusing, but it alarmed a number of my constituents and I must say that I share their alarm. This one apparently came under the new enterprise scheme aided and abetted by the Queensland State Government's self-employed venture scheme. This was a considerable grant of money to an unemployed 41-year-old astrologer by the name of Ms Alex Grew. Ms Grew was one of 26 unemployed Queenslanders who were granted three-year interest-free loans of up to \$12,000 and guaranteed wages of up to \$13,260 a year to set up an astrology business in North Queensland. I do not know how seriously honourable members take the stars that appear in the newspapers each night.

Mr Kerr—The Australian public have just told you your future.

Mr BRADFORD—That may be so, but in my view this is not a mainstream business venture. I am asking why the Government would be putting money into this scheme. It was not only the money that it gave her; Ms Grew was also flown to Brisbane from Townsville and given all meals and accommodation at a four-star hotel while she participated in a three-week training course as part of this scheme. Over the three weeks she had to learn how to run her astrology business.

Perhaps one could take that lightly, and I have asked the question: where does this Government draw the line? For instance, would this Government fund an unemployed person who wanted to set up a business in fortune telling or tea-leaf reading? In effect, these become serious questions because we are talking about the expenditure of tax-

payers' money. My criticism of the Commonwealth Employment Service in this respect is that I do not believe these sorts of schemes should be financed with taxpayers' money.

In that particular instance it seems to me that if someone is good enough at astrology—and I am not quite sure what training or experience that requires—then that is fair enough; they can do it if they want to, but not at my expense, thank you very much, and not at taxpayers' expense. I think that that sentiment would be widely shared in the community and it certainly annoyed a number of the constituents who contacted me.

One item in this context was worthwhile—actually, it was mentioned yesterday in the Governor-General's speech—and that is the Government's intention to introduce a provisional age pension. Today in Question Time the Prime Minister (Mr Keating) mentioned that this pension would be extended to people over 60 years of age who were long-term unemployed. For a long time there has been very genuine concern in the current economic climate—which is of the Government's making—that those people were finding it impossible to get work. I accept that in those circumstances we need to be realistic about the fact that it is quite ridiculous for long-term unemployed males over 60 years of age to be going around trying to comply with work tests, knocking on doors and fronting up to the CES regularly and saying, 'Look, I have been looking for work but I'm getting knocked back'. Of course they are being knocked back, and we have to be realistic about that.

I am pleased that the Government is going to look at a scheme like this. Admittedly, it is not the solution to the actual problem of unemployment, but at least it is taking a realistic approach to those males over 60 years of age who, of course, cannot get the age pension and who, until now, were required to stay on some form of Jobsearch or Jobtrain allowance. Often these people are the worst affected by the recession and many members of parliament have seen people of 61 or 62 years of age who are demeaned by having to knock on doors and then come back to the CES and say, 'Look, I have been out

all day knocking on doors; nobody will give me a job. I still qualify for Jobsearch'. Clearly, that is not a satisfactory situation. Ideally, if the economy were buoyant, then they might be able to get jobs. That would be the best solution for them and, of course, for us as well, but it is not the case and I think this is a realistic approach.

The other matter that I wanted to mention is addressed by the Government in Appropriation Bill (No. 5). This Bill also provides for an additional \$30.3 million for child-care fee relief and reflects growth in average fee relief and in the number of private sector places. Child care is of great importance to many Australians. Perhaps I ought declare an interest, having three young children.

Mr Nugent—I thought you were too old.

Mr BRADFORD—No, one is never too old; at least I hope I will not be too old for quite a while yet. That is a declaration of interest, but child care is a pivotal issue of social policy. I suspect that this Parliament will devote a considerable amount of time to this issue.

The fact is that the blow-out of costs in this area is a product of the system which the Government itself has created. The increased use of child care is not a result of perceived child welfare or parental preference; rather, it is a result of the economic pressure upon families. These economic pressures—and once again we lay the blame for those economic pressures where they belong, at the feet of this Government—have made it increasingly difficult for families to survive on one income and therefore pursue their preferred form of child care, that is, child care by a parent. Let there be no doubt about that, because all of the surveys which have been done have shown that the vast majority of respondents to proper surveys and research have indicated that child care by a parent would be the preference, given the choice. That is what this issue is about. Given the choice, families would prefer one parent and, in most cases for a number of reasons that I do not have time to go into, that would be the mother. They would take the option of staying home and providing their own child care.

Of course, in many cases it is not possible for families to take that option these days. Economic pressures have created a situation where both parents have to go out to work. This Government has created that problem. Unfortunately, its solution to that problem is wrong. Recognising that that, *per se*, creates a need for child care, the Government has rushed headlong into providing inadequate child care. That again is a bandaid solution to the problem. It does not offer a choice at all.

Indeed, this is mentioned a few times in the Governor-General's speech. It rings alarm bells for me when the Governor-General talks about the Government's concern about empowering women. Where does it all end? I recall that the Prime Minister mentioned again today his \$30 home care allowance. Of course, what he did not tell us at the time he announced it—and what he did not say today—is that it replaces the dependent spouse rebate. It may well be politically appealing for that \$30 to go to the carer as a home care allowance. In a sense, that is the right direction for it to go. I do not have a great problem with its replacing the dependent spouse allowance, although I would have preferred it if the Prime Minister had been honest about that when he announced it. It took us a little time to dig for the detail and find that that was just a little sleight of hand.

In fairness, the \$30 a week is actually \$2.85 per week more than the maximum dependent spouse rebate. So quite a few families will be actually \$2.85 a week better off because of this initiative. On my figuring, that means that the family which is entitled to the full \$30 would get an additional Big Mac per week. That is about what it is worth. I say 'big deal' to that.

Recently the Shop, Distributive and Allied Employees Union criticised the Government for its bias against the stay-at-home parent. The union was absolutely right. Anyone who looks at the facts will have to agree that there is a very distinct bias in the Government system against the parent who chooses to stay at home and take care of his or her children.

There is plenty of evidence worldwide that social parenting does not work, and yet this Government is today telling us that it does

and is still playing around with this sort of social engineering. Of course, the union had the answer as to why this is happening. It said that the radical feminists, which it believes are the source of advice to the Prime Minister, linked this issue of child care to the whole issue of women's rights. I do not have any more time to go into this now. (*Time expired*)

Mr FITZGIBBON (Hunter) (6.03 p.m.)—This has been a somewhat convivial debate, completely free from rancour. But there have been a few niggles so I would like to make my comments an introduction to what I intend to say later. We have been in government for 11 years, I guess, and we hear continually that we have not done enough with regard to child care; we have not gone far enough with micro-economic reform; we have not done enough for our pensioners; and we have not done enough with regard to health. Yet every 2½ or three years the Government and the Opposition put their policies before the people and the populace makes a judgment. They have continually returned us to this House because they know that our policies are light years ahead of those held by the conservatives on the opposite side of the House.

When people talk about our not going far enough, I often ask them to name another government in the history of this country which has moved further and faster with micro-economic reform—but enough with these little arguments. We are all in a happy mood. We are back here in this exciting place, so we should concentrate on some of the issues before us.

Since this is my first opportunity to speak, I want to join with others in congratulating those honourable members newly elected to this House and those newly elected to elevated positions in this House. We have a new Speaker, a new Deputy Speaker and new Ministers and I congratulate them all. In doing that, I pay tribute to those people who remain in the House and are no longer Ministers. I would also like to pay tribute to those people who have retired from parliament and from the Ministry. I do not have to name them.

When I first came here I was told that never in the history of the Commonwealth had there been such a strong front bench as we had in the Hawke Government. I agreed with that, as did most fair-minded people—even many of those from the other side. Those people who are no longer Ministers can take great pride in the fact that they were in the strongest Ministry that our nation has ever had. They served this Parliament and this nation with great adroitness and conscientiousness, and they did a remarkably fine job.

I remember—it would be about eight years ago now, I guess—when the former Prime Minister, Bob Hawke, came to my electorate. When I next came down to Canberra I was chastised, because apparently the former Prime Minister came back to Canberra and told all and sundry that I had committed the unpardonable: I had introduced him to a large gathering and had brought forth a shopping list. I was rather naive at the time—I possibly still am—but I thought that was the right thing to do; it certainly excited the large audience that was there that evening. I remember the late Jean Sinclair, a lovely person, berating me somewhat for having produced the shopping list during the Prime Minister's visit. But all those things for which I asked were eventually accomplished and tonight, since this is a somewhat wide-ranging debate, I would like to bring forward what some might refer to as a shopping list but which I refer to as some of the things that this Parliament needs to address.

I have a vastly changed electorate now, and so naturally this shopping list is different from the last one—all the objectives of which were met. Employment remains my No. 1 priority; everything I mention here is underpinned by unemployment or employment. I want to refer to roads, and particularly our national highway. Stretching right through my electorate from Minmi through Beresfield, Woodberry, Tarro, Pelaw Main, Kurri, Cessnock, North Rothbury, Branxton, Greta, lower Belford up to Singleton, Muswellbrook and Scone, et cetera, we hope to have a fine national highway. But there are some hitches at the moment with linking up that highway as it

passes through Newcastle from Morisset to Singleton.

A great deal of money will have to be spent on that national highway to overcome the problems being encountered by all the people living in my electorate. There are some very dangerous sections of that road. As a result of the construction of the national highway, people in the Beresfield-Tarro-Woodberry area are virtually landlocked because it is impossible, due to traffic conditions, for them to get out of their townships. I want to congratulate the people of the Hunter for their patience regarding their road problems, but I give a firm assurance that that will be high on my list of priorities throughout this Government.

I want to refer to one other thing, and I am sure everyone would support me in this. I beseech this Government to continue the sports, recreation and cultural grants program. I believe that this program has been one of the best programs ever introduced by any Federal Government. It has created jobs and it has ensured a healthy, happy and cultured people. Over 700 grants have been made all over Australia, and I believe that there would be very few members in this House who have not benefited from a grant given to their constituencies by the sports Minister. The quality of life of millions of people has been improved immeasurably.

On another subject, I ask this Government to remain mindful of the contribution made to the country by the coalmining industry. Coal is a great export earner and it is essential that we pursue a sensible strategy that will prevent sterilisation of national coal reserves and at the same time promote job opportunities for workers in the coalmining industry. That industry is having quite a few problems at the moment and we have had a succession of underground coalmine closures. That situation is most disturbing.

I guess everyone would know the value and potential of our tourism industry. Everyone who knows our tourism industry would know the Hunter Valley, which is one of the most popular destinations within Australia. That industry is our brightest star at the moment and its potential candlepower is unlimited. I

was delighted to hear during Question Time today the new and enthusiastic Minister for Tourism, the honourable member for Dobell (Mr Lee), speak in such glowing terms about the success that our tourism industry is having and the great job it is doing in winning dollars from overseas visitors.

There are a great number of people within the Hunter Valley who are working almost 24 hours a day to try to ensure that tourism in the Hunter reaches its full potential. I refer to John Brown, the former sports Minister in this House; chaps like my colleague the honourable member for Patterson (Mr Horne) and other federal members from the Hunter; and some great vigneron, people who put the interests of the Hunter ahead of their own on so many occasions—chaps like Murray Tyrrell, Brian McGuigan and the other vigneron up that way. They are doing a great job and I am hopeful that the honourable member for Dobell, the new Minister for Tourism, will be sympathetic to our problems and come a long way towards meeting our needs. There is no doubt that money is needed for some very viable and important projects.

We have a great historic background in the Hunter and places like Wollombi and Denman are trying to establish themselves as historic towns. There are other very important heritage projects throughout the Hunter. We have our wine villages and we hope to develop them. We hope to make it possible for steam trains to go underground, to make visits to underground coal mines. Those projects are working quite well but we want to develop them further to establish steam rail excursions.

One of the most appealing of all would be the attempt by the Scone Council to establish in the Scone shire an equine complex which will include an equine research centre, a TAFE college which is being funded with assistance from the State Government, low cost housing projects, a horse museum, a training complex and a racetrack. This will really provide a magnificent boost for tourist opportunities in the Hunter and, with a contribution of over \$1 million by the State Government, I am hopeful that the Federal Government can make a fitting contribution so

that this wonderful project can come to fruition.

Also, because I have largely a rural electorate, I hope that all members of this Parliament will be sympathetic to the plight of the rural producer. We are experiencing a terrible drought in many parts of this nation, and what is occurring in some of our towns and on some of our properties is just tragic. People are facing trials and tribulations far greater than they have had to face at any time in history. It is certainly a racking time for them, and I believe the situation has been further exacerbated by a lack of sympathy and even by the harsh treatment that they are receiving from some of the banks. I have no axe to grind against banks or bankers but it does appear to me that this nation was built on the provisions made by our rural producers and I think at this difficult time for them that the banks could be far more sympathetic in their treatment of rural producers.

This week's dreadful balance of payments figures showed that our economic problems are still serious and that the Government faces an enormous task. Just when we believed that the recession was over and happy times were here again, we blew it all by splurging \$5.5 billion on imported goods. Many of these imports were productive goods, and necessary to bolster business growth and create jobs, but if our trade deficit continues to grow our nation will be in deep trouble. We are all aware of that.

We fell into the tragedy of a recession because of our effort to hose down the booming economy. We were importing too much and a clampdown on imports was necessary. However, in a difficult and complex area our response was too heavy. We went a tad too far. But, unfortunately, it seems that we have not learnt sufficiently from our mistakes. To me it seems obvious that this Government will have to take stronger action to reduce the volume of imports we allow into this country. Honourable members might have guessed from that that I am not one of the economic rationalists and I am not a firm believer in the level playing field approach. It is true that one must be cautious when looking at just one month's figures, but a repeat of the March

figure in April would make me very frightened indeed. Certainly, this week's figures dash my hopes of a further cut in interest rates. They do little to inspire investment confidence.

I turn to our balance of payments problems. I believe that we allow too many opportunities to slip through our fingers. Just today I received a letter from a constituent of mine, a chap who lives at Weston in the city of Cessnock. He developed a sporting product which he wanted to have manufactured in Australia. It was a goer, a sure-fire winner; it had preorders from Australia and it had preorders from the USA—no question, a definite winner. The Government's message to all these inventors and guys who come up with innovative ideas is that, yes, there is assistance available, but my constituent did not gain assistance. After months on the bureaucratic roundabout, the treadmill or whatever you want to call it, months of total frustration, my constituent gave up and took his idea overseas.

Within a fortnight the invention was grabbed by a Hong Kong interest—grabbed avidly. An inventor who can find no faith or support from his own country, one of my constituents—a great guy, a very clever guy, perhaps even brilliant; completely spurned by the bureaucracy in his own country—has now been warmly embraced by perceptive foreigners. My constituent's product will now be manufactured and it will be distributed worldwide, but from Hong Kong. That is a crying shame. It is a tragedy for Australia.

Australia is a big country and perhaps not too many people might worry that an opportunity has been missed by one Hunter inventor. But many people should worry because it appears that too many opportunities are being missed and have been missed throughout our history. We are continually losing ideas to other countries. Surely we have a body which can effectively evaluate the potential of Australian inventions? Cannot this body pick the best of the new ideas before they wave us goodbye and go overseas?

It seems to me that the present system, as far as its treatment of new inventions and new products is concerned, is far too rigid, far too

inflexible. When it comes to picking winners we certainly do not have a great record. I have sat on various committees and heard lengthy discussions about the difficulty in picking winners and deciding where government assistance should be directed. My view is that we could pick certain winners if we took note of the major imports and assisted people who were willing to produce in Australia those goods that we are currently importing. Additionally, this 'clever country' should be capable of recognising innovative, money earning ideas when they come along. We must keep our good ideas and products in Australia; we must keep them in Australian hands. This is essential if we are to prosper.

I know that these Appropriation Bills will provide finances that this Government will use wisely. I have given the Government my shopping list and I know that other members will give shopping lists as well. We have come here to a new parliament and, irrespective of which side of politics we are on, we are all hoping for a new beginning, a new opportunity and a turnaround in Australia's fortunes. It has been said here in the House by the new Speaker and by others that we have an opportunity that few people ever get. I am hopeful that we can all work together in this next 2½ to three years and that we can see a restoration of our economic health. I have great pleasure in commending the Bills to the House.

Mr TRUSS (Wide Bay) (6.22 p.m.)—We assemble here for this new Parliament following perhaps the most momentous and tumultuous election in our national history. There is a large number of familiar faces, but also many newcomers. From the point of view of the National Party of Australia, we are very proud and pleased that there are extra numbers to join us, both in this chamber and in the other place. As a Queenslander I am particularly proud and pleased to welcome the honourable member for Hinkler (Mr Neville) and the honourable member for Kennedy (Mr Katter), both of whom I am sure will make an outstanding contribution to this chamber. I suspect that the sweetest victory of all was that of the honourable member for Hinkler and I know that he will make a much more

constructive and positive contribution than the man he replaced.

As we look back on the election I am sure that history will see it as an occasion of lost opportunity. This country lost the opportunity to make a new start. It lost the opportunity to put in place the sorts of policies of reform and change that are necessary to get our country going again. Even though we assemble in a new Parliament and the Australian Labor Party has been returned to office, the clear fact is that our country's problems have not gone away. Even after the election there are still one million people unemployed, a \$16 billion Budget deficit, a \$168 billion foreign debt, a huge balance of payments deficit, mounting social despair and community concern. None of those problems has gone away. Sadly, they are not likely to go away when we have a government that refuses to acknowledge that many of them even exist and which certainly has no program of action for the future.

The Australian people chose some more of the same, rather than being prepared to grasp the reform agenda that was clearly necessary. If we are going to achieve our maximum capability as a country we really must do something about our unemployment problem. This must clearly be a priority objective. So many of the ambitions and hopes of our country will just never be achieved while people are unable to contribute from their talents and abilities towards building a stronger economy.

Artificial job creation schemes do help to occupy time and maintain skills, but they do nothing towards helping build a more productive national economy. It is clear that our Government must address the unemployment crisis meaningfully and provide real and productive jobs if our country is going to progress again. We must create the kind of business environment which encourages people to employ. The clear fact is that the fundamental elements of the coalition's reform agenda—those objectives that we put in place, those ideas that we had for the future to do something about the high levels of taxes on business, the need for industrial reform, the need for incentives to save and to

invest, those sorts of issues—must be addressed. We must put in place the kind of economy which encourages investments, rewards achievement and provides support for Australian families.

Yesterday we listened to the Governor-General's speech; today we are looking at the Government's first Appropriation Bills for this session of parliament. There is no clear evidence that it has learnt the lessons of the election campaign, that it has learnt that the rejection that it received in the bush was a clear message that Australians are not satisfied with what has happened in the past and are looking for a more positive program for the future. Indeed, these Appropriation Bills are a further demonstration of the fact that this Government has not come to grips with one of its major problems—the Budget deficit, which has now blown out of all proportion.

Only a few years ago the Prime Minister (Mr Keating), when he was Treasurer, boasted about how he had achieved the ultimate economic objective by balancing his Budget. Now we are told that that is unimportant; it is just something we can look at in the future. So the current Budget deficit, which the Government estimated to be \$13.8 billion—an horrific figure of itself—has now blown out to \$16 billion, \$17 billion, who knows how many billion dollars.

Let us not just discard those as empty figures. A \$13.8 billion deficit, if it were only to be that amount, would still mean that the Government is losing \$1.5 million every hour of the year. Sadly, what it would also mean—and this is the telling statistic—is that every Australian worker will have to pay at least \$2,000 in extra taxes some time in the future just to make up for this year's Budget deficit before we start doing anything about the future. So there is this regime of extra taxes ahead of every Australian worker because of the inability of the former Government—this Government—to manage its financial affairs.

So we have these Appropriation Bills in front of us tonight. They are Bills which further demonstrate that the Government has exceeded its Budget, and is looking now to the Parliament to approve additional expendi-

ture. I want to refer now and following the suspension of the sitting to some of the specific items in those appropriation Bills and express concern about the way in which the money is to be spent.

The first item I want to refer to is the \$17.5 million in Appropriation Bill (No. 6) which is compensation to the States for the extension of fringe benefits to pensioners and long-term allowancees and beneficiaries. That is, I believe, a worthy extension of benefits. The extension of fringe benefits to part pensions is something which we included in Fightback. It does address, at least in a small way, some of the inequities that exist in the current system. Major benefits are available to those who depend upon the social security system, but for those who scrimp and save and put aside to fund their own retirements, the fringe benefits are not available. So, when the Government announced that it was extending fringe benefits to part pensioners, that was something that I think was welcome and a positive step towards equity.

The States indicated that they were prepared to accept these measures and do their part. The then Acting Minister for Social Security, the honourable member for Calare (Mr Simmons), issued a press release on 13 December following a meeting of Ministers on 7 December in Perth. In all the factional deals he has missed out and he is not here to deliver on his promise. Sadly, those promises that he made in those announcements that these benefits would go to 340,000 pensioners and 30,000 others will not be delivered.

Sitting suspended from 6.30 to 8.00 p.m.

Mr TRUSS—Mr Speaker, may I resume by congratulating you publicly on your election to the office of Speaker. Certainly, the Parliament is looking to you to take the lead in lifting the standards in this chamber. We as well have an obligation to you to play our part in helping to raise the public esteem in which this chamber is held in the community. If the public loses confidence in its parliament, that is a threat to our democratic system. As members we clearly have an obligation to the future of our country to ensure that this Parliament behaves and reacts in a way

that is conducive to the wishes and needs of the community.

Prior to the suspension, I was referring to the \$17.5 million included in Appropriation Bill (No. 6) for the extension of fringe benefits to pensioners and long-term allowancees and beneficiaries. I commented that that was a worthy initiative. However, it seems that many of the States are not honouring even the spirit of that arrangement. In December the then Acting Minister for Social Security, following a meeting in Perth, issued a press statement in which he proudly announced that 340,000 pensioners and 30,000 older long-term unemployed, sickness and special benefit recipients would obtain the fringe benefits. The statement quoted him as saying:

The fringe benefits include valuable concessions on rates, electricity and telephone rental, to name just a few.

The statement continued:

State and Territory Governments have agreed to extend concessions to all pensioners and have accepted the offer of Commonwealth assistance to meet the cost of this extension.

The \$17.5 million to which I referred is that amount of Commonwealth assistance. In fact, the current Minister for Social Security (Mr Baldwin) put out a press announcement on 2 April, saying:

The Commonwealth posted payments totalling \$17.5 million to the States yesterday, to meet the cost of extending State concessions from April 1.

The statement continued:

All States had made the commitment to pensioners at the December meeting of the Council of Australian Governments.

Mr Baldwin said that the \$17.5 million in funding includes the cost of local council rates concessions.

Imagine after all that—after all that public announcement, and the sending of cards to every pensioner—when pensioners turned up to obtain the benefits that had been announced by the Commonwealth, they were simply not available. The Commonwealth claims that it is giving money to the States to provide the benefits, but States such as Queensland are failing to pass on those benefits. If a pensioner seeks to obtain, for instance, the rates rebate it is simply not available.

Imagine the audacity of the Federal and State Ministers for social security getting together and deciding of their own accord that they will provide rate concessions to part pensioners even though they are not responsible for that funding—that is a matter for the local authorities. Perhaps it is then not surprising that those benefits have not been passed on. There are other instances where benefits simply are not there—such as concessions on the registration of motor vehicles and electricity rebates. Even though the Commonwealth claims to have funded the benefits, the States are failing to pass them on.

I would strongly suggest that before the Government pays over this \$17.5 million it ensures that the States are intending to deliver the fringe benefits for which they are supposed to get compensation. Indeed, I regret the fact that these payments were apparently already made on 2 April, before the approval by this Parliament of this particular Bill, and for benefits that have not in fact been delivered. Some questions must be asked about the standard of management associated with the financial affairs of our Commonwealth.

The second issue to which I refer is allocations to health. There can be no doubt that the health system, particularly in the State of Queensland, is in crisis. Morale is abysmal. There are widespread concerns everywhere people go. Prior to the election we were told that there were no such things as waiting lists at hospitals; that the 100,000 on the waiting queues, referred to by the Opposition, was a figment of its imagination. The reality is that those queues do exist. Last year 60 Australians died while on a hospital waiting list, waiting for surgery that the Government considers to be elective. Heart valve replacements and things of that nature are considered to be elective surgery. The problem is that this is occurring while 40 per cent of Australia's private hospital beds are empty.

Last year I had a constituent—I will call him Mr O—who was on a waiting list for elective surgery. He required a small operation but he could not go back to work until he had had that operation. He was told that it was likely to take at least a year and a half before he could have that operation. He made

the point to me that during that period he would be receiving sickness benefit at the expense of the Australian taxpayers. That would amount to tens of thousands of dollars while he was waiting for his operation. He suggested, 'Why don't I go to the private hospital down the road, where they are only too happy to do this operation for the cost of a few hundred dollars, and I'll be able to get back into the work force quickly at a saving to the taxpayers?' I thought that was a pretty good idea so I wrote to the Minister for Housing, Local Government and Community Services (Mr Howe)—who, I notice, has just walked into the chamber—and I received a letter from his Parliamentary Secretary, saying:

This would be totally unacceptable under a Medicare program that promotes equity of access for all without regard to financial status. . .

He was not interested in making arrangements for my constituent to have a simple little operation at a cost of a few hundred dollars because he thought that might not be equitable—this person might be treated better than someone else. What an extraordinary claim. Do we want equity of misery? Do we want everybody to be equal in extending hospital waiting queues? Surely it is important for us to take whatever opportunities are available to get minor operations—as it was in this particular case—out of the way so that people such as my constituent are able to go back to work.

I had a similar case in the last few days. Mr R has a little piece of glass in his foot. He has been waiting 18 months for an operation to have that little piece of glass taken out of his foot. He moved from Townsville to southern Queensland in the hope that he could get to a place where the waiting list might be a little shorter. He asked the hospital recently how long he could be expected to wait to get that little piece of glass out of his foot and he was told that it would be at least another 10 months—all up, something like 2½ years waiting for a tiny operation of that nature. He has calculated that in that time the Commonwealth—the taxpayers of Australia—will pay him \$32,000 in sickness benefit while he is waiting for an operation which probably will not even keep him in hospital overnight. The

taxpayers of Australia would prefer to pay \$32,000 in sickness benefit rather than a couple of hundred dollars to a private hospital to get him advanced in the queue.

But it is not just that waste of money; it is not just the \$32,000 that the health Minister would prefer to waste. It is the loss of productivity: the fact that this man is not paying any income tax; he is not able to contribute to the work force; his employer has had to put somebody else on in his place rather than wait two years for this minor operation to occur. This is the kind of nonsense that our Government considers to be a health policy. Clearly, something needs to be done about it.

In the letter that the Minister sent to me a year ago, he said:

... the Commonwealth will be investing \$50 million in 1992-93... to tackle unacceptable waiting times.

Well, the \$50 million has not done much good. A man with a little piece of glass in his foot is still waiting two years. If that is all the \$50 million has achieved there clearly needs to be another look at the situation. The reality is that the coalition offered voters an alternative at the last election and bit by bit the Government will move in that direction. I noticed Senator Richardson making some comments recently about the importance of making better use of our national health resources. That can certainly be done to ensure that all Australians are able to gain access to quality health care at an affordable price and in a reasonable time.

But there are other difficulties in the health system. In Queensland, as I mentioned earlier, morale is low. The Goss Government has increased health spending in Queensland by something like 50 per cent, but in the process it has closed scores of hospital beds across the State, sacked scores of nurses and slashed expenditure on services. The money has gone instead to create a massive health bureaucracy. Instead of there being one administration to run the health department, there are now 13 with money being squandered all over the place. The failed administrators from the Labor regimes in the southern States have moved to Queensland to try to do the same damage to our once strong economy. Money

is spent on \$300,000 houses for directors of regional health authorities while there is no money for maintenance on hospitals. The hospital system in Queensland was virtually closed down for three weeks over Easter as a cost saving mechanism. How serious is the Goss Government about reducing hospital waiting lists when it closed the hospitals for three weeks over Easter?

One of the State members, in trying to find some justification for the appalling loss of morale and the many criticisms associated with the hospitals in my own electorate, blames the doctors. He says that it is all the doctors' fault that these operations are not being held. Is it any surprise therefore that the doctors, who are being constantly insulted day in and day out by their State members of parliament and being blamed for the crises in the Maryborough hospital system, leave town. 'Maryborough loses medical specialist' is the kind of banner headline we have been getting in the Maryborough *Chronicle* almost day in and day out. This same hospital system that does not have enough money to reduce the waiting queues for patients wishing to have surgery has got plenty of money to spend on enormous signs at Hervey Bay announcing that there is to be a new hospital built there, with the proud boast, 'Another initiative of the Goss Labor Government'. What an appalling abuse of public health money on party political signs!

All that the Goss Government has done about this hospital is to build signs. It was dragged screaming into this project and only made a commitment because of the activities and lobbying of the National Party candidate for Hervey Bay, Mr Tony Nioa. I welcome the arrival of this hospital. But it would certainly have been more effective to have spent the money on planning to reduce the queues, rather than spending thousands of dollars on a party political sign. (*Time expired*)

Mr SPEAKER—Before I call the honourable member for Macquarie, I remind the House that this is the honourable member's first speech. I ask the House to extend to her the usual courtesies.

Government members—Hear, hear!

Ms DEAHM (Macquarie)—(8.12 p.m.)—Thank you, Mr Speaker. One of my first duties as the new member for Macquarie was to give a eulogy at the funeral of a life member of the ALP, Mr Doug Bowd. Although this was, of course, a sad occasion, it also put my recent election into an historic perspective. When receiving his life membership the previous year, Doug Bowd spoke of his association with Ben Chifley, the most famous previous member for Macquarie.

Ben Chifley held the seat of Macquarie from 1928 to 1931, and again from 1940 to 1951—as Prime Minister from 1945 to 1949. He also served as a councillor on Abercrombie Shire Council from 1933 to 1947.

Mr Speaker, I think it is worth noting that Chifley served concurrently in the Federal Parliament and in local government, some of the time when he was Prime Minister. I find this situation ironic, having resigned from local government myself prior to the recent election due to a perceived conflict under the Constitution.

Of course, the then seat of Macquarie looked rather different from today. That territory is now mainly shared with my colleagues the honourable member for Calare (Mr Simmons) and the honourable member for Lindsay (Mr Free), and I am delighted to have been able to bring the ‘middle piece’ of Chifley’s old Macquarie back into the Labor fold.

Winning Chifley’s former seat has special significance for me because I had the privilege of meeting the great man when I was a child—in pre-television days—when campaigning was mainly the domain of community halls. I was struck by Chifley’s humility and quiet strength and I have no doubt that this encounter was the birth of political interest for me, culminating in my appearance in this place.

The seat of Macquarie now broadly comprises the regions of Blue Mountains and the Hawkesbury, both areas of great historical and environmental significance. I am delighted to welcome both the mayors of my electorate, Alderman Bob Clarke and his wife, Norma, from the Blue Mountains City Council, and Alderman Wendy Sledge from Hawkesbury

City Council, accompanied by general manager, Garry McCully. I thank them for coming. I also think somewhere in the gallery is Bob Debus, the former State member for Blue Mountains and, I am pleased to say, the next member for Blue Mountains!

The electorate forms part of the greater west of Sydney, serving as a buffer between city and country. The Hawkesbury area was known in colonial times as the ‘garden of the colony’ and still maintains a strong rural industry—in poultry, dairy, horticulture and turf farming. The preservation of these rural industries is vital to the local economy and protection of the environment.

As Sydney spreads further west with its demand for more residential land, the delicate environment of both the Hawkesbury and the Blue Mountains is under threat. To their credit, both local government authorities are undertaking major environmental management plans to identify land which needs to be protected for sound environmental reasons, and determining appropriate zonings for the remainder.

Mr Speaker, regional and urban development is a topic which is of great concern to me in my capacity as a former alderman, as a former chairman of WSROC—the Western Sydney Regional Organisation of Councils—and now as a federal member. I am a strong advocate of regional planning which does not restrict itself to local government or even State boundaries. As my colleague the Minister for the Environment, Sports and Territories (Mrs Kelly) remarked when visiting my electorate prior to the election, ‘rivers do not recognise State boundaries’. On this occasion the Minister was alluding to the issue of the polluting of waterways and the difficulty of alleviating these problems when several levels of government are involved.

Mr Speaker, my electorate is one of the most environmentally sensitive regions of Australia and balancing the needs of the environment and those of residents and visitors is always a difficult one.

Inadequate development in the past, as well as meeting Sydney’s increasing demands for water, has left the Hawkesbury in a highly polluted state. As water is drawn off the river

to feed our hungry neighbours, what is left is often untreated effluent, leading to the development of areas of blue-green algae. A considerable level of monitoring has been carried out on the condition of the Hawkesbury, but very little remedial action. As one of my local government colleagues, who is here tonight, has said, 'We are all monitored out. What we want now is action before it is too late'.

A report in yesterday's *Sydney Morning Herald* indicates that the Sydney Water Board is to 'review and reappraise' its clear waterways plan. In other words—do nothing! All this after taking an \$80 special environmental levy from all its users over the last four years. It seems ironic, Mr Speaker, that a dividend equalising the amount raised by the levy has been paid to the New South Wales Government.

I take this opportunity to commend the Prime Minister (Mr Keating) on his major environmental statement last December which focused on the cleaning up of the nation's waterways. However, any action by the Federal Government needs the cooperation of State governments.

With areas of incredible natural beauty, the electorate of Macquarie hosts some of the most popular tourist resorts in Australia. The Blue Mountains area is famous for its stunning scenery and its lush bushlands, as well as its galleries, historic hotels and guest-houses. Approximately three million visitors a year come to the mountains. The Government has given recognition to the great significance of tourism in the area by declaring sites such as Echo Point in Katoomba a 'national icon' and funding a comprehensive study into its management and conservation.

A study is also being undertaken with a view to lodging an application for World Heritage listing for the Blue Mountains, Kanangra Boyd and Wollemi National Park systems, much of which lies within the Macquarie electorate. It is hoped that World Heritage listing will support the economic benefits of an active tourism industry while enabling appropriate protection for the environment.

Tourism is also a key industry in the Hawkesbury region, centred on the river and the five historic Macquarie towns of Windsor, Richmond, Pitt Town, Wilberforce and Castle-reagh. These historic towns established by Governor Macquarie will celebrate their bicentenary in 1994—a great cause for celebration.

Cultural tourism is an important facet of the local industry, with a profusion of art galleries, craft shops of all kinds and workshops teaching a number of arts and crafts. The area has also attracted a number of artists, musicians and writers who have moved to the area to escape the bustle of the city. Their presence enriches the local community.

In 1988 the University of Western Sydney opened its doors to fulfil a long established need for high quality tertiary education in the west. From my foregoing remarks it will not surprise honourable members to hear that I strongly disapproved of the change from the original proposed name of Chisley University, an act of a State government with no sense of history.

One of the three main campuses of the university is based in my electorate, at Richmond. UWS Hawkesbury started its life as the Hawkesbury Agricultural College in 1891 and its translation to university status has involved the addition of courses such as building, social ecology, nursing, commerce, land management and science, as well as retaining agricultural and horticultural studies.

As well as operating as a tertiary institution, the university also acts as a catalyst for community activities such as the Hawkesbury River Centre, providing a shopfront for local information on the river and its management. It also hosts facilities such as the Feedshed Gallery providing gallery and workshop space for local potters and crafts people.

With the construction of the new Richmond TAFE adjacent to the university, tertiary education facilities will be further expanded in the area. There were over 3,000 students registered at the university in 1992, with 480 students and teachers living on the campus. Student intake is likely to increase to almost 5,000 by 1994.

The largest employer and greatest contributor to the local economy is RAAF base Richmond with approximately 2,000 RAAF personnel and several hundred civilians employed at the base. Most are employed in aircraft trades and flight support roles. Together, RAAF personnel and civilian support make up one-eighth of the work force of the Hawkesbury, and the base contributes about \$120 million to the local economy each year.

Over the last few years RAAF personnel have been involved in a considerable number of humanitarian and support roles. These have included assistance to victims of an earthquake in Indonesia when they were the first aid aircraft on the scene. Other recent aid flights from RAAF Richmond have included the provision of medical supplies and school books to New Guinea, relief for cyclone victims in Vanuatu, medical supplies and bedding from Rotary Australia to hospitals in Indonesia and medical supplies to Fiji.

More recently RAAF Richmond has been responsible for the deployment of peacekeeping forces and supplies to Somalia, and I understand a further contingent will leave for Somalia tomorrow. The base hospital is the first point of entry for personnel injured in service abroad, and the base also handles medical evacuations from places such as Lord Howe Island and Norfolk Island. In an area prone to flood and bushfires, the base support wing provides vital emergency services for the local community.

Mr Speaker, it can be seen that the electorate of Macquarie is extremely diverse. This diversity in population, terrain and activity presents many challenges. Because it lies between city and country it has some of the advantages and disadvantages of both. While many residents commute to the city and western suburbs to work, others suffer from the isolation involved with life in outlying areas with poor transport services. Women in particular suffer from this isolation and lack of facilities. During the next three years—and beyond, I trust—I will be working hard for an improvement in these facilities; in particular for the establishment of refuges for women and youth, and improved housing and transport facilities.

Mr Speaker, during the election campaign I demonstrated my willingness to listen to my constituents and to act on their behalf. I will continue to work hard on their behalf and to dedicate myself to the issues relating to the electorate.

I would like to take this opportunity of thanking my campaign team for their tireless work and dedication in achieving this great victory. My 165 vote majority was hard earned. As someone who is not afraid of hard work, my constituents may be assured that the momentum will continue. If I may quote Ben Chisley, he said:

There is, as far as I know, only one road to success, and that is the road which means a lot of hard going... both to get in and remain in...

I would also like to take this opportunity of congratulating the Prime Minister (Mr Keating) on winning a fifth term for Labor, and to the new Ministry, the Speaker and Deputy Speaker on their election.

Mr Speaker, I commenced this speech on an historical note and I will end in similar tone. Ben Chisley said the following in referring to the Labor movement. He said it was:

... a movement bringing something better to people, better standards of living, greater happiness to the mass of people. We have a great objective—the light on the hill—which we aim to reach by working for the betterment of mankind.

Mr Speaker, I pledge myself to keep that light burning brightly in the seat of Macquarie.

Government members—Hear, hear!

Mr ANDREW (Wakefield) (8.24 p.m.)— Mr Speaker, may I, in the spirit of the chamber tonight, extend my congratulations to the honourable member for Macquarie (Ms Deahm) on her maiden speech and for the very articulate way in which she delivered it. May I also acknowledge the role of her predecessor, Mr Webster, whom I think honourable members on both sides of the House will agree went about his role in a very cheerful and purposeful way. May I say that I look forward to working with the honourable member for Macquarie, particularly in the area of blue-green algae research, because my own electorate of Wakefield is very much influenced by the sort of water that comes down the Murray-Darling Basin, and any

money that the Government is prepared to commit to additional blue-green algae research will be as welcomed by the electors of Wakefield as it will be by the electors of Macquarie.

While I am on my feet, Mr Speaker, and in this mood for congratulation, may I, without any sense of obligation but in all sincerity, congratulate you on your election to office. You and I have worked together on the banking inquiry and I have nothing but a high regard for your capacity to be impartial. You bring that with you to your new office and I look forward to working with you as Speaker in this chamber.

Mr Elliott—Hear, hear!

Mr ANDREW—I thank the honourable member for Parramatta for his supportive interjection. I noted that the Prime Minister (Mr Keating) said on opening day that this was bound to be a chamber of conflict and confrontation, and I agree with him. I think he was absolutely right. Those constituents who somehow want to paint this chamber as a place in which there is going to be total cooperation, fail to see that it is inevitable that people from all sorts of political persuasions come here. Even those who come into this chamber as Independents, come in with political leanings of their own. Here we have a confrontation of ideas that at times is bound to mean that the chamber runs at boiling point.

Mr Speaker, I certainly would not want you to pretend that we can come into this chamber in an apolitical mood. But I have recognised the capacity for impartiality you showed in chairing meetings of the banking inquiry, and I look forward to your exercising a similar impartiality in the chair.

While the Prime Minister was speaking in the opening address yesterday, it struck me that it is worth considering this chamber, as has been said before, as the pressure cooker of Australian politics, and in many ways you are the safety valve. The point at which you choose to allow the chamber to let off steam, or to continue to cook, will determine how palatable—if you will pardon the analogy being taken too far—democracy is to the Australian people. The degree to which the

chamber is unable to express various political views will create the sort of explosive situation that is always hazardous in pressure cooking, as I recall it as a young man. I welcome the capacity that I think you will show to keep the temperature of the chamber where democracy can be at its most palatable. As you know, the Opposition will be quite keen to point out to you if it believes the temperature should be raised or lowered.

My point in rising to speak to Appropriation Bill (No. 5) 1992-93, Appropriation Bill (No. 6) 1992-93, Appropriation (Parliamentary Departments) Bill (No. 2) 1992-93, Supply Bill (No. 1) 1993-94, Supply Bill (No. 2) 1993-94 and Supply (Parliamentary Departments) Bill 1993-94 is to reflect for a moment on the package that the Opposition took to the electorate. While I have said in my congratulatory remarks that it is inevitable that there will be conflict and confrontation in this chamber, I think that the electors of Australia—at least those who are politically informed—understand that level of conflict and confrontation, and what they cannot, do not and should not accept is what they sometimes see emerging from this chamber, and that is a level of contempt for points of view put by people on the other side, regardless of which side we may sit.

Much of the difficulty that we in the Opposition faced in the election campaign was not a reflection on the program we took to the people of Australia, it was not a reflection on the way it had been costed, it was not a reflection on the way in which it would meet the needs that Australians had, but it was a reflection on the level of contempt that the Prime Minister generated about what was otherwise a sensible program. As I rise to debate these Bills I am astonished at the degree to which they fill part of the Government's objective to be populist.

I am astonished that these Bills actually contain part of what is the cost of the Government's election promises. I stand here tonight as a South Australian with a vested interest in Appropriation Bill (No. 6) because it is the technique by which the Government delivers \$263 million, the first instalment of what I presume are to be three instalments, of

a payment made to South Australia contingent on the agreement of the Government of South Australia to sell the State Bank of South Australia.

Mr Hollis—Don't knock it.

Mr ANDREW—If the honourable member for Throsby will allow me to continue, I happen to be here as a proud South Australian, even as one prepared to defend the State Bank; as one who, when he first set out in industry relied, the honourable member for Throsby may be pleased to know, on a State Bank loan to get me floated and running; as one who, representing the Riverland area, and as a member of a Riverland co-op, recognised the degree to which the State Bank, ahead of other lending institutions, has made those co-ops possible and, in fact, offered to them relatively attractive monetary terms.

The honourable member for Throsby (Mr Hollis) will therefore understand how both frustrated and annoyed I am as a South Australian to find myself obliged, in his words, to support the sale of the State Bank of South Australia—obliged, because without it the state debt in South Australia runs into uncontrollable proportions.

After all, this offer of \$600 million only occurred during an election campaign, and were the roles reversed, the honourable member for Throsby would be every bit as cynical as I am about what the motive for that election package was—but here I stand as a South Australian, supporting a Bill that will effectively be a third of the instalment of the \$600 million made available to South Australians contingent on the sale of the State Bank.

I have to tell the honourable member that it causes me a great deal of frustration to find that it is necessary to sell the State Bank because in the 10 years that the State of South Australia has laboured under a Bannon and now Arnold government, the deficit in South Australia has blown out from \$2.6 billion to \$7.4 billion. It is presumed that the sale of the State Bank may at best generate for South Australians \$1 billion to help trim that deficit. How do honourable members think I feel as a South Australian at the thought of that sort of burden being lumbered on every South Australian taxpayer, and \$600 million being

made available to counter what is effectively a \$6 billion real deficit? There is no doubt that this is nothing more than an election ploy.

As you will appreciate, Mr Speaker, given your involvement with the honourable member for Parramatta (Mr Elliott) in the banking inquiry, it is with a touch of irony that I observe that the most regulated bank in South Australia is the bank that is now up for sale.

As South Australians we could ask ourselves, and should ask ourselves as a Federal parliament, who is to blame for the demise of the State Bank of South Australia. I cannot, and I would not pretend to, excuse the role of the Managing Director, Mr Marcus Clark, of the State Bank board, or of the Premier and Government of South Australia, which ultimately had some say over what was still the most regulated banking institution in South Australia, in spite of the Federal Government's efforts to deregulate, supported by the Opposition.

I can excuse, and tonight I will excuse, the role of the State Opposition and the then leader, Mr John Olsen who, frankly, went out of their way and sailed into areas of political unpopularity to alert the people of South Australia to just what was happening to the State Bank. They were the ones who early cried caution when the State Bank became so exposed to groups such as Equiticorp and the Remm Group; who early cried caution when the State Bank's bad debt schedule blew out to \$6.8 million, and the recovery for that year was only \$97,000, when the normal recovery in bad debt transactions is expected to be about 50 per cent. They were the ones who shouted alarm about this default level and who, for shouting that alarm, were treated with scorn, derision and contempt by the Parliament of South Australia, the Government of South Australia and, by implication, the majority of the people of South Australia. In many ways, I am sorry to participate in this debate because this debate on the Appropriation Bill (No. 6) marks the demise of South Australia under an ALP government. Appropriation Bill (No. 6) does not only deal with this package of money going to South Australians as a trade-off for agreeing to sell

the State Bank but also it deals with what is a real concern specifically to my electorate, and that is the decision to make available \$7 million out of a \$44.6 million package to woolgrowers.

What is of concern to everyone in the Parliament is what has happened to the wool industry right across this nation. The wool industry is a classic illustration of precisely what has marked the balance of payments figure that we had announced today, because what the nation most desperately needs is exports and what the nation in fact is suffering is a fall-off in exports, particularly in agricultural areas.

I am proud to be part of an opposition that deliberately announced and put together a package specifically designed to encourage exports, specifically designed to get more out of Australia's front gate. But it has been increasingly difficult for the agricultural sector of Australia to match the demand that the nation has for increased export income principally because of the drought that has so gripped northern New South Wales and parts of southern Queensland, and because of the demise that our wool industry currently faces.

In fact, the real concern that ought to be expressed by the Parliament is the concern at the fall-off in viable farming in this nation. Let us look at what has happened to farming in Australia in recent times. Of real concern is not just the fall in farm income that is known to everybody, but the difficulty that farmers now face in the replacement of plant and machinery because of decreasing farm receipts over the past 10 years. I will quote, if I might, from the *Australian Farm Magazine* December 1992. This survey in this magazine pointed out these uncomfortable truths about rural enterprise in Australia. It states:

The Farmfacts Survey of 1990 showed that there has been very little investment in plant or equipment . . . during the past decade. As a result, standard depreciation calculations grossly underestimate the cost of replacing such items. A survey of 40 Farmfacts farmers estimated the real annual replacement cost of machinery as being \$33.33 a hectare. This figure was calculated using the formula: annual replacement cost . . . for each item. The 'new value' was taken as the cost of the

equivalent item, so that second-hand values were used where appropriate. This figure did not include private vehicles, although these should be regarded as essential management equipment.

The author . . . has estimated the cost of replacing a 100-hp tractor has risen from \$7,000 in 1980—

that is the cost of replacing, given the average trade-in figure—

to \$53,000 in 1992, when the combined effects of depreciation of trade-in values and inflation of new prices are allowed. The change-over price in 1980 was the equivalent to 48 t of wheat; it would now cost 424 t to replace the same tractor.

As a result, less than 3 per cent of farmers can afford capital replacement at present prices . . . Furthermore, most have no remaining depreciation allowances. As a result there is no capacity or incentive to replace aging plant.

The simple, unpalatable truth facing every primary producer is that he cannot continue to farm in the present economic climate.

Appropriation Bill (No. 6), which we are dealing with tonight, targets most of that \$44.6 million to non-viable rather than viable farmers. There is a desperate need for viable farmers to be given some opportunity to continue in farming. Mr Speaker, having been chairman of the banking inquiry, you are conscious of the degree to which the present lending regime has made it very difficult for farmers to either continue farming or provide sufficient replacement plant and machinery. This Government faces the challenge of picking up and accelerating the initiatives the Government announced in the last Budget when it suggested there ought to be an opportunity in rural Australia for debt write-off, and as a representative of a rural electorate I cannot stress strongly enough the need for the Government to accelerate negotiations with the banks. This is an area you, Mr Speaker, understand well—the proposed, but as yet largely unrealised, debt write-off program.

The woolgrowers of Wakefield—characterised by the experience of the premier wool area of Wakefield and the premier wool producer in Wakefield, which used to be the Collinsville stud, which was refinanced by the State Bank of South Australia and failed to perform—face a very bleak future. That very bleak future is not relieved by the \$44.6

million included in this particular appropriation statement. It is a step in the right direction, but it is little more than a stumbling step and does nothing to provide real relief to woolgrowers not only in my electorate but across Australia.

In this Parliament there has been nothing but cooperation for the steps that will enable Australians to be more export competitive. In response to a statement made by the honourable member for Prospect (Mrs Crosio) earlier in this debate, I would point out that, while it would have been very easy for the Opposition to have entered into the scorn, derision and cynicism that tends to have characterised the Government when it has considered any opposition policies, it was not scornful and derisive of the Government's tariff program. The honourable member for Prospect failed to recognise that the Opposition resisted that temptation and supported the Government—

Mrs Crosio—Oh!

Mr ANDREW—The honourable member for Prospect is here; I am pleased about that. The Opposition supported the Government in its tariff reduction program, avoiding the cheap politics that would have eventuated from our choosing to do as the Australian Democrats did—to pour scorn and derision on that program. From the Government there has been too little recognition of those occasions when the Opposition has supported it in difficult economic measures.

Mrs Crosio—You can count them on your hand.

Mr ANDREW—But the honourable member refused to count any of them in her petition in this debate, and in fact she was scornful and derisive of our role. In that context, Mr Speaker, I put it to you that the Opposition has maintained a consistent line, endeavouring to encourage the Government whenever the Government itself has been part of a program that made it easier for exporters in Australia to be export oriented. We will continue to do that. As yesterday's figures indicate, we as a nation have no choice but to have a more aggressive export program. The Opposition supports that course. As the honourable member for Higgins (Mr Costello) pointed out, we do not oppose the Supply

Bills currently before the House, but we are critical of the way in which the Government is currently using these Bills merely to fund some of the largesse that it used during the last election program.

Mr SPEAKER—Order! Before I call the honourable member for Gilmore, I remind the House that this is the honourable member's first speech. I ask the House to extend to him the usual courtesies.

Mr KNOTT (Gilmore) (8.44 p.m.)—I congratulate you, Mr Speaker, on your election as Speaker. I also say, Mr Speaker, that you are the best looking speaker I have ever addressed.

It is with great honour that I find myself delivering my first speech in this House as the member for Gilmore, singularly the most beautiful electorate in the Commonwealth and second to the seat of Kalgoorlie as having the greatest number of quality surf breaks. But the area of the seat of Gilmore is more than an area with a spectacular landscape and magic surf breaks; Gilmore is a community of over 80,000 people spread along the coast from North Durras in the south, up to the Minnamurra River and across the highlands to the Paddy River. We have it all: mountains, valleys, rivers and beaches.

I would like to pay my special respects to our Prime Minister (Paul Keating), who did me the honour of visiting Gilmore. He is welcome to visit Gilmore at any time in the future. The Prime Minister represents the achiever in Australian politics. Very few people thought that he could win. I was one of them. But then I thought I could win when even fewer people thought that that could be done. The Prime Minister had faith that the people of Australia would be able to discern the difference between social justice and social chaos—between good and evil, so to speak. I had faith that the people of Gilmore would reject the goods and services tax, which would have devastated lifestyles, a system of industrial intimidation and slavery and which would have dismembered Medicare, the universal health scheme. I would like to thank the Prime Minister for the privilege of being part of a government which has singled out the restoration of employment

as the principal method of restoring hope and vitality to our community and nation. I applaud the designation of employment generation as the great task, challenge and goal of this Government.

The people of Gilmore can contribute to the recovery in Australia and to the re-employment of those currently out of work if the infrastructure for recovery is addressed. In Gilmore, this requires an audit of the strengths and advantages which exist and the potentialities which may as yet be in their infancy or, indeed, may not have been developed or recognised.

It is no wonder that tourism constitutes a major earner for our economy—over \$400 million a year in Gilmore. It is a significant industry. People living in Canberra and Sydney are attracted in large numbers to this beautiful location.

I ask the Prime Minister and his Ministers to note that transport in Gilmore is up the proverbial Australian creek. I would suggest that, starting from the south, all weight should be placed on Wal Murray to accept the offer made by the former Minister for Land Transport, the honourable member for Charlton (Mr Robert Brown), to share funding to improve the Kings Highway. How dare Wal Murray deny my electorate the income derived from the increased tourism improvements this highway would produce simply because the tourists come from Canberra. This shortsightedness is indicative of a man who cannot see his own feet; he will not match the federal offer and allow coastal business to profit by the increased trade. Indeed, those not in employment would benefit from the increased jobs which would be generated.

I would further suggest that trunk road 92, the Nerriga Road, requires funding for precisely the same reasons. Canberra people are welcome on the coast, and we can offer superb recreation in the most beautiful location in the Commonwealth.

Could I further suggest that the issue of Caloola Pass should be resolved so that the areas of Moss Vale and the highlands can profit by a quick link to the port of Kembla, a route from the south-west of the State of New South Wales to the same port. Could I

humbly suggest the consideration of Port Kembla as the most logical port to service the export needs of Canberra. While my electorate would greatly benefit from the infrastructure development, I am sure that my friend and colleague the honourable member for Throsby (Mr Hollis) and you, Mr Speaker, as the honourable member for Cunningham, would support this proposition.

Could I plead for the Commonwealth to take control of the Princes Highway from the State of New South Wales as it is the transport spine for the coastal communities. Please elevate its status from goat track to national highway. I would particularly note the need to accelerate funding for the Tomerong bypass and the need to fund bridgework at Burrill Lake to replace the current causeway. Again, dear Wal is the obstacle.

I could not talk about transport without accentuating the desperate need to electrify the rail link to Bomaderry as a matter of urgency. I know some people in this House will suggest that I am in the wrong place, that these are State matters. They may be right. However, without federal intervention, and indeed even with it in the case of the Kings Highway, nothing will happen for the people as the Fahey Government is derelict in its duty to the people of my electorate, even though Fahey's own seat covers part of my electorate. On the federal results, however, he would lose his seat; then at last logic and reason would rule in New South Wales in the place of 'Far-out Fahey' and 'Wally the whale'.

Due to the nature of development in Gilmore, the communities are composed of a large number of small villages and townships around a small number of primate centres. In transport, this results in isolation for many—the elderly, the very young, those who cannot afford two cars or, indeed, families who cannot afford one. I intend to put a case to the Minister for Transport and Communications (Senator Collins) for the development of a series of cooperatives to coordinate the transport requirements of my constituents to empower them to break this imprisonment. The result of this isolation has ramifications through the whole range of services delivered

by this Government and, indeed, throughout every aspect of daily life. I will require the consent and commitment of the majority of my constituents so affected and to that end intend, if the Minister approves, to set up over 180 neighbourhood meetings.

The extent of the isolation felt by my constituents is so extensive that I am negotiating to purchase a bus in which I will operate a mobile office. I intend to serve the needs of my constituents whether they be bedridden, old, infirm or transport disadvantaged.

While speaking of disadvantage, Mr Speaker, let me flag my intention to press the Government on the issue of retirement benefits. Firstly, let me congratulate the Prime Minister for the initiatives to give access to the fringe benefits card to part pensioners, the provisions for unemployed 60-year-old males and the seniors card. Could I place on record my intent to push for voluntary retirement at 55 with full access to the fringe benefits card, subject to a means test. Self-funded retirees and superannuants should be given recognition for the degree of self-support they have achieved.

While speaking in generalities, can I flag my opposition in general terms to privatisation. I feel that there are some activities which are by their nature the sole property of the people of Australia. The saying which comes to mind when floats of successful public enterprises are envisaged is: 'Why buy what you already own?'.

I do not believe the drivel pushed that public enterprise cannot compete. In fact, in the instance of Telecom Australia, if market forces were allowed to operate there would never have been nor would there be a second telecommunications carrier, as it would not be able to compete with what was the most efficient telecommunications organisation in the world bar none.

Another saying comes to mind: 'If it ain't broke, don't fix it'. The second glaring example was the privatisation of the GIO in New South Wales by those financial whizzes also responsible for Homefund. In the midst of a significant economic downturn, GIO delivered over \$100 million to the New South Wales State coffers. What did defenders of

the free market do? Firstly, they forced people to insure with private insurers. These, the self-confessed advocates of free choice, refused to allow me to choose GIO, then they floated and sold this valuable long-term asset to sort out their financial mismanagement. There is a jealousy from those in the private sector when they see a significant income stream that they cannot get their dirty little hands on.

The conservation of the beauty of Gilmore is of economic importance as well as environmental importance. It is important to the health and welfare of the people living in Gilmore and especially for those relying on the area for the rest and recreation needed when they flee from the cities to restore their sanity. To this extent, the need to closely monitor the stewardship by our regulators, industrialists and ordinary citizens is of great importance.

I must state that I am unashamedly anti-nuclear by persuasion. I would therefore urge the Government not to seek the building of another reactor and to decommission the Lucas Heights reactor. Let us take a strong stand like the Lange Labour Government in New Zealand that banned the entry of immortal nuclear armed and/or powered ships to its ports. It goes without saying that I therefore object to the suggestion of mooring such vessels in Jervis Bay and will resist such actions to the extent that I am capable. The notion peddled by the Navy that any vessel having trouble at such a mooring would be towed 40 kilometres out to sea is fiction. I am tempted to use another term but will refrain. Anyone speaking honestly on either side of the argument knows that if there was a serious accident the ship would be immediately encased in concrete on-site. No-one, not even I with the great love I have for Jervis Bay, would or could see such a vessel taken out to sea to jeopardise the whole east coast of Australia.

The need to support the recycling plant by APPM at Bomaderry is recognised by all those concerned with the environment and those concerned with delivering jobs to lift the devastation that unemployment can wreak on the community. Environmentalists recognise that the water quality of the Shoalhaven

River achieved with the expansion and upgrading of the APPM plant is a goal to be sought.

My fellow unionists recognise the significant addition to employment of the area and the added security for the current employees that will emanate from the expansion of the mill into recycling. In short, everyone is a winner with the expansion of the mill. The Government is committed to the supply of gas to the mill if APPM chooses it as the most economic form of energy and can make appropriate commercial arrangements.

I find honour in representing the seat of Gilmore for further reasons. The fact that I have been chosen by my peers in the great Australian Labor Party and then by my peers, the electors of Gilmore, fills me with a great sense of pride.

Firstly, I would like to thank all those who have supported me and by their multitude I will not be able to list all names. But I give thanks to all members of the Australian Labor Party in my branches and those who came from near and far, to the Communications Workers Union, the Seamen's Union of Australia, the Waterside Workers Federation, the Electrical Trades Union, the CFMEU with all its State branch divisions, the miners, the builders and the paper workers, the Public Sector Union and indeed all the unions under the South Coast Labour Council and the Shoalhaven group of unions.

There are a few I would like to briefly name: Jim Knott, Russell Rolston Smith, Yvonne Benjamin and Ethel Griffin who gave me inspiration. Among the living, I thank Nina, my wife, my family, in particular my brother who never lost faith, Alex Leach and the campaign team who believed we could do the impossible and then went out and did it.

I must speak of my father who has been a mentor, mate, drinking companion, teacher and conscience—a man who has stood behind me in support and allowed me to live my life outside of his considerable shadow. Any other members who have been sons or daughters of members of parliament realise the difficulties in being seen as an individual in our own right. It is even more difficult when a parent is so special. Dad gave me something special

when he publicly declared his pride in my achievement, something I will always treasure. Dad, I will never let you down.

I represent the seat named after one of Australia's truly great politically motivated women of this century, Dame Mary Gilmore. I take the opportunity to right a slight on her good name perpetrated by the former member for Gilmore, now the honourable member for Hume (Mr Sharp), in his first speech. He questioned whether Mary Gilmore should be considered by some a great Australian because of her political views. I am sure Dame Mary Gilmore would have voted for me.

I was interested to note that in the 1991 *Parliamentary Handbook* the entry for Gilmore mentions Dame Mary as a poet. May I take exception to this entry as it would be akin to describing Ben Chisley as a train driver. It is true, but it far underscores the contribution made by Dame Mary Gilmore to the fabric of Australian life. It also points to another feature of Australian life which must change. Young women in Australia are led to believe that role models do not exist in our history. This is garbage, and largely the established media are to blame. Strong women have struggled to improve the lot of fellow Australians. They have stood their ground against the forces of evil motivated by profit and greed—and we know who they are—and they have been ordinary women of Australia but who have achieved extraordinary feats. Dame Mary Gilmore was one such woman, but most of the families of those on this side of the House are filled with such women. We know their history; we know their struggles. To list Dame Mary Gilmore as just a poet is an insult to her, to the Labor movement she devoted her life to, to journalism which she brought some honesty to, to socialism which was her undying credo and to all Australian women who have been cheated of their legitimate role in Australian history.

So, to correct the record, may I inform the House of the following facts: Mary Gilmore was coopted to the first executive of the Australian Workers Union, an organisation renowned for fighting at the very edge to

achieve just and decent living conditions for Australian families.

May I inform the House that Mary Gilmore had a commitment to socialism such that she was a leading figure of the New Australia Movement. This commitment to socialism never left her and was a key feature in the respect and devotion shown to her by her fellows in the Labor movement and her fellow citizens of Sydney. She was honoured as the May Day Queen.

May I inform the House that Mary Gilmore was a feminist in putting forward the distortions in our system that institutionalised prejudice against half of the Australian population. Through her verse, through her letters, through her actions, Mary Gilmore progressed the recognition of the role being played by Australian women neglected by many and suppressed by a few.

May I inform the House that Mary Gilmore was a spirit at one with the indigenous people of this continent—not a paternalist or missionary trying to tell our original Australians what they should do, but a friend and kindred spirit who supported the decisions they made for themselves.

May I inform the House that Mary Gilmore's contribution to journalism in the *Australian Worker*, previously mentioned, her column in the *Tribune*, and the various prose, letters and poems, contributions and indeed financial support for journals such as the *Bulletin* were all designed to inform and broaden what was in many ways a narrow view in a conservative Australia. Mary Gilmore brought to journalism what Gough Whitlam brought to Australian politics: strength, commitment, honesty and a sense of vision, especially in the face of perfidy.

I inform the House that Mary Gilmore had a deep devotion to peace and the peace movement. She could see the futility and waste of war, as expressed in *The Measure*, but she could also admire those who gave their lives for what they believed was the protection of family and country—*Gallipoli* is one such poem. I might add that this poem has significance to my life as my grandfather, William Edwin Knott, was amongst those who landed at Gallipoli and he and his bro-

ther went on to the horrors of France. As a young boy watching *Combat* starring Vic Morrow and others, each Anzac Day I would ask what it was like, what he did. Every year he would refuse to answer.

At the age of perhaps 10 or it could have been 11, Pop agreed to tell me on the condition I never asked again. 'Peter', he said, 'Gallipoli for me was jumping into cold water scared to death, running up the beach and turning around to see my mate's face blown off. It was turning over another mate to see his guts spill out in the sand. It was turning over a dead Turk to see his hand holding a picture of his family. Peter, I don't think about Gallipoli because I lost too many good mates. The blokes who boast about heroic deeds were ones doing clerical work and haven't felt the pain of war'.

He did all he could to stop his sons from going to war and supported his grandson not going to war. He lost one full lung and two-thirds of his other lung in an operation in 1921 as a result of mustard gas and then spent the rest of his life helping returned soldiers, scarred by war, and their families. Indeed, it would not surprise me if he, his wife, Annie, and Mary Gilmore were not personally acquainted. Royalties of Mary Gilmore's poems were devoted to soldiers blinded in war. Mary Gilmore, however, hated fascism more than war. *No foes shall gather our harvest* records those feelings. She was a truly patriotic Australian whose love was for Australian people and their freedom.

May I inform the House that in 1906 and 1910 Mary Gilmore began to campaign for the Australian Labor Party member for the seat of Wannon, John Keith McDougall, a socialist and pacifist. Her political involvement in the Labor movement was to span more than seven decades.

May I inform the House that in 1937 she was appointed a Dame Commander of the Order of the British Empire for services to literature. She was a contemporary and friend of Henry Lawson, and at one time was engaged to him. She spent her life encouraging young writers and was a confidant to the greatest literary personalities of her time.

May I inform the House that a woman named Dame Mary Gilmore, a truly great Australian, devoted her life selflessly to reforms such as the vote for women, old age and invalid pensions, child endowment, improved treatment of returned servicemen, maternity leave, child health centres, the rights of illegitimate and adopted children, our original Australians, unionists, writers and ordinary Australians. That anyone could suggest that such a person is not a great Australian reflects on that person. I find it insulting. Streets, roads, schools, old people's homes, scholarships and suburbs have been named after this great Australian woman.

In concluding, Yvonne Webb Jay, in remembering Dame Mary relates her answer when asked what was her greatest ambition. She replied without hesitation, 'To be remembered'. She wrote a few days later the following verse:

One day I shall find me a house
A little house of my own
Its walls shall be the good red earth
And its roof shall be a stone
And there as I dwell in that house
One will maybe remember
How once upon a time I blew
And flame leapt from an ember!

Well, Mr Speaker:

This House has walls of good red earth
This House has a roof of stone
And while I be the member for her namesake seat
Mary Gilmore will not be alone
For once upon a time she blew
And a flame leapt from an ember
And all that Mary Gilmore stood for
I shall stand for and remember.

I devote my presence in this House to the aspirations and memory of Mary Gilmore, to my fellow citizens of Gilmore and my fellow Australians.

Mr SOMLYAY (Fairfax) (9.03 p.m.)—I congratulate the honourable member for Gilmore (Mr Knott) on his maiden speech.

Mr Cleeland—It's a hard act to follow.

Mr SOMLYAY—It is a hard act to follow and I must say I found it—

Mr Snow—Unusual.

Mr SOMLYAY—Unusual. In fact, it is the first speech I have heard this week from a

New South Wales member that did not promise a rugby league led recovery. The honourable member for Gilmore mentioned the Hon. Wal Murray and his 'Road to Gilmore'. I would point out to him that I have a similar problem on the Sunshine Coast in my electorate in relation to the Goss Government's roadworks. The previous Government built a toll road in my electorate and Mr Goss made the promise that if he were elected to government he would abolish that toll. Immediately after being elected, the Goss Government built two more toll bridges on that road, so I do not want to hear about the New South Wales Government and roadworks.

Mr Speaker, these Bills are a continuation of the policy directions set in concrete by the Prime Minister (Mr Keating) both as Treasurer throughout the 1980s and then as Prime Minister. The people of Australia had the right to wake up on 14 March to a new era of hope. The election had been fought and won, and lost. Instead, Australia woke up with a massive hangover in the form of a Labor government with no mandate.

The Government did not contest the election on the basis of any vision, promise or hope for Australians but merely on the policies of the Opposition through a campaign of fear and deception. After Australians had woken up on 14 March, what had changed? Nothing! The trends simply continue: Australia still has record unemployment; we still have record Budget deficits, to which these Bills add; we still have a record foreign debt—from \$23 billion to \$206 billion in the space of 13 years—we still have record bankruptcies, a record current account deficit, no growth in the economy and no business confidence. But the fact is that the Government is still there and so are the problems that the election should have been fought on. That should have been the focus of the Australian people.

This Government does not care what damage it does to our great nation through fiscal and monetary irresponsibility. This Government is only about power. So long as it continues to win elections, it does not care about the squandering of our national savings,

national wealth, national pride and international reputation.

I would like to issue a challenge to honourable members opposite: show me anywhere the Prime Minister stated that inflation policy was a priority objective before the onset of the recession. The record shows that the current account deficit policy response by the Prime Minister, then Treasurer, was to raise interest rates, supposedly to soak up excess demand for imports. We were told that if people had less money in their pockets they would spend less on imports. There was no mention of inflation; it was simply to soak up excess demand for imports.

This policy response to our current account deficit crisis in 1990 proved conclusively that Labor cannot manage money; it does not understand business. There has never been a financially successful Labor Government in our history. I remind this House of the Whitlam era in which we saw financial irresponsibility and the printing of money by the Treasurer, Dr Cairns, as a policy response; the Wran-Unsworth governments; and the Cain-Kirner disaster in Victoria. My colleague the honourable member for Wakefield (Mr Andrew) has already covered the Bannon-State Bank of South Australia fiasco and I am sure my colleagues will cover WA Inc. before this debate is finished. The Queensland Goss Government is headed along the same path of financial disaster; there is no question about it. The Goss Government inherited a government that was fiscally sound and it is on the way to taking that State to where other Labor States have finished up. It has simply not yet had enough time.

Tragically, the Hawke-Keating era will top all previous Labor disasters, if it has not already done so. In the past three years this nation has taken a massive nosedive into an economic and social crisis, but the wheel has turned the full cycle. The current account deficit crisis led to record interest rates to soak up consumption demands for imports, as I said before. But that policy also soaked up demand for locally produced goods, which then plunged us into a recession. Remember the Prime Minister's prophetic words—'There will be no recession'. After that he said, 'This

is the recession we had to have'. There are one million people unemployed, we have galloping foreign debt and business bankruptcies. Nothing has changed; we are back where we started.

Where do we stand now? We have a balance of payments crisis which is just as bad as it was 3½ years ago in 1989-90. There are one million people unemployed, the economy is still bumping along the bottom of a recession and we have double the level of foreign debt. So we have the same economic problem of a record current account deficit in 1993 as we had in 1989. What will be the policy response?

In that 3½ years, Labor has squandered an \$8 billion Budget surplus and turned that into a \$16 billion Budget deficit. My colleague the honourable member for Higgins (Mr Costello) spoke earlier tonight about the fiscal turnaround of over \$33 billion. But where does the Government go from here? How does it address the problems of unemployment, growth, debt, exports and imports, and Budget deficits? No matter how many diversions the Prime Minister creates, the big problems will not go away. The lost generation of unemployed will remain lost unless the Government can really bite the bullet in this term, which it failed to do in the last term.

The simple fact is that the Government will not bite the bullet because its hands are tied by the trade union movement. As my colleagues said earlier tonight, the Prime Minister has boasted many times that he had his hands on all the levers. The one lever that he did not have his hands on was the power of the trade union movement which, in fact, took away many of his policy options in dealing with Australia's economic problems.

How will the Government address the immediate problem of the current account deficit? Will it put interest rates up again to soak up consumption demand for imports? Can that be done now in the context of Australia's economy today? What will be the effects of the Government's legislated tax cuts on the demand for imports? I suggest that it will surely have an adverse affect on the current account. In a situation where the Government has a current account deficit, if

it is putting more money into people's pockets, that is the opposite of what it tried to achieve with interest rates in early 1990 and will have an adverse effect on the current account.

If the Government uses interest rates again, will that not create even more unemployment and business failures? What is the Government's answer to its foreign debt? It is already borrowing money to pay its interest bill. It cannot do it through asset sales; I think the Government is running rapidly out of assets to sell. But any business that sells an asset does so to reduce debt and the debt servicing costs. Business does not sell assets to prop up cash flow. This Government does. The asset sales have been used for cash flow. They should have been used for reducing debt.

How will it generate economic growth to reduce unemployment and give a million Australians back their self-respect and dignity? All members of this House on both sides have experienced what I have: the despair of those people who are unemployed, particularly the long-term unemployed. I have a youth unemployment rate in my electorate of around 45 per cent. That is a tragedy, but the young are resilient. The people I feel particularly sorry for are those in the 45-year age group and older.

A constituent came to see me a few weeks ago after the election. He said that he felt all hope was gone. He could see no new direction coming from this Government. He felt that if we had won government, if we had a Hewson government, there would have been an option, an alternative, a different direction, some hope.

Mr Hollis—A disaster.

Mr SOMLYAY—The Government already has the disaster. That fellow said to me that he had been out of work for 18 months for the first time in his life. He has lost so much of his self-respect and dignity. He sat opposite my desk in my electorate office—unshaven for three days—and said, 'You know why I don't shave? I can't stand to look at myself in the mirror. I have lost my self-respect and I have lost my dignity'. This is what this Government has done to Australians. They are

still there, and those opposite have as many in their electorates as we on this side have.

How will those opposite eliminate the Budget deficit? The Treasurer (Mr Dawkins) boasts that he will bring down the deficit to one per cent of GDP in four years. That means that he will have a Budget deficit of \$4 billion in four years time. Is that a legitimate aim? Of course it is not. Is it good enough? It is good enough for those opposite, but it is not good enough for us on this side of the chamber.

In four years the Government expects, at best, to still be borrowing \$4 billion a year. How does that address the debt problem? How will the Government find the revenue needed to fund the public hospital system or its pride and joy, Medicare? It already intends to raise the Medicare levy to 1.4 per cent of taxable income.

Mr Hollis—You would have destroyed it.

Mr SOMLYAY—Incidentally, for those on the other side who argue that a flat rate tax across the board is regressive, I have these questions: is the Medicare levy a flat rate tax? Is it regressive?

Mr Hollis interjecting—

Mr SOMLYAY—I want to point out something to the honourable member for Throsby, who keeps interjecting. The waiting list for ENT surgery in the one public hospital in my electorate was 1½ years. But it is now 4½ years on top of the 1½ years. Those who registered for ENT surgery in September 1991 were told that they had to wait 1½ years. They are now being told that they have to wait another 4½ years.

How will the Government address these problems in the health care system? It should adopt our policies. I note that the Minister for Health (Senator Richardson) is already seeking ways to encourage people to use private hospitals. I applaud him for that. The only pity is that when we on this side of the House were trying to achieve that result before the election, Government members would not acknowledge it and said we were trying to destroy Medicare. They are now doing exactly the same thing.

Medicare is a very good system for those who do not get sick. If we search the Governor-General's speech to this Parliament last Tuesday to find the Government's vision for the 1990s, we do not get much joy or hope. We heard the flowery language, but the words were meaningless. The Treasurer should come clean and tell the people how he will reduce the fiscal stimulus that the Governor-General spoke of and on which side of the ledger the result will be—the revenue side or the expenditure side. This is the Government's vision as stated in the Governor-General's speech:

Reducing unemployment remains the ultimate focus of all the Government's economic policies.

That is a very commendable aim. But did the Prime Minister not say that unemployment will remain high for the rest of the decade? The speech continues:

Fundamental to progress on this front will be the continued application of policy settings that achieve the maximum sustainable rate of economic growth.

We need four per cent economic growth in Australia to sustain employment at its current level. We need higher than four per cent growth to create new jobs. We have no indication from this Government that that level of growth is achievable. The speech continues:

In recent years the Government has used fiscal policy to deliver a substantial boost to the economy. As the recovery proceeds and, in particular, private investment returns to normal levels, the Government will withdraw that fiscal stimulus.

When will the Government withdraw that fiscal stimulus? In four years time we hear that the Budget deficit will be one per cent of GDP. The withdrawal of that fiscal stimulus will need to be well before then. There is no mention in the Government's economic policy vision of monetary policy. Yet monetary policy was used as the tool and weapon to bring about the recession by raising interest rates supposedly to soak up consumption demand. But there was no mention of it in the Governor-General's speech.

If the Treasurer reduces expenditure alone, that will have a negative effect on growth and recovery. We all know that the Treasurer has other plans on the revenue side of the ledger.

The Government has plans to broaden the indirect tax base through the wholesale sales tax system. The Government has plans for a wealth tax. The Government has plans for death duties to fund the legislative tax cuts.

The Government's budget is in a first-class mess. The Governor of the Reserve Bank of Australia gave a warning during the election. I hope the Government heeds it. He warned that the current level of deficit cannot be sustained. These Bills blow out the deficit further. Those on the opposite side will get the support of the Opposition if they are prepared to listen to the people of the business community.

I heard the honourable member for Gilmore and his attitude towards the business community. I could not believe that those words were coming from a new member. The fact is that it is only the business community that can create long-term sustainable jobs—

Mr Knott—Like Fahey selling out the GIO.

Mr SOMLYAY—instead of painting rocks white. The Government must abandon its ideological hatred of the word 'profits', introduce policies to restore business confidence and realise that only business can create those long-term jobs, sustained jobs that will lead to better living standards in a competitive world.

I finish with these words: the honourable member for Gilmore in his maiden speech quoted that famous saying, 'If it ain't broke, don't fix it'. Well, I would like to say, 'It is broke; fix it'.

Mr HOLLIS (Throsby) (9.21 p.m.)—Mr Deputy Speaker, at the outset I congratulate you and the Speaker—I ask you to convey my congratulations to him—on your election to the high offices you occupy in this Parliament. I should also like to congratulate the new members on both sides of the chamber. I note that on both sides of the House there are a few Lazarus members. Their return is most welcome. I congratulate the honourable member for Macquarie (Ms Deahm) and the honourable member for Gilmore (Mr Knott) on their first speeches, both excellent contributions.

I also welcome this opportunity to speak on these appropriation Bills and, as usual, will exercise the opportunity which most members take to range over a number of issues. At the recent election, the Illawarra region once more gave the Australian Labor Party a massive vote of confidence. All local members, our current Speaker, the honourable member for Cunningham (Mr Martin), the honourable member for Hughes (Mr Tickner) and I were all returned with increased majorities. Not only that, but also my friend and colleague the honourable member for Gilmore has been elected to this House. Like his father in the New South Wales Parliament, I know that the honourable member for Gilmore will make a distinguished contribution to this House and ably represent the people of Gilmore. Indeed, Mr Deputy Speaker, by a quirk of fate he happens to be my local federal member, and I was his local federal member for many years.

Mr McGauran—You deserve each other.

Mr HOLLIS—Well, we are great friends. I reside within the federal electorate of Gilmore, so I will be keeping an even more critical eye on his representation. But, after his contribution tonight, I have no worries. Mr Deputy Speaker, few areas in Australia are more prone to the vagaries of the economic market than is the Illawarra. All the local members appreciate that our economic base, centred on coal and steel, has been too narrow, and we are working towards overcoming this. But the New South Wales State Government is determined that the Illawarra region will not prosper. The New South Wales Liberal Government has systematically withdrawn facilities and work from the Illawarra region. Much of this has been placed in the State electorate, immediately to the west of the Illawarra area, and this just coincidentally happens to be the electorate of the current New South Wales Liberal Premier.

Mr Knott—Not for long.

Mr HOLLIS—Not for long. Over recent months, the Roads and Traffic Authority regional headquarters has been moved from Wollongong to Goulburn; contracts to build rail wagons have been moved from Wollongong to Mittagong; and now there is talk of

the heavy equipment school at Wollongong TAFE College being under threat of being moved to Goulburn. Goulburn is in the electorate of Mr Fahey.

A few years ago the concrete casting for the Sydney Harbour Tunnel was built at Port Kembla. Now, through extensive negotiations between Esso and the local trade union movement, the concrete platforms for oil rigs will be constructed in this basin at Port Kembla, which just happens to be in my electorate.

This project involves the expenditure of \$600 million and will create 300 jobs. Of major significance to Australian industry were the innovations made and proposed for the design and construction of the platform, together with the significant breakthroughs made on the industrial relations front. The steel-reinforced concrete platform will be the first of its type used in Australia. Whilst utilising the concepts first developed overseas, it will incorporate important innovations developed by Esso and BHP Petroleum for this project.

Meanwhile, the single enterprise labour agreement reached for the Port Kembla concrete casting facility, which covers a number of unions, is a tribute both to the companies and to the trade union movement. But the exciting news for the Illawarra is that provided this work is completed on budget—which I believe it will be—and without undue delay, it will be, I believe, the beginning of a whole new industry for the Illawarra region.

Esso made a particular request that this trade union agreement be registered under the Federal award because of the disastrous industrial relations policy and threats posed by the Fahey Liberal Government in New South Wales. I think that is very significant, and the crowd opposite ought to take note of that. No-one trusts those opposite on industrial relations; no-one at all.

The people most responsible for bringing this new industry to the Illawarra are the officials of the South Coast Labour Council, ably led by Paul Matters. People are very quick to criticise the trade union movement, but are silent on the work the trade union officials do in generating employment in

places such as the Illawarra. No-one has worked harder to bring employment to the Illawarra than Paul Matters and I pay tribute to his dedication and diligence.

Mr McGauran—You owe your preselection to him.

Mr HOLLIS—The honourable member should go down there and open his mouth and see what would happen to him in the Illawarra. He should just keep his mouth shut. The project will provide a significant and welcome boost to the Australian economy, and in particular the Port Kembla region, during the construction stage.

Having recognised the work that Paul Matters has done in creating work at Port Kembla, it may be surprising for honourable members to know that he and another leading trade union official of the south coast, Neville Hilton of the Australian Workers Union—which, incidentally, happens to be the union of which I am proud to be a card-carrying member—are having criminal proceedings brought against them for carrying out normal trade union activities. The obscure piece of legislation on the New South Wales statute which is being evoked in this case is for watching and besetting under the New South Wales Crimes Act No. 40 of 1900.

On 2 September 1992, an industrial dispute occurred at Bombo quarry that involved Gallagher Civil Engineering Contractors Pty Ltd of the north coast which had an involvement with pickets put in place by the South Coast Labour Council and the Australian Workers Union. As a result, in the past six months the building industry task force, set up by the New South Wales Liberal Government, has taken action to bring Paul Matters and Neville Hilton before the court.

The normal procedure would be to bring them before the Industrial Commission or the Industrial Relations Commission, but nothing was done for almost six months. The dispute was simply the exercise of the democratic right of any person in this country. There was no violence, no forced entry, no blockage of bulldozers; nothing in the way of a criminal act was undertaken, yet, three days before the six months statute of limitation on action in the Industrial Commission had expired, the

Government and the building industry task force found an obscure clause in the Crimes Act to enable the case to proceed before the court.

The court case is due to be held in November and will take 15 days, according to the building industry task force, at a cost in the order of \$120,000 of taxpayers' money.

Mr Sinclair—Take your hands out of your pockets.

Mr HOLLIS—I would have to have my hands in my pockets to find the \$120,000 that the Fahey Government is going to slug the taxpayers of New South Wales. If the charges are proved—and the right honourable member for New England (Mr Sinclair) should listen to this—a maximum fine of \$500 will probably be imposed.

This case will set an unbelievable precedent. If the case goes to the court and the union movement loses in the Magistrate's Court, a precedent will be set. It will mean that any individual who protests can be taken to court under the same clause. I think that is very, very important. In other words, if the aged ratepayers of Shellharbour decide to protest against the rates set by the Shellharbour Municipal Council they can be taken before a criminal court. If the elderly people of Kiama—so ably represented by my colleague the honourable member for Gilmore—protest cuts in health services or the closure of their hospital, which has recently happened, they can be taken before the criminal court. It is a crazy situation. The New South Wales State Government should ensure that some sanity prevails in the system. It should get itself together and stop this nonsense before there is industrial chaos in the whole Illawarra region.

The Keating Labor Government during its term of office must repeal sections 45D and 45E of the Trade Practices Act. It is totally inappropriate, in my view, for criminal charges to be brought against people carrying out normal trade union activities. Those on the other side of the House who are always talking about threats from the Left conveniently overlook the threats imposed by the Right of this country, especially against trade

unions, treating trade union officials as criminals.

I recall that as long ago as 1983 legislation was passed in this chamber repealing these sections. It went to the Senate, where the Democrats—the marshmallows of the Australian political system; the harlots of the Australian political system—sided with the conservatives to keep this—

Mr DEPUTY SPEAKER (Mr Nehl)— Order! I would suggest to the honourable member that that last phrase was not particularly parliamentary. I suggest that he withdraw it.

Mr HOLLIS—I will call them ‘the marshmallows’ and drop the word ‘harlot’.

Mr DEPUTY SPEAKER—Thank you very much.

Mr HOLLIS—I will drop the ‘harlot’; they are just ‘marshmallows’. The Democrats sided with the conservatives to keep this abhorrent legislation on the books. In 1984 we again repealed the legislation in this chamber, but again the marshmallows—since I am not allowed to use the other word—sided with the hardline conservatives.

It amazes me that late last year Senator Powell, former leader of the Democrats—the marshmallows—when proposing a private member’s Bill proposed the repeal of sections 45D and 45E yet, when she was Leader of the Democrats, when she had the power to repeal this legislation, she did absolutely nothing. I do not think that the good Senator Powell even discovered sections 45D and 45E until after she lost the leadership of the Australian Democrats. What amazes me about the Democrats is that, while some of their environmental policies may be very good, their policies on industrial relations are a disaster, and always on industrial relations matters they side with the hardline conservatives.

I spoke before about the oil rig construction at Port Kembla. There is yet another exciting project that can come to fruition in the Port Kembla area, and that is a ship repair facility. Last year I was a member of the House of Representatives Standing Committee on Transport, Communications and Infrastructure, and a member of the sub-committee that

brought down a report titled *Ships of shame*, which highlighted the deplorable condition of many of the foreign flag ships operating around the Australian coastline. It is a fact that the world is facing a shortage of shipping. Even if we commence building replacement ships for the world’s ageing fleet today, because of the nature of the problem and the age of the fleet we are going to have a serious shortage of ships.

The average age of the world’s ships is now 16 to 17 years, which is just about the safe lifespan of most vessels, and it is increasing by about eight months each year. By the year 2000, the average age of ships will be over 20 years, and the experts tell us that currently projected there is not enough shipbuilding capacity in the world, let alone Australia, to replace the ships fast enough. Incidentally, we are also going to have a serious shortage of trained and competent crew and officers.

Australia is no longer prepared to tolerate these ships of shame around the Australian coast. They will not be permitted to depart Australian shores in their unsafe and hazardous conditions. Today the Parliamentary Secretary to the Minister for Transport and Communications (Mr O’Keefe) introduced a Bill on oil pollution and he made this very point, going back to the days of the *Kirki* and the great danger to the environment that that posed—an example of unsafe shipping.

These repairs will be carried out in Australia and I suggest that Port Kembla is ideally placed to carry out these repairs. It would indeed be foolish to suggest ship repair facilities right around the eastern coast of Australia. There will be one major ship repair facility. Port Kembla, with its steel producing facilities, its technical expertise, its university, its trained work force, its close proximity to Sydney and its infrastructure network, is ideally placed to carry out this work.

It is, indeed, ironic that as we have progressed in so many fields—even within the shipping industry with such things as navigation—we in many respects are returning to the coffin ships of past centuries, with ill-equipped, underpaid and often untrained seafarers from Third World countries.

I was heartened to hear in the Governor-General's Address yesterday the statement that the Government's response to the House of Representatives Standing Committee on Transport, Communications and Infrastructure report *Ships of shame* will be to expand its existing strong commitment to the elimination of substandard shipping.

The honourable member for Gilmore and I will fight whatever we have breath in our bodies to keep cabotage and to keep coastal shipping for ships of the Australian fleet—not opening the Australian coast to foreign rust buckets. I thank the people of Throsby for returning me here once more and I thank the people of the Illawarra for once more putting their faith—their well-placed faith—in the Australian Labor Party.

Mr CADMAN (Mitchell) (9.38 p.m.)—The 'well-placed faith' is that of 1,500 people in a handful of seats.

Mr Hollis—Mate, we have the numbers; we have the seats and we have the numbers.

Mr CADMAN—Yes, and I know that you will use them, because that is the tradition of the party. You listen to no argument, you listen to no compassion and you listen to no compelling reason. The numbers are all that matter in your organisation. You only need look at the Prime Minister (Mr Keating) to understand the way in which that man operates.

Mr Hollis—They call it democracy.

Mr CADMAN—They call it democracy; I call it the abuse of power. Nothing is too good for a member of the Labor Party or his representative.

Mr DEPUTY SPEAKER (Mr Nehl)—The honourable member will address his remarks through the Chair, and he will do so without the assistance of the honourable member for Throsby.

Mr CADMAN—I was just alluding to the attitude and philosophy of the Labor Party, which is that nothing is too good for the working man or his representative. We can see those attitudes here in this Parliament, where members and Ministers take the perks of office for granted.

Mr Deputy Speaker, I wish to advert in my remarks to where Australia is at the moment and what Australians view as their future. We have had within the last couple of days a record deficit of \$2.1 billion. That seems to indicate that all the predictions prior to the election and during the election campaign were not right. That follows a March unadjusted deficit of \$1.9 billion and in February an adjusted deficit of \$861 million.

This is a huge debt that Australia is running up. It seems to me from just assessing those figures that somehow or other the real impact of the deficit is being held back and delayed slightly, sufficient to see us over the election period. Now we are seeing in fact and in detail the true impact of where Australia stands in its relationship to the rest of the world.

In the nine months of the financial year 1992-93, the current account deficit has reached \$11.9 billion compared with \$9.05 billion at the same time last year. We are now more in debt than we were at this time last year. What is the Government going to do about this deficit? All who listened to the speech of the Governor-General yesterday would agree that there is a whole bunch of 'ifs' and 'maybes' and 'we will investigate'. It appears that the Government intends in the next Budget to severely reduce its commitments, to wield the axe, and to break practically every promise in the book. In looking at the commitments the Government has made in a period of less than 12 months from the Budget of 1991-92—the Budget carries forward into this year and projects expenditure and revenue for 1992-93—one would have to assume that there was a certain rigour with which the Government laid out the figures and, supported by Treasury, was able to do the sums.

There were five financial decisions within the financial year—the Budget, the One Nation statement, the youth statement, the Aboriginal royal commission statement and the co-payment reversal. When one looks at what the Government has committed itself to and then adds on the cost of the policy launch plus other election commitments, one sees that the Government is expecting to spend a

lot of money over the next four or five years. When one looks at the revenue that is expected during that time—in fact, where the Government will take money from people through taxation—we cannot add up the figures.

I would like to incorporate in *Hansard* a table for the benefit of the House. I know that tables are not allowed to be incorporated these days if it is too difficult to reproduce them. Instead, I will read a summary of expenditure for 1992-93 and the following four years. In the projected summary of expenditure laid out by the Government in the Budget of August last year in the five areas, one sees that a total expenditure was predicted in this current financial year of \$4,383 million, increasing to the following year. These are the additional on-top-of-the-Budget predictions. There is another \$4.4 billion in the following year, \$4 billion in the year 1995-96, and an additional \$3.5 billion in the following year.

Looking at the revenue expected, one sees declining revenue because the Government has reduced its intake, if one takes the Government at its word, over that period. They are all promises in the long term of expenditure and of reduced taxation.

Mr McGauran—It does not add up.

Mr CADMAN—It does not add up. The Government cannot meet its commitments. The Government will break all its promises. I believe that in the speech of the Governor-General the Government was warning the Australian people that it had the best endeavours and intentions but that it would not be able to meet its commitments. It was a whole series of 'We will endeavour to' and a whole series of statements of intention and principle which the Government will not be able to adhere to.

Mr McGauran—And never believed it could.

Mr CADMAN—I believe it did not have any intention of meeting these commitments. It put figures on them and made statements, but what it amounted to was a wish list of what it hoped it would be able to do for the Australian people. The Australian people said, 'Well, on the basis of what you have said

during the election campaign and prior to it, we will give you our confidence, but only marginally'. Fifteen hundred votes over a handful of seats was the difference between Labor's winning and our winning. The Government has made those commitments and it is going to break those commitments—predictably so.

The Government did not level with the Australian people. But it is interesting to see that within the last few days the Treasurer (Mr Dawkins) has. He praised the economy base of our Asian neighbours and in Washington he made a series of statements about our near neighbours and how well they were faring and what their savings programs were. The Treasurer said that among the main sources of their success have been high rates of domestic saving and investment, which have laid foundations for rapid growth in private sector activity. That is completely the opposite of what we have in Australia.

Over the same period of time, whilst the Treasurer was praising our Asian neighbours, we have had a series of statements about compulsory savings in superannuation and the need for Australia to save. The Reserve Bank has been making statements about the increased drain on national savings by governments. So we have had a series of statements within Australia that Australia is starving for savings. We have our Treasurer applauding the savings programs of our Asian neighbours, but at the same time within Australia we hear a series of statements to the effect that the Government is not doing anything to encourage saving.

We need to have a savings regime. The Government needs to launch a savings program. It has not given any indication of one. The Parliamentary Secretary to the Treasurer (Mr Johns), who is at the table, mentioned compulsory superannuation, but in a weird way. Does the Parliamentary Secretary understand what is happening to workers? Does he understand what the three per cent means to an average worker over a period of time? Does he know how much is now left in a worker's account with the superannuation firm that his trustees have invested in? Does he realise the declining return from this process?

Mr Deputy Speaker, I know that you understand. One has only to look at the accounts that are returned to the average worker or his employer on a yearly basis to see that there is no benefit for the average worker in this process. If it is allowed to run for 10 years, there will be absolutely nothing there.

Mr Johns—It's a lie.

Mr CADMAN—It is not a lie. You prove that it is a lie. You produce figures.

Mr McGauran—**Mr Deputy Speaker**, I raise a point of order. I request that the Parliamentary Secretary withdraw his allegation that a lie was spoken by the honourable member for Mitchell.

Mr Johns—I think it is a point of debate.

Mr DEPUTY SPEAKER—Under the rather free ranging circumstances of this debate, I do not believe there is a point of order.

Mr McGauran—**Mr Deputy Speaker**, I raise a further point of order. Do I understand the Parliamentary Secretary to say that he was not describing the honourable member for Mitchell as a liar?

Mr Johns—That is correct.

Mr DEPUTY SPEAKER—That was certainly my understanding. That is why I said there was no point of order. If the honourable member for Mitchell were a little more assiduous in addressing his remarks through the Chair, we might have fewer interruptions than we have had.

Mr CADMAN—Do you mean that I am not allowed to respond to comments such as 'That's a lie.'?

Mr DEPUTY SPEAKER—I still say to the honourable member for Mitchell: be a little more assiduous in addressing your remarks through the Chair and not across the table.

Mr CADMAN—**Mr Deputy Speaker**, I am sure that if you were to advise the Parliamentary Secretary that he study his correspondence and that of the Treasurer he would see documentation of the very thing that I have spoken about. Insurance company after insurance company and superannuation group after superannuation group have presented to the

Treasurer and asked for an explanation as to how the Government's policies help the average worker. The Parliamentary Secretary is beneath any of this consideration. In fact, he is so minor in the process of government that he would not even be exposed to some of these ideas. I assume that he makes his remarks out of sheer ignorance and blind and overenthusiastic commitment to a misguided policy of his government.

Instead of examining the details, he has made an uninformed, unintelligent and perhaps misleading response. I would suggest that, despite what he has said earlier in this House about the value of superannuation to the average worker in Australia, he should look at the facts and find out how the average worker in Australia has been cheated by the process set in train by his Government, managed by the ACTU, endorsed by the ACTU, but bearing no benefit in the long term for the average worker. All that is held out for the average worker in Australia by the superannuation process espoused by the Parliamentary Secretary is greater cost to the employer and less and less benefit to the person who is employed.

So the proposals from the Governor-General's speech about increased savings and benefits to the Australian community are fictional and a farce. They will not survive, and they will not be substantiated either over a period of time or in the short term. One can see that there has been no benefit in the period that this process of compulsory superannuation through the union movement has been adopted by the Government. If one doubles or trebles the process, all that means is an increased loss to employers and a decreased benefit to employees. One has to do some lateral thinking and get the trusteeship of the process away from the union movement and end the rip-off of the average worker in the so-called administrative process—

Mr Johns—Disgraceful.

Mr CADMAN—It is not a disgrace, it is a fact. Do not lie to the House, either.

Mr Johns—Finish your speech.

Mr CADMAN—I did not call him a liar, Mr Deputy Speaker.

Mr DEPUTY SPEAKER—I am very pleased that you did not.

Mr CADMAN—I just said that the principle he has put forward is one of misleading the House and the workers of Australia—which is much worse—as to the benefits that they will gain from superannuation. It is a hoax and a farce. The savings are not there. The Treasurer admits the savings are not there. He applauds the Asian community for the way in which it saves, and yet at the same time here in Australia savings are suffering. We do not save for a rainy day. In relation to compulsory savings and superannuation I could go through headline after headline over the last few days dealing with what the economists and the people who need to be read by the Government have to say. For instance, there is the headline from Ross Gittins which says, 'Dawkins' call to save is not what it seems'. The headline by Ross Gittins is saying that what the Treasurer is calling for is not exactly what he is going to present.

The benefit to the Australian family and the Australian worker needs to be assessed by this Government. It is not the hypothetical, intellectual exercise that we have seen presented by the ACTU or presented here in the Parliament. It is something more basic than that. People have to be relieved of costs on a daily and weekly budget so that they have funds to set aside for a rainy day and for their own future. They have to be relieved of the demands that the Government has placed on them through the tax system and the high cost of living as compared with our neighbours.

It is all right for the Government to say that inflation is low—and in fact it is low—but inflation and the cost of living built into the system means it is more expensive for Australians to live than most of our neighbours. So they cannot save, and they need to save. There is nothing in the Governor-General's speech or in the Prime Minister's attitude today which would encourage us to believe that he has any real understanding of the needs and the circumstances of the average Australian.

Therefore, Mr Deputy Speaker, I am disappointed in the Governor-General's speech,

which I know we will be debating in the near future, and also in the Government's attitude to savings and the need to manage the economy. It is nothing but a process of seeking to distract Australians with some talk of republicanism while the whole country goes to the dogs.

The Government has no intention of dealing with unemployment. The one line of the Governor-General's speech that caught my eye relating to unemployment was that the Government is sympathetic to those who are hard hit by current circumstances. That is the most it can say. It is time those opposite got serious and it is time they gear up their Prime Minister to understand what real life in Australia is like. Otherwise, there will be three years of torture, grind and real difficulty for the average Aussie.

These Bills must be passed. I support the amendment moved by my colleague, but I think the Government at this point needs to be serious about its intention for the average Australian.

Mr CHYNOWETH (Dunkley) (9.55 p.m.)—Mr Deputy Speaker, I congratulate you and ask that you pass on my congratulations to the Speaker. I am pleased to see that some things have not changed within the chamber during my temporary absence. It is pleasing to see many of the staff still here and it is pleasing to see an increase in the number of Labor Party representatives in this House. It is also pleasing to see our new Prime Minister (Mr Keating) in action against this Opposition.

As I was saying before my parliamentary career was rudely interrupted three years ago, things are looking good; things are picking up for the Australian people. As one of Australia's contemporary ALP politicians said recently about the ALP win, 'This is the sweetest victory of all'. It is a victory not only for the members of the Australian Labor Party, but for everyone in Australia—especially for the people in the electorate of Dunkley and for those who have fought so hard in the past for social justice and the Australian way of life.

My campaign to win the seat of Dunkley back from the Liberal Party started in 1990.

It has been a busy three years, I can assure the House, and the victory made it very worthwhile. Before I thank anyone else, of course, I must thank my family. I am pleased to say that some members of my family are in the gallery this evening. Anne, Jane and Nina are there, along with my sons, Alan and David. Their love and support have enabled me to work continuously towards winning the seat of Dunkley back for the Australian Labor Party.

That goal would not have been achieved if we had not had the true believers in the Labor Party. They worked day and night for not only my victory but that of the party. None worked harder, of course, than my campaign manager, Kevin Howlett. A good campaign manager is critical in winning a very close campaign in a very marginal seat such as Dunkley.

We used to start early. This might shock some of those people on the other side who are a bit slack, but we used to start at 7 or 8 o'clock in the morning and we would not finish until all hours of the night. It was always a pleasure, however, that I was allowed to sleep in on a Sunday when we did not start until 9 o'clock in the morning. So we worked very hard.

The election campaign was tremendously assisted by the unions and members of the general public. The support we achieved was surprising to me. In all my life in public office I have never experienced the commitment and the zeal of the community to make certain that the Liberals were not elected. When the Labor Party, the trade unions and sections of the community work together, we are unstoppable. We are a winning team.

On 7 September 1989, I made a speech on what would happen to the Liberal Party in 1990. It was part of a grievance debate. I said:

I rise today to speak on a matter which I believe could alter the fabric of Australian society. The very base of democracy in Australia is being eroded by apathy, ignorance and a general malaise by certain members of a political party. What I am talking about is the takeover of the Liberal Party by the New Right. I do not agree with the Liberals on many issues but we need in Australia at least two parties with views that differ and with variations in

philosophical ideals. We definitely do not need a party of extremists and zealots, a party which is ruled and manipulated by the driving force of ambition and greed. I believe that the New Right has hijacked the Liberal Party. It has infiltrated its branches and support organisations. After the next election—

that is, the 1990 election—

when the New Rightists are within the Liberal's Federal Caucus, they will strike and they will rule it with an iron fist.

That is exactly what happened. The GST and all these other ratbag ideas were brought in. They were pushed and forced on to the more moderate members of the Liberal Party. They were forced to go along with this particular point of view. What happened from 1990 to 1993 was a disgrace to a political party which should be in opposition and should do a good job in opposition.

The New Right leadership said that it would introduce a GST, it would cut benefits, dismantle Medicare, pay kids \$3 an hour, make universities once again affordable only for the wealthy, and above all, destroy hard won working conditions and return us to the master-servant relationship.

The Liberals were so sure, so confident and so cocky that they would win the election that they nailed their true colours to the mast. They showed us what they were really like, and the people did not like it. No-one liked it. Jeffrey Kennett is a great friend of the Labor Party, I suppose, and I should thank him for his support and what he has done to assist us to return to office. He gave us a snapshot of what it would be like under the Liberals.

At the public meetings of the Leader of the Opposition (Dr Hewson), where all that violence was generated—which he seemingly enjoyed—many people saw just what would happen when greed and self-interest were promoted as the ideals of a political party. The many people who rejected these views decided to vote for us.

The electorate of Dunkley is named after Louisa Dunkley. She was a trade unionist who fought long and hard for improvements in working conditions for herself and for all other workers. If the election had been lost, all her work in the past would have been

wasted, because the New Right with people like Peter Boyle of ASBA were out to destroy the hard won conditions fought for by her and her fellow unionists. I am sure Louisa Dunkley would have been very pleased with the results achieved in 1993.

It is a great honour to receive a majority of support from the electors of Dunkley, and I am certain that together we will be able to achieve a great deal for all the people in that electorate, and for people in Australia. The Australian Labor Party can best represent the people of Dunkley, and I will make certain that I do my best to give everyone a fair go.

While I am thanking people, I thank not only the people who worked on my campaign but also the unionists who assisted, and the general public who assisted by coming to my campaign offices. One of the things people should do is be a bit friendly to their neighbours. I think I should thank one of my neighbours, the honourable member for Flinders (Mr Reith). On 14 August 1990, for the first time, I believe, in the newspaper, the following appeared:

Reith urges a consumption tax.

The shadow Ministry is due today to consider a consumption tax, which the shadow treasurer, Mr Reith, is recommending strongly that the Opposition should adopt as policy for the next election.

Well, they did it. They were forced to do it. I know not all of them wanted it but he and his New Right mates forced it through and the Opposition adopted it. We saw the results of it. So the honourable member has been instrumental in a couple of wins to the Australian Labor Party. Some honourable members will remember the Flinders by-election. We lost it and, because of that loss and a win by the honourable member, in 1983 Malcolm Fraser called the general election, and we won it.

The other person whom I should thank in a sort of a roundabout way is Jeff Kennett. Jeff started it all off in that people were allowed to see the real policies of the Federal Liberal Party. He gave us a little snapshot of what it would be like living under a federal Liberal Party—and what people saw they really did not like. What he has done in the short few months that he has been there is to

dampen the confidence of the State of Victoria. We have had the huge rallies. I participated in one of those rallies just before the election was announced. There were thousands of people in the street. They were not all people in the Labor Party like me; they were not all trade unionists. They were the general public, people concerned with what Kennett would do. It is only now that we are starting to see the results of what this person will do, how he is trying to destroy the State of Victoria.

I have here a few articles I have dragged out of the paper, which tell of what Jeff Kennett has decided to cut and remove—the infrastructure that has been set up to assist people within the community which he is diligently setting about to destroy. He has cut the funding to research into cot deaths. He has abolished the senior citizens week of free travel. How mean can he be to abolish free travel on the trains? How much would this cost Mr Kennett?

An article headed 'Scheme to aid poor in doubt' states that an innovative scheme is in doubt following a State government report recommending its funding cut. The Good Shepherd buying service has helped thousands of people, and Jeff Kennett is thinking of cutting that. Then there is the Peninsula Community Health Centre—funding in relation to the Victorian Schools Canteen Association, an organisation that goes around promoting health within schools. It is a sum of only \$30,000, but it looks as if it has gone. Down in Frankston, Jeff Kennett has cut out one of the great things that people in the National Party should be jumping up and down about—the Keith Turnbull Research Institute. He is going to close that. So where will all this vegetable research and the research into the European wasp go? Jeff is going to cut it.

Jeff Kennett has also decided to restrict access to FOI. We all recall the Birrells of this world and the way they went about trying to get FOI. The Labor Party, being an honest and open party, gave them whatever they wanted. As soon as Jeffrey and his mates get into power, what do they do? They cut it out straightaway—'No, we won't give you any

more information'. I have here an article headed, 'Ambulance service may cut service for the disabled'. How mean can this Victorian Government get? It is getting worse and worse all the time.

Just imagine what that government would have been like if there had been a Federal Liberal government: it would have had to have softened these things a little bit. Another headline reads, 'Stockdale casts doubt on \$1 billion road link'. The Minister says, 'Oh yes, we'll build all the roads, there's no problem; we won't put up petrol'—but what do we see? We see the heading, 'Petrol in Victoria up 3.3c a litre'. And so the list goes on. The Kennett Government has only been in office for six months.

We Victorian members of the Federal Parliament will all get together soon and plan a definite campaign to make certain that Victoria does not continue to be 'jeffed'. 'School support centre to close' is the headline in one article. This is another institution in Frankston. I know that one of the attendants in this House comes from that area. That school support centre down in Frankston north is going to be closed. These things are happening all of the time within our community.

Recently, Mal Sandon, the shadow Minister for education, Burwyn Davidson, an upper House member, and I went to a meeting in Frankston that was not organised by us but by a group of concerned parents. There were about 200 concerned parents who attended that meeting. All the Liberal Party members from the areas which surround Dunkley—there are dozens of them around there; I am in a sea of blue, surrounded by this mob—were asked to attend. What happened? Not one of them had the guts to turn up. We are talking about State members such as Sue Wilding, Peter Maclellan and Graeme Weideman. They were all asked and they were either sick or busy. They could not face these parents—people to whom they had said that there would not be any closures, people to whom they did not tell the truth during the election campaign.

Students in some of the schools in my electorate are now the cleaners. People from

other States may not believe this, but the kids have to empty the rubbish bins instead of doing school work and learning something. This is the future of Australia! These kids are out emptying rubbish bins. In primary schools, when teachers are away ill and there are no temporary teachers, grade five kids sit in with the preps doing finger painting. They will certainly learn a lot there. I could go on and on about the changes and the hits that Kennett has made to the electorate of Frankston. This has gone on right across Victoria. He has to be stopped.

I am pleased to say that one of our former federal colleagues is now in the upper house in Victoria—John Brumby, the former member for Bendigo. He set up the Waste Watch Committee, and already he has started to find out some very interesting facts and figures about the Victorian State Government. Recently, the State Government in Victoria paid \$2 million for lawyers in an attempt to stop Victorian workers from having federal awards; \$1.6 million was spent on consultants' advice on legislation and advertising; and \$2.35 million was spent on pay rises for MPs and on the appointment of four extra Ministers. Jeffrey Kennett is the man who was going to save Victoria millions. He is spending more on more Ministers. He has also created positions of Parliamentary Secretary. The people in these Parliamentary Secretary jobs are all fairly crucial people, out of whom he is trying to get votes to shore up his support. I do not know whether Jeff will be there for too long, but there is a lot of pressure on him from other people in the community.

We all know about the \$100,000 spent to have silver service back in the parliamentary dining room. This is the sort of guy who cuts out money to the Grey Sisters for respite care and for cot death research but spends \$100,000 to get silver service in the parliamentary dining room. He removed \$2.5 million from capital works for schools. The kids now have to empty out their own rubbish bins. And what does Jeffrey do? He sits up in the parliamentary dining room with his silver service.

Mr O'Keefe—And sells some wine.

Mr CHYNOWETH—And sells wine, yes; I forgot about the wine. I meant to bring the press cutting into the chamber. Here he is—a sly grogger from way back. He spent another \$240,000 to redesign the headquarters of the health Minister, Marie Tehan, yet his Government is closing hospitals and sacking nurses. These are the sorts of things going on in Victoria. This is the sort of thing that a liberal party does. Just imagine how it would have been had we lost the last election. I can assure the people of Australia that they were very wise to vote for the Australian Labor Party representatives in their areas.

The cuts in Victoria are putting a damper on the economy there. How would one feel were one a public servant, a nurse, a teacher or anyone in that area in Victoria who wanted to build an extension on their house or spend a bit of money on a new car or invest in some superannuation, insurance or something like that? They would not do it because they would not know whether they had a job. Why? Because Victoria is being 'jeffed'. It is endangering the whole recovery of Australia. For a long time Victoria has been the engine room of Australia. It has the majority of factories; it produces the majority of manufactured bits and pieces. It is a hardworking State, but it has all been slowed down deliberately by Jeff Kennett and the people who support him.

I would like to continue with Jeff Kennett but time is short and so I will move on to another area which concerns me, another thing that the State Government has done. It has allowed the installation of an oil terminal at Crib Point in Western Port Bay. Ships have been going up there carrying crude oil for many years. However, the Government is about to bring in some supertankers. Just imagine what would happen if one of those supertankers ran aground. The second biggest tourist potential in Australia would be wiped out. The fairy penguins would all be killed overnight. There is no way that we could stop an oil slick because of the high tides in Western Port Bay.

Yesterday, or the day before, we had the example of a German container ship running ashore at Rose Bay, and that is a modern

ship. Imagine what would happen if we had dirty old oil tankers coming up Western Port Bay like the *Kirki* that broke in half off Western Australia. I am seriously concerned that the Victorian Government has allowed this to go ahead without any sort of environmental impact statement or study. We have international treaties in that area. (*Time expired*)

Mr TUCKEY (O'Connor) (10.15 p.m.)—Three years out of this place did not do much good for the honourable member for Dunkley (Mr Chynoweth).

Mr Chynoweth—It certainly stirred you up, though.

Mr TUCKEY—The honourable member has not stirred me up. He has just reminded me what a dill he is.

Mr DEPUTY SPEAKER (Mr Nehl)—Order!

Mr TUCKEY—If he wants to interject on me, he deserves what he gets.

Mr DEPUTY SPEAKER—I do not think that is actually the case.

Mr O'Keefe—Mr Deputy Speaker, I raise a point of order. If the honourable member for O'Connor is going to refer to honourable members, he will refer to them by their electorate.

Mr DEPUTY SPEAKER—He certainly will.

Mr TUCKEY—I did refer to the honourable member for Dunkley. I am well reminded that there were days when he was here previously when I used to call on honourable members from that side of Parliament, considering their Labor background, to indicate whether they had ever done a day's work. The honourable member for Dunkley used to remind us that he was a fitter and turner. Nobody else used to stand because there was no other person in the Labor ranks had ever got a little bit of grease under his fingernails in the process of manly work.

Those opposite come from different parts and have learned that the way to the top, to Parliament and, in fact, to the Lodge, is through university—with the exception of the Prime Minister (Mr Keating). He just got

straight into Parliament; he did not mess around with the intervening stages. But for the rest, it is university, it is the union movement and then it is a safe seat in Parliament to guarantee their pension.

Putting that aside, I was interested in the comments of the honourable member for Dunkley. He complains bitterly about the treatment that the people of Victoria are now getting from a government that is trying to fix up a mess. He worries about \$100,000 in silver service but forgets that Joan Kirner and John Cain sold the trams and the railway carriages. They sold the lot. Instead of making a few decisions that were necessary to rationalise an industry—rather than say to the conductors, 'Look, I am sorry, the taxpayer can no longer afford you'—they sold the trams.

Through the State Government's mismanagement Victorians now pay \$800 million a year in rent to Japanese institutions, and the honourable member whinges and moans about a \$100,000 silver service. They sold the trams. The honourable member's grandparents paid cash from their hard work for some of those trams. Then along came the people who would buy electoral popularity at any price and they sold those trams; they sold the trains; they sold the buses; and Victorians now pay rent to Japanese institutions.

Mr Chynoweth—People can still use them.

Mr TUCKEY—Yes, at a cost of \$800 million a year rent while the money was wasted. The honourable member for Dunkley whinges and moans about these things. Shame on him, because he is fundamentally elected to represent the welfare of the people in his district. The honourable member's only interest—as is demonstrated in these appropriation Bills tonight—which is fundamental to Labor administration, is to borrow the money, keep the people happy and get re-elected. That is what we are on about tonight. We have just gone another little way down the road to debt.

In Victoria Labor sold the trams; in Western Australia it financed the crooks and killed the people. The cost was \$1 billion. In every other State Liberal governments have to come along and take the flak to try to sort out the

mess. Why? It is for one simple little reason: we do not believe our children should pay. The price of electoral popularity for this Government, for the Cain and Kirner governments and that wonderful trio in Western Australia—Burke, Dowding and Miss Forgetful, Carmen Lawrence, who could not remember her own name—

Mr Chynoweth—You are going back in history there.

Mr TUCKEY—The honourable member for Dunkley should not tell me about history; if it suited the Prime Minister, he would blame Billy Hughes. I heard the honourable member whingeing and moaning yesterday—

Mr DEPUTY SPEAKER—Order! The honourable member for O'Connor will direct his remarks through the Chair.

Mr TUCKEY—Yesterday government members were whingeing and moaning because I reminded them of when they sacked a Speaker—a disgraceful thing. The Prime Minister, the Treasurer and the Minister for Finance came in here and, on the record, voted down their own Speaker because he had the temerity to discipline a Minister. Nice people!

Mr Chynoweth—You sacked a government.

Mr TUCKEY—No, we did not sack a government. The Labor Government's duly appointed Governor-General sacked a government. It appointed him. It does not say much for the Government's intelligence.

Mr Chynoweth—We know how it works.

Mr TUCKEY—I do not know which is worse, dumb people or dishonest people. The simple fact is that is how the Labor Government ran the country. Carmen Lawrence is Leader of the Opposition in Western Australia now. The Treasurer was ringing her up saying, 'Come to Canberra. We need you, Carmen'. She is a nice lady. She could not remember one of the things she did as a Cabinet Minister. She has the greatest score in WA Inc. royal commission hearings of saying, 'I cannot recall'. Nice people! But who has copped it—me? I am 57. I will not pay much for it.

Mr Chynoweth—Nice people. Some of us have long memories.

Mr DEPUTY SPEAKER—Order! The honourable member for Dunkley has obviously learnt bad habits during his absence. I suggest that he try to learn new ones.

Mr TUCKEY—Thank you, Mr Deputy Speaker, for your protection.

Mr DEPUTY SPEAKER—You obviously need that!

Mr TUCKEY—The simple fact is that, to gain electoral popularity, these people will dump it on the children; let the children pay. Do not worry how much money you borrow; let the children pay. Dump it on them; keep buying popularity. There are a lot of reasons why this Government got re-elected, but one of the most important reasons was not the expertise of the Prime Minister, but \$16,000 million worth of borrowing.

The Labor Government did not tax the people. It did not take anything away; it just sent the bill to the kids. They will not put too many flowers on the Government's grave. As far as I can see, we are here tonight under these Bills to add another \$1.2 billion to that debt. That is what these appropriation Bills are about tonight—getting a little bit more.

This has been an amazing government; I have watched it from day one. It has hardly ever got a Budget right. In its first three or four attempts the Budget went over because the Government had inherited a deficit. I think the first one was \$10 billion. 'It was all inherited', it said. But that got a bit thin after about the third attempt; it got up to \$26 billion of borrowings. Then it had a couple of surpluses, which were as big a surprise to the Government as the deficits. It could not balance the books in a fit. It took no responsibility. Its policy was to get out there and win the votes; let the children pay, and that is what we are on again tonight.

There were some pretty rough old things done in the election. I am sure the honourable member for Dunkley has some recollections of some of his own little tricks. A serious attempt was made to explain to the Australian people the problems with our system. Of course, the honourable member for Dunkley

lives in Victoria. He has just been telling us about Victoria's great productive capacity, but it is not all in the industrial sector.

During the campaign I went to Mildura. A lot of people in Mildura were complaining bitterly about how difficult it is for their product to compete with imported Brazilian orange juice. Brazilian orange juice comes into this country by international sea transport, which is the cheapest form of transport available in the world. It is delivered to massive markets in Melbourne and Sydney. The Mildurians have discovered that oranges do not grow too well down at Bondi Beach, so they are growing oranges in that wonderful country where there is sun, water and soil. But to give the people of Mildura another kick in the pants this Government taxes them \$1,000 a truckload a week—in fuel tax and other taxes—to get their product—

Mr O'Keefe—Zero tariffs—that will fix it.

Mr TUCKEY—If honourable members opposite want to bet with me on that figure, they can do me a favour; I need the money. The people of Mildura are taxed \$1,000 a truckload a week. They do not have to buy that fuel in Victoria. The Government is taxing them \$1,000 a truckload a week for the purpose of delivering their product to the market, and Government members tell me that that is a good idea.

Mr Cleeland—Jeff Kennett's adding 3c a litre to them.

Mr TUCKEY—I just told honourable members opposite why Jeff Kennett is adding 3c a litre to the cost of fuel: Labor sold the trams, the buses, the railway wagons and everything else that moves, and now whinges and moans that Jeff Kennett cannot pay wages to the schoolteachers.

Do honourable members opposite know what percentage of a typical State budget is allocated to health and education? They would not know one figure in the existing Budget. But I can tell them that State by State two-thirds of their outlays is allocated to health and education. The State ends up having no money left, because it has sold the trams, the trains and the buses and it has mortgaged everything else in the country.

What was the figure that came out the other day? It was \$59 billion worth of debt, and that does not include the lease payments.

Mr Cleeland—Half of what Henry Bolte left us.

Mr TUCKEY—I am quoting my figure; the honourable member for McEwen can quote his. The simple fact is that that is what Labor did, and it is doing it here tonight: it is adding extra debt. The Government's attitude is: 'We will retain power. Let the children pay'. Government members have no consideration for the kids of this country. They will leave them with a living standard that will make them the white trash of this region, because there will be nothing left by the time Government members leave.

Let me change the subject for a moment. I have the odd clash with the Leader of the House (Mr Beazley). I said to him, and I know he understood, that when that disgraceful affair with Jim Cope took place, his father had the honour to stay outside. His father was in the Parliament, but his name was not recorded in that disgraceful vote, as the Prime Minister's was. I wanted to make that a bit clearer on the record because when I read the *Hansard* it was not there.

The Leader of the House is running this little line: 'Thank you, Wilson, for having me re-elected'. He attended a meeting at Ascot racecourse to which I was invited by the Racehorse Owners Association in order to tell the racehorse owners a little about how a GST might affect their industry. The interesting thing is that the Leader of the House says that that was such a failure that he consequently won the election.

I think it is reasonable in this appropriation debate to put a few facts on the record. A couple of hundred people attended this meeting. I took a white board along. I was not anticipating the appearance of the honourable member for Swan (Mr Beazley), but I was not too concerned about his appearance. What was supposed to be a reasonable opportunity for the racing industry to ask some questions and to get some straight answers was turned into a political bunfight. Why was it turned into a political bunfight? The then member for Stirling, whom Mr Deputy Speaker chose

to congratulate the other day, had his entire staff in the audience. They would not know which end of a horse ate grass, and they had them on double time or overtime sitting in the audience to create trouble.

The industry did not like it very much, because I was able to identify these people. We had a couple of other heavies. We had a bloke from the Seamen's Union in the front row with his binoculars. I said to him, 'I bet you hired them to look like a racing identity'. It was a real joke. What is more, that is not where the 200 votes came from. There would not have been 10 people in the audience who lived in the electorate of the honourable member for Swan (Mr Beazley). I know that because, unlike other people, I know the racing industry. That industry just re-elected me to the committee with the highest possible vote. The simple fact is that I was there and I knew.

I will tell honourable members why a lot of racing people did not vote Liberal; it was because they got letters like this one from the honourable member for Swan. He has been to university and I think he might be a Rhodes scholar. He sat down with the Prime Minister to devise a goods and services tax. Irrespective of anything else, he would know how a GST works; he would know the fundamentals. The fundamental principle of the system is that the purchaser pays the tax. Of course, the honourable member for Swan wanted to terrify the community—as all Labor members did—so he wrote a letter. I want to read honourable members one of the things he said in the letter. Item 3 states:

Prize money would be taxed. Under Fightback, prize money would be treated as a sale by the horses' owners and would be subject to GST in their hands.

If ever there was a sign of a guilty man, that is it. Of course the prize money would be taxed. Can honourable members tell me in whose hands?

Mr Cleeland—The owner.

Mr TUCKEY—There are some dills in here for sure. The owner does not pay the stake money; the racing club pays the stake money and the racing club would have paid the GST. And under the international formula

which applies to value added taxes, it would have been eligible for a refund.

I accept that the honourable member for McEwen and the honourable member for Dunkley would not know that. Like the honourable member for Canning (Mr Gear), they were not dishonest; they were just stupid. The honourable member for Swan knew. He did not write—as did the honourable member for Canning—that the GST would be deducted from stake money. He knew better and he just wanted to create that impression.

Probably the lowest form of human being is the person who knows and who writes in a way so as to confuse. I have read the words to you, Mr Deputy Speaker. One can read anything one likes into them. But when there is the heading 'Prize money would be taxed—a true statement', the immediate thought is, 'I will be taxed'. Of course, the Leader of the House knew better and that is why he is beneath my contempt. His father would never have done that, because his father was an honourable man—too honourable to come in here and vote down his own elected Speaker.

Mr Cleeland—So you still support the GST?

Mr TUCKEY—No, I am giving the honourable member a demonstration of how low he went. I can forgive stupid people who are just plain devious, but I cannot forgive a person like the honourable member for Swan who helped devise a tax, knew its fundamental operations and then wrote a letter like this to people who voted for him and put their faith in him. They rely on him for their protection. He could not lie straight in bed—worse, he knew what he was on about.

The Bills before us seek to appropriate \$1,681.3 million and approximately \$1.2 billion of that is additional spending. What does the Government tell us? The Minister said:

Appropriation Bill (No. 5) 1992-93 . . . which I shall introduce shortly, comprise the Additional Estimates for 1992-93. In these Bills, Parliament is asked to appropriate moneys to meet essential and unavoidable expenditures . . .

The Government just keeps spending because that is what keeps it in office and it does not

mind. What will the Government do about the sale of Qantas? It will spend the money as soon as it gets it. The Government is not trying to pay off the debt. In fact, it has already transferred Qantas's debts onto the taxpayer. The Government will then say that it has all this wonderful revenue.

The Government was today boasting about selling TV licences, cable licences, pay TV. It says it will get a big profit for the taxpayer. Who is the taxpayer? It is the consumer. When the Government charges someone \$200 million or thereabouts for a monopoly, does it think that will not be whacked on to the price paid by the consumers, the Government's electors? We know the Government is desperate for money; we know it has killed off the major revenue option. It is scraping around the back, trying to get a tax on people who want to watch pay TV before they get the pay TV. I will not spend any more time on that scandal.

The Government floated an idea the other day. It wanted dividends from Telecom and Australia Post. Who will pay them? It will be consumers, the people who put their faith in the Government. Then, of course, the Government started to float death and wealth taxes. It did not do that itself; it got a heap of academics to do it. It is on the agenda, is it not? It has already been done to the pensioners with that dreadful thing it has where it taxes—

Mr O'Keefe—Assets test.

Mr TUCKEY—No, unrealised gains. (*Time expired*)

Mr PRICE (Chisley)—Mr Deputy Speaker, I seek leave to make a personal explanation.

Mr DEPUTY SPEAKER (Mr Nehl)—Does the honourable member claim to have been misrepresented?

Mr PRICE—I do.

Mr DEPUTY SPEAKER—Leave is granted.

Mr PRICE—I will be brief. In the speech just concluded, the honourable member for O'Connor (Mr Tuckey) suggested that, other than the honourable member for Dunkley (Mr Chynoweth), everyone had failed to get their

hands dirty or to do real work, or had come straight from university to this Parliament. I point out to the honourable member for O'Connor that I have worked variously as a fencer, a builder's labourer, on a poultry farm, in a jam factory—

Mr DEPUTY SPEAKER—Order! The honourable member for Chisley will resume his seat.

Mrs Sullivan—Mr Deputy Speaker, I raise a point of order. The honourable member has been here long enough to know that that type of generic assertion does not apply in particular. If it were so, every day Question Time would be held up with nothing but the sorts of points of order that he is raising now. No specific comment was made to him. A generalisation such as that which the honourable member for O'Connor made is not encompassed by the standing order he is attempting to raise.

Mr Tuckey—And how long were you in the union before you came here?

Mr DEPUTY SPEAKER—I can do without the help of the honourable member for O'Connor. I accept the point of order made by the honourable member for Moncrieff.

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Industry, Technology and Regional Development) (10.37 p.m.)—Mr Deputy Speaker, I begin my remarks on these appropriation Bills by congratulating you on your reappointment as a deputy speaker of the House of Representatives. I would ask that you pass on my congratulations to the Speaker, the honourable member for Cunningham (Mr Martin), and his deputy, the Chairman of Committees, the honourable member for Scullin (Mr Jenkins), on their election to their respective offices. I also thank the majority of my electorate who returned me to this House for a fifth term, and my family and staff who were of such great assistance to me during the election campaign.

I was quite surprised to hear the honourable member for O'Connor (Mr Tuckey)—and it is a pity that he has left the chamber—speak in the manner that he did this evening. The

honourable member for O'Connor is a person not without ability in periods of lucidity, but his behaviour tonight does him no credit. I would be surprised to learn that he had notified the Minister for Employment, Education and Training (Mr Beazley) that he intended to attack him personally this evening in this House. I thought the attack was unwarranted. It was personal and unnecessary.

Mr Deputy Speaker, I share the delight of the honourable member for Gilmore (Mr Knott) and the honourable member for Macquarie (Ms Deahm) who made their maiden speeches in this chamber this evening. A maiden speech is, in a big way, a personal testament of a member of Parliament. In the maiden speech, the honourable member evokes, in a real sense, his or her true philosophical and personal beliefs and ambitions for him or herself and the people he or she represents. It seemed to me, listening to the speeches so far delivered this evening, that both the honourable member for Gilmore and the honourable member for Macquarie spoke truly from the heart and from a very strong sense of decency and of what is good and right to do for the Australian people.

I share the delight also of the majority of the Australian people in the election of the second Keating Government. Their decision to re-elect a Federal Labor government for a fifth consecutive term was not only historic but also eminently sensible. Progress, stability and sound leadership will always be preferred to reckless experiment, division and obsessive autocratic leadership. So Australia begins a new era of hope and confidence under a reinvigorated government. We in the Australian Labor Party accept the challenge of leadership and we will honour the trust given to us by the Australian people.

The appropriation Bills give honourable members one of those rare opportunities in this House of being able to speak on a wide range of topics. I therefore take this opportunity to speak on some policy objectives of the portfolio of industry, technology and regional development, one of the most senior and important portfolios within the Federal Government. The Governor-General said in

his speech on the opening of the 37th Parliament:

The key task for industry policy is to continue to foster an internationally competitive and innovative industrial base for Australia. Many of the key planks of our industry policy are already in place, including a range of measures to assist firms in adjusting to a more competitive environment, and to encourage firms to undertake activity in Australia.

The industry portfolio is responsible for many important agencies, including some of the most highly respected and best known research and technology institutions in our country, such as the CSIRO, the Australian Nuclear Science and Technology Organisation, the Australian Institute of Marine Science and the Australian Industrial Property Organisation, to name just four of them. The industry portfolio, which employs more than 13,000 people and whose outlays exceed \$2.5 billion, is now administered by an energetic new Minister, my colleague the honourable member for Maribyrnong (Mr Griffiths), who has followed one of the most distinguished Ministers in previous Labor governments, Senator Button. I would like to record tonight my tribute to the outstanding contribution Senator Button made to Australia's industry, technology and commerce. As a result of his innovation and leadership, Australia now has a much more competitive and wealthy economy.

Let it be said this evening that at the last election the majority of Australians rejected the coalition's industry policies, which were a recipe for economic ruin. It is a notorious fact that under previous conservative governments industry policy was limited to high tariffs and quotas that stunted growth of our export industries. This led to unkind comparisons that under a conservative government the economic performance of Australia in terms of export profile was akin to that of a developing country. The National Party had a hand in this with its agrarian socialist policies which, in the end, caused great damage to primary industry in this country.

The industry policy prescriptions in Fightback were driven by academic economic theory. Fightback laid it all out on the table and showed clearly that the Liberal and

National party leadership ignored the cost to industry of rapid and radical changes in policy. The Leader of the Opposition (Dr Hewson) and his then deputy, the honourable member for Flinders (Mr Reith) seemed to pay no heed to the institutional and industrial structure of our nation. As the Chief Executive of Toyota Australia said, the leadership in the Opposition was not listening.

The Opposition ignored the expert advice of the Industry Commission, the Automotive Industry Authority and the Australian Manufacturing Council. In the automobile industry alone, the Opposition's tariff policy would have jeopardised billions of dollars of existing investments and tens of thousands of jobs. Indeed, a study of Australian industrial structure by the Australian Manufacturing Council has noted the importance of linkages from the automotive sector to all parts of manufacturing industry and its role in providing a base from which much other manufacturing industry can flow.

In contrast to the Opposition's policy in this area, the Government's policy seeks the establishment of an internationally competitive Australian industry by working with industry and our institutional structures. The Department of Industry, Technology and Regional Development has established sectoral programs covering industries such as pharmaceuticals, information and telecommunications, aerospace, agri-food, advanced manufacturing technology and service industries. These programs are not protectionist in nature but are focused on overcoming the access barriers to international markets. Hand in hand with the Government's policy on reducing tariffs, these programs are developing the international competitiveness of Australian industry. These strategies also seek to bring together with industry the nation's scientific and technological expertise in the universities and government research institutions such as CSIRO.

In his speech, the Governor-General also observed that many small and medium sized firms have become internationally competitive. Indeed, there are countless examples of that not only in my electorate but also in most electorates in Australia. Over the last 10 years

a host of new markets for our products have been established and new export industries developed. In the last five years, since the information industry strategy was announced, the information trade deficit has declined by \$500 million from 1987-88 to 1991-92, with exports increasing 65 per cent over this period from \$800 million in 1987-88 to \$1,322 million in 1991-92. In the automotive sector, Toyota is investing \$450 million in a new plant in Altona, Victoria. After the plant becomes fully operational next year Toyota hopes to be exporting 30,000 vehicles a year to Asian and Pacific markets.

Australian manufacturers compete successfully against foreign products in our domestic markets and in overseas markets. The proportion of Australian exports of GDP has grown from about 14 per cent to over 18 per cent over the last 10 years. This second Keating Government is determined to increase this percentage significantly.

The Opposition's approach to industry policy reminds one of a reformed smoker; having belatedly discovered the evils of protectionism, it wants to reform Australian industry overnight. One hopes that having learnt the lesson that the reform process is longer and more complex than it thought, it does not suffer from what we call in criminology recidivism.

Turning to the area of regional development, the Australian economy is experiencing its most dynamic period of structural change since the war. The Government has responded to the opportunities available through the rapid economic growth of the Asia-Pacific region. The need to raise our competitiveness to participate in this growth has required active policies of micro-economic reform to reduce input costs to industry.

The efforts to reduce costs of transport, energy, communications and labour have made a significant and sustainable change to our cost structure and have overcome the inflationary spiral in which we were once trapped. The transformation of the Australian economy to reach high levels of international competitiveness necessarily involves change in the geographic and sectoral structure of our industry.

Some of our industries have had to adjust to a decline in markets for their products. New industries have grown to service new markets. But the new industries have not always evolved in precisely the same geographic regions as the declining industries. Consequently, some industries have experienced higher rates of economic growth during the last 10 years than others. In turn, this has produced different rates of population growth in response to employment opportunities.

Economic growth has been greatest in Queensland and Western Australia, which have been major beneficiaries of the processes of structural reform established by the Government. The regions with a higher concentration of protected manufacturing and regulated farming sectors have not grown as fast and have experienced some unemployment decline in those industries. The social consequences of structural change are felt in both growing and declining regions. In Queensland, and in northern Australia more generally, we are familiar with the problems of employment growth without infrastructure and services; the southern states are faced with high cost public infrastructure and a shortage of investment to replace declining industries.

The Government response to this change is not to slow the pace of structural change and micro-economic reform but to ensure that the process is handled equitably. The Prime Minister (Mr Keating), in his *Investing in the nation* statement, expressed his concern that the costs of structural adjustment which benefit all Australians in the longer run should not fall disproportionately on a few geographical regions.

My colleague the Minister for Industry, Technology and Regional Development, the honourable member for Maribyrnong, has announced the establishment of an Office of Regional Development within his portfolio and the establishment of a task force on regional development. In addition, the Minister has proposed upgrading the functions of the Australian Industry and Technology Council to include a strong and distinctive focus on regional development. The new look council would meet periodically as a council of Ministers. Honourable members would be

aghast to learn that the last time the Opposition addressed regional policies was in July 1989. It is so long since Opposition members addressed northern Australia that I think they may have forgotten it exists. I will be saying something more about that later.

The Federal Government has commissioned the Australian Science and Technology Council to provide advice on the application of research and technology for the development of tropical Australia. ASTEC has now produced a comprehensive draft report which contains 12 recommendations. These include: first, better structures for research coordination in tourism, health, research training and education, and horticulture; secondly, more effective research collaboration between different agencies to overcome the isolation of researchers in the north; thirdly, better management and organisation of research within the tropics to develop technology specific to tropical problems; fourthly, economic development in the region which is sensitive to the natural and cultural environment and biodiversity of the region and based on the principles of ecologically sustainable development; fifthly, a more concerted effort to exploit the research or technology that has already been developed in tropical Australia; finally, increased support for research into topics of specific interest to Aboriginal and Torres Strait Islander people.

Industry, technology and regional development policy cannot be reduced to a cookbook or a set of academic theories, as the Opposition would have us believe. There is no avoiding the hard work of determining, analysing and addressing the specific problems of industry, no avoiding the hard work of ensuring we have public infrastructure appropriate for these industries, and no avoiding the hard work of, while responding to the need to improve Australia's competitiveness, keeping account of the need to handle the impacts of structural change equitably and in accordance with the traditions of social harmony and cohesiveness long held in Australia. These are just some of the necessary tasks the Government is prepared to undertake in this momentous second Keating Labor Government.

Before concluding, there are some issues that I wish to bring to the attention of the House which have caused me tremendous concern. I came across, quite by accident because it was quite difficult to locate, a document *Some aspects of coalition policy platform initiatives*, identified by the date 10 March 1993. In fact, I understand that the staff had great difficulty locating this particular document.

The document goes on to say that a number of leading initiatives that have been developed over a long time are either to be abolished or abandoned. The metal based engineering program is to be terminated ahead of schedule. The Australian Manufacturing Council would cease to have Federal funding. The Automotive Industry Authority would be abolished, as would the advanced manufacturing technology development program. The vendor qualification scheme would be abandoned.

The National Industry Extension Service would be abandoned or abolished. It is of great benefit to industry in this country. Fightback says that the responsibility for NIES will be transferred to the States. But more recent statements by the Opposition industry spokesperson suggest that it will be reviewed by private consultants. The coalition has indicated that it would like to abolish the multifunction polis, but it has not yet made up its mind about that. The Commission for the Future would be required to rely on direct support from community and business. One could wonder how long that would last.

The national procurement development program, which is a critically important program, will be terminated ahead of schedule. All tariffs would be reduced to negligible levels by the year 2000, including in the automotive and TCF industries. I would have thought that that document would be highly sought after—particularly by folks living in Victoria and South Australia, apart from those in rural industries and my State of Queensland.

Austrade will be restructured to take a more streamlined and commercial approach. Some of its functions would be contracted out and industry panels would have advising roles. I

hope Senator Evans gets a copy of this document—if he does not have it, I intend to supply him with it—so that he can draft the necessary policies and programs to try to protect an institution which is the derivative of the Department of Trade and was established by conservative governments over a long time. This current ratbag idea of academic theory is out to wreck one of the major institutions of this country which is designed to improve and increase Australia's trade competitiveness.

Mrs SULLIVAN (Moncrieff) (10.57 p.m.)—He huffed and he puffed and he blew the house down. The honourable member for Herbert (Mr Lindsay) spent 15 minutes constructing a straw house and then spent the last five minutes huffing and puffing. The honourable member needs to know that the Opposition did have a policy on regionalism. If there is one thing we were not short of in the last election it was policies. I am terribly sorry that the honourable member for Herbert is leaving the chamber, because he really needs to hear these remarks.

Mr O'Keefe—Well, there is no point his staying here to listen to this.

Mrs SULLIVAN—The honourable member for O'Connor (Mr Tuckey) could well have said the same about the speech by the honourable member for Herbert and have had an even better basis for that comment.

There was no shortage of policies at the last election. Believe me, there was not one nook or cranny where we did not have a policy. The moral of the last election was not whether we had the right or wrong policies, but that we should not have had any. We would have won if we had not had any policies, because of the appalling mess those opposite have made of the economy.

But the coalition made an honest attempt to put forward a blueprint for the sort of economic revival that this country must undergo. That blueprint was lied about and misrepresented by the Government. It was advertised in a way that terrified people. There was a scare campaign—and I would be the first to admit that it was a very successful campaign, but also a very frustrating one for us. However what those opposite really taught us was

this: it is possible to lie to the Australian people and convince them in the short term. The lesson which has yet to be learned is whether one can carry it off in the longer term. A second lesson is that it is a mistake to put forward a policy. If the Labor Party does not lie about it, it will pinch it.

I must respond to a couple of points made by the honourable member for Herbert. I will not spend my entire time tackling the stupid straw house that he erected, but some things have to be said. Industry policy can be as pretty as you like. There can be all those investigations, bodies and all the rest of it, which the honourable member for Herbert spent so much time talking about, but if the foundation is flawed, time and money are wasted—and in this case it is taxpayers' money.

I will take up an example that the honourable member gave: the multifunction polis. It was to have been established in my electorate of Moncrieff, as the electorate's boundaries were formerly drawn. The MFP had nothing to do with government; it was an economic, business and development concept which certain people in private enterprise were investigating and embarking on.

As a mere courtesy, the Federal Government was invited to comment or involve itself. What came of the Labor Government's involvement? A proposal that all the land involved—remember that we are talking about a new city—had to be government owned. Of course, all the people who owned land and who had homes in that area were absolutely outraged, as was the Labor Premier of Queensland. It was an absolutely ludicrous proposal. However the Labor Government in South Australia said, 'We've got a few square miles of swamp down here. You can have that'. And away it went.

From day one the Federal Government said, 'Our involvement in this depends on it not costing the public a cent'. What are we getting now from the South Australian State Government? It is saying, 'Oh, Mr Prime Minister, we need a few million dollars here and there for infrastructure development'. What a nonsense! A multifunction polis, embarking on cutting edge technology,

undertaking all the risks that private enterprise is supposed to run, is now growing into a great bureaucratic monolith that has nothing to do with the original concept. It will be a failure because the Government in this area, as in so many other areas, has tried to make water flow uphill.

If the foundation is not there it will not work. I can tell the House that there will not be a South Australian multifunction polis worth a snap of the fingers because it is all actually happening where it was always supposed to happen. The Japanese do not want to live in Adelaide. All those investors do not want to live in Adelaide. They want to live between Brisbane and the Gold Coast—and who can blame them? They certainly do not want to set their factories up in swamps. They are not interested in government funding. They are true entrepreneurs. We will have a multifunction polis but nobody is going to be stupid enough to ever call it that again. It is all happening right now where it originally started—unfortunately, now a few miles outside my electorate.

The honourable member for Dunkley (Mr Chynoweth), who left the chamber fairly promptly and did not receive the same admonition from the honourable member for Herbert, as he gave the honourable member for O'Connor, gave us the story about all the gloom in Victoria. As the honourable member for O'Connor quite rightly pointed out, that was a result of the financial management of a State Labor Government, which was on par with the financial management of the Federal Labor Government—and we are getting more of the same in the appropriation Bills now under discussion.

The Queensland Labor Government was ready to dump on a federal coalition government and blame all its economic problems on it. Unfortunately for Mr Goss, Labor won. Now he has a budget coming up which is a nightmare for him. Taxes will go up and we will not get the increases that Queensland must have in our police forces. Who knows? If it is a really responsible government, it might have to make some of the stark cutbacks that the Victorian Liberal Government has had to undertake.

The great significance of the current account deficit figure that came out yesterday—\$2,130 million—is that no longer can the Prime Minister (Mr Keating) blame our foreign debt on private enterprise. It is now government fuelled. For some time this country has been borrowing money to pay interest on the national debt. Mention was made earlier in this debate of the Government's 'Bankcard mentality'. I would think that the humblest citizen, with no pretensions of understanding the economic theories of the leaders of what is now the Keating Government—with the same leader of the economic theories as in the previous Hawke Government—would realise that if one has a Bankcard debt with interest to be paid monthly, and one has to borrow more money just to pay the interest not the capital then one is in deep financial trouble. This country is indeed in deep financial trouble.

Government members—instead of looking at it squarely and thinking about what they can responsibly do about this huge debt and crippling burden that we are handing on to the next generation, as outlined by the honourable member for O'Connor—should realise that they have no solution. They put their heads in the sand and only pull them out to babble the latest rhetoric that has been given to them by the Prime Minister.

This is why the Prime Minister is talking about a republic. He does not have anything of substance to say in order to address what he knows is a diabolical problem. It is an open secret that he was hoping we would win the election and bring in the goods and services tax. He was asked in the House whether he would reverse the goods and services tax if he led a future Labor government into power. He would not answer that question. He was going to vote for the goods and services tax if his party were in opposition, but he would not answer the question about whether a future Labor government would promise to reverse it.

What we got throughout the campaign, instead of substance, was campaign lies about Fightback. Now the Government is moving a distance towards a number of the coalition's

policies. It is calling this approach a new direction, as though inspiration has struck.

I am duty bound to point out that the enterprise agreements that the Keating Government is talking about, the basis for higher productivity, are not the sorts of enterprise agreements that will lead to higher productivity. In Queensland we have had some voluntary employment agreements and they worked very well. Then a State Labor government came into power, decided it was not going to have voluntary employment agreements and legislated to outlaw those agreements.

That State Government legislated to outlaw an employee entering into an agreement with an employer. The only body that can enter into an agreement with an employer is a trade union. In the industries where VEAs were already operating, workers took a cut in pay once the unions took over. Nearly all workers in SEQEB got a lower income after the union stepped in and organised its own agreement than they had negotiated for themselves before.

Mr Bruce Scott—Scandalous.

Mrs SULLIVAN—It is scandalous. This is the party that is the first to yabber about human rights, freedoms and so on. But it is yabber.

Mr Bruce Scott—Social justice.

Mrs SULLIVAN—I am reminded about social justice. If one looks at the actual human rights record of this party, one sees a different story. There is a particular instance I must raise and one group of people I must particularly take to task because they outraged me during the election campaign. I am referring to certain self-appointed and government appointed spokespeople for women. I want to put on the record—because I said it publicly during the election campaign—that number one was Quentin Bryce, the Human Rights Commissioner. I say as an aside that I went to primary school, high school and university with Quentin.

Mr Sciacca—She's one of yours.

Mrs SULLIVAN—She is one of her own. Do not make any mistake about that, and do not think she is one of yours. Quentin Bryce and I were friends; we have had no personal

problems. But I despise what she did during the election campaign.

If it is any indication how she, as Human Rights Commissioner, is going to behave in future, then I feel very sorry for the women of Australia. As far as I am concerned, she has betrayed the women of Australia, and I will tell honourable members why. I have been very interested in the women's movement for a long time. I was on status of women committees trying to get equal pay for women—opposed by the unions, I might say, in Queensland—30 years ago. Quentin was not doing that in those days. I dare say that she was doing something very worthy.

Prior to the election campaign Quentin Bryce said that women had to vote for Labor because voluntary employment agreements were bad for women and that they would be badly done in any negotiations. That, of course, is not the track record of voluntary employment agreements. What she was saying was that women need other people to do it for them.

For heaven's sake, if there was one thing the women's movement has been about, it was about saying to people, 'Women can do it for themselves. Don't put them in inferior positions'. Here she was, speaking from a position of considerable authority, saying, 'Look dears, believe me, trust me. I have done so much for you. You can't do it. You are not up to it. Never mind all the other things you can do'.

It can be pointed out that there are people who have been out of the work force for some time who come back into it without confidence and they may not be approaching it on an equal basis with others. But that applies to men as well as to women. There are many men who have been out of the work force for extended periods now, and those periods are getting longer and longer, thanks to a Federal Labor government. I am ashamed of Quentin Bryce and Jennie what's-her-name and all their ilk who professed to be speaking for women, saying, 'We have been working for you, dears. Trust us. You are not up to it. You are not capable of it. Somebody is going to do you in the eye if you do it for yourself'. I have been doing it for 30 years. Do not tell

me. These days they are only interested in their own empires.

Regardless of whether we had a Labor government or a Liberal government, what would have been the reaction if a man had said, 'Oh God, we can't have this government because the women won't be able to cope. Men are okay. They will be all right. But women won't be able to cope'. If a man had said that, the ceiling of this building would have fallen in, and the first person to raise a rumpus would have been Quentin Bryce, accompanied by all those human rights supporters on the government side of the chamber—unfortunately except for those human rights that do not suit them. I do not have to list them; members of the Labor Party can list the human rights that they have put down the tube, starting with FOI. The honourable member for Dunkley, a big champion of FOI, mentioned it. Honourable members opposite should have a look at their own Government's record and see what it has done to individual rights in this country. They have been going down and down since 1983.

Mr Speaker, although I have said it privately, since you have now resumed the chair I will divert to officially congratulate you publicly. I do wish you well. You face a bigger challenge than the Government. You face the challenge of keeping the Government in line. I know you realise that you come to the job with a spirit of good wishes on both sides.

I must raise one final issue, one that no-one else will raise. I am amazed that it has not been raised by Labor politicians, both State and Federal. We hear much about the human cost of this recession in terms of unemployment, but there is another cost that nobody will talk about. I would remind the honourable member for Herbert that no studies have been set up—

Mr Lindsay—What are you talking about?

Mrs SULLIVAN—I am about to tell the honourable member. I hope he is going to listen. I have only four minutes; he does not deserve any of it. I refer to the cost to this community of crime generated by this recession. We have a crime wave on the Gold Coast, as everywhere else, and daily I come

face to face with the human casualties of crime.

Mr Lindsay—You were going to cut out the dole.

Mrs SULLIVAN—The honourable member asked me to talk about it and then he makes sure he changes the subject. He should let me finish. This is first-hand information, and many people can attest to it. It is not something to sneer about. Today there are people in nursing homes because of crime. Many elderly widows live perfectly satisfactory lives on their own on the Gold Coast. Then they come home and find their houses ransacked. They cannot afford the thousands of dollars it costs to make their homes secure. They are widows, they are on pensions, they are retired and they are on their own. They are defenceless. The insurance figures indicate that crime has doubled in this recession.

Mr Filing—It goes hand in hand with Labor.

Mrs SULLIVAN—Absolutely and hand in hand with the recession. A large number of those women go into a steady decline. They fear leaving their homes. I know of cases of women in their 70s and 80s who were living independently, but who have ended up in nursing homes and with nervous breakdowns after this experience.

The Government has a policy of independent living for the aged. Government members should try it when their houses have been ransacked when they are out, day or night. They should try it on their own when they cannot afford all the security systems and the deadlocks. That is the origin of the human cost. If honourable members opposite were fair dinkum they would be addressing this issue. It is not just payments for the dole. They would be looking at studies into the actual human cost of breaking and entering crimes. Instead we get bleeding hearts saying, 'Oh, the poor things. They could not help their criminal acts'.

I will tell honourable members why it happens—because there are a lot of young men hanging around, with lots of energy to burn, who end up doing things in groups that they would not think of doing on their own or

if they had jobs, if they did not have time on their hands and nothing to do with their time and their energy. I saw a phenomenon in polling booths on the Gold Coast, where we have one of the highest rates of youth unemployment in Australia—

Mr Cleeland—They are all coming from Victoria.

Mrs SULLIVAN—Quite a number of them are, but they were coming well before last October. Our crime rate did not go up as at last October. It has been soaring during the last two to three years on the Gold Coast. Nevertheless it is not only the young people who have come from Victoria; many family people have come up looking for jobs—

Mr Cleeland—And pensioners.

Mrs SULLIVAN—That is right. This is the issue that the Government will not fund an inquiry into—what is the human cost to this community and to individuals of a crime wave which has doubled during the recession? I saw at my polling booths a lot of down-at-heels young men taking only the Liberal how-to-vote card. They want to work. They want to live decently. The dole is not good enough for them. And this Government says, 'Oh well, there are all these people who are never going to work, so we have to find this new dole'. It puts the stamp of total failure on them for the rest of their lives. It is cruel and it is inhuman.

The best solution is the one that creates jobs. Governments do not create wealth. Private enterprise creates wealth. One of the reasons we have the highest youth unemployment rate on the Gold Coast is that we have a small business economy and the Government has nothing to offer small business. It had only rhetoric from the previous Minister and he did as well in that portfolio as he was doing in his present portfolio with pay TV. He is just messing up on a grander scale these days. This country has no solution being presented to it by this bankrupt Government.

Mr SPEAKER—Order! Before I call the honourable member for Corinella, I remind the House that this is the honourable member's first speech and I ask the House to extend to him the usual courtesies.

Mr GRIFFIN (Corinella) (11.17 p.m.) May I take this opportunity to congratulate you, Mr Speaker, on your election as Speaker of this House and also to extend my congratulations to the new Deputy Speaker and Chairman of Committees. I am sure that you will both do credit to us all in your new roles and assist greatly in the orderly conduct of the chamber.

I stand on this occasion to speak for the first time in this House. I feel honoured to have been selected by the Labor Party to contest the recent election and I look forward to playing a constructive role in the Government in the years to come. I also feel a responsibility and duty to my electorate to work hard on behalf of all its residents, for there is certainly much work to do.

As I look around the chamber, it is clear that the paths each of us have taken to arrive at this place are many and varied. The road I have travelled to this destination has been a long one. My political leanings were established in a working class family. My father, Alby Griffin, instilled in me from an early age three basic reference points to guide my political life: firstly, an understanding that the working people of this country are in need of the political representations that the Labor Party continues to provide; secondly, that the union movement is crucial to the advancement of the working conditions of ordinary Australians; and, thirdly, that if you do not stand up for yourself you cannot expect someone else to stand up and do it for you.

In such a short time it is hard to expand these points in detail. However, the role of the Labor Party as a vehicle to represent the aspirations of working class Australians is clear to any fair-minded observer. Our party and this Government have a superior record in the areas of assistance to lower social economic groups, far-sighted social reform and the development of a clear Australian identity. Whatever our faults, the Labor Party is vital to the defence of the less well off in our society.

The role of trade unions in Australian society has engendered considerable debate and controversy since their inception. However, as one who grew up surrounded by active rank and file unionists the need for

trade unions to defend workers from the excesses of some employers was and is abundantly clear. Unions have been essential in the ongoing struggle to improve wages and conditions throughout the work force. Their work is a crucial part of our society's necessary checks and balances against the unrestrained free market kill or be killed approach embraced by many of the members opposite.

My father also taught me that, although collective action is the best approach, we have to play our part in that collective. We have to take positions and we have to defend ourselves. I am reminded of an old maxim, 'If you are not part of the solution, then you are part of the problem'. I have always sought to be part of the solution as I have worked in the Labor movement and I hope to play a similar role in this place.

Throughout the last 14 years as a member of the Labor Party I have sought to be active in support of these basic principles. I have done so as an active campaign worker whilst working for a number of parliamentarians, both State and federal, and as an official with several trade unions. I believe my background within the Labor movement has given me an appreciation of the needs of ordinary working people, an understanding of the problems they face, and also the capacity to assist them with these problems. I look forward to continuing this involvement with my constituents on a local level as well as in this place.

My views of, and commitment to, reform through the Labor Party have lead me to the Federal Parliament but, as all honourable members would know, we do not get here by ourselves. There are many people who are deserving of my thanks, but I feel there is not sufficient time to name all but a few of them. I have mentioned my father for his role in the development of the young activist. I add to that my mother, Marj Griffin, for her contribution. I am joined in this Parliament by two close friends whom I have worked with over the last decade. They are the newly elected honourable member for Melbourne (Mr Tanner), and the recently installed senator for Victoria, Kim Carr. I thank them for their assistance and advice and look forward to continuing our effective association in the

future. It is impossible for me to name all of the people involved in the recent election campaign. Suffice it to say that I am here because of the tireless effort of many branch members and volunteers who made the campaign for Corinella the great and conclusive success that it was. I owe them all a great debt.

My thanks also goes to the Victorian union movement for its support. It showed very clearly that when under attack it can and will respond strongly to ensure that its members' interests are defended. Most importantly, my thanks goes to my wife, Marianne, and daughters, Hannah and Bridget. I have not been able to spend as much time with them as I would wish or that they deserve. However, let them have no doubt of the crucial role they have played in my success. I love them dearly.

I come to this place as the first Labor Party member for the seat of Corinella and only its third member since its creation in 1901. The seat was abolished in 1906 and recreated in 1990. Corinella extends from the Melbourne suburbs of Noble Park and Keysborough, through the rapidly developing area of the shire of Cranbourne and around Westernport Bay to Phillip Island. It is a diverse electorate in every sense of the word. Politically, on this occasion, the true believers in the metropolitan and former coal mining parts of the electorate triumphed over the tiger country that extends through south-west Gippsland. I expect that this will continue, given the massive growth planned for suburbs like Hampton Park and Cranbourne.

Corinella presents a great challenge to me as its local member, and to the Government. Key issues of urban and regional development must be addressed in the south-eastern growth corridor of Melbourne, and no doubt on the fringe of all our capital cities. Corinella is indicative of the problems to be faced and the challenges that must be met. As our cities grow and the pressure for our urban areas to expand increases, we have a responsibility to ensure that the people who are encouraged to move to these new suburbs are provided with the infrastructure and services that are necessary to make their living standards acceptable.

When one looks at the issues to be faced, I am reminded of the Chifley Government's important work in post-war reconstruction as an early example of government endeavouring to provide the necessary basic infrastructure essential for new suburbs. By long-term planning and the identification of what new communities need, they were able to facilitate successful urban development to cater for a massively increasing population. The Whitlam Government also sought to address similar problems, over 20 years later, through the Department of Urban and Regional Development.

These Labor governments worked towards ensuring that the people who inhabited our fastest growing areas were provided with the necessary infrastructure. The current Government continues in this fine tradition across many program areas, but in particular through initiatives such as the building better cities program. Under the better cities program, this Government is demonstrating methods by which the growth of our cities can be tackled. Improved urban planning, better land use, increased housing choices and affordability, transport costs and availability, and the need for integrated service provision with developments are all part of what will be addressed.

People are entitled to accessible and reliable public transport; government departments represented where they live; programs to assist with aged care, child-care and family assistance; support services for those who need it; and education and training facilities in the areas people are moving to. These are just some of the requirements that must be addressed to help to build communities in these new suburbs and minimise social problems as they continue to grow. This will require coordination across local, State and Federal governments, innovative thinking and long-term planning. The private sector will also play a very important role in such initiatives.

In recent times this Government has been committed to a number of local initiatives in Corinella that are indicative of our commitment on these issues. Under the better cities program the rail line to Cranbourne will be upgraded and electrified. Within two years

both the CES and the DSS will have offices in Cranbourne, and probably considerably sooner. A campus of Monash University is to be constructed nearby in Berwick, and innovative housing developments are to be funded in the Lyndhurst area. I am pleased that this Government has this commitment. I assure the House that I will work hard to ensure not only that these commitments are honoured but also that other initiatives are made to continue this good work.

Unemployment remains a serious problem within Corinella. This must be addressed. I was encouraged by the Government's commitment through One Nation and the local capital works program to putting money into proposals that would both provide jobs relatively quickly and ensure that long-term relevant assets were created. As further initiatives are enacted, such as the investment allowance proposal, I look forward to employment improving. However, the war on unemployment must be this Government's No. 1 priority. Without jobs, the social and economic dislocations to the community must be addressed. As one who was unemployed in the 1982 recession, I feel for these people who are directly and indirectly suffering. As we continue to move out of recession, and as our economy improves, we must be prepared, if necessary, to intervene further in the economy to attack unemployment.

The Labor Government has made significant investment in education and training to equip this country with the labour force it needs to compete in the world economy. It is a fact that over the last 10 years this Government has made significant advances in the field of post-secondary education, with retention rates through to tertiary education increasing at unprecedented rates. However, even this success has produced new challenges for the future. Large parts of my electorate of Corinella still have very low levels of participation in tertiary education. The teenagers of areas such as the shire of Cranbourne will need further government assistance to ensure that they have the opportunity to further their education. I will be actively seeking greater government assistance for the

development of further education options where they live.

Local initiatives are already under consideration regarding a community college proposal to service the south-eastern growth corridor. This is in line with the Carmichael report, which I commend to all honourable members as an innovative and far-sighted report to address our training needs for the future.

The recent election campaign provided a stark contrast between the platforms of the major parties. The coalition went to the electorate with a radical conservative program unprecedented in Australian Federal election campaigns. Without going into the obvious specifics, the basic tenets were massive cuts in government expenditure and services, and a withdrawal, or diminution at least, of government support in a wide range of areas, of which health care was probably the most contentious.

In addition, the so-called freeing-up of Australia's industrial relations system was a glaring example of the laissez-faire ideological basis of the Opposition's program. In contrast, the Labor Government emphasised its concern for maintaining the Government's role in the economy, whether it be via Medicare, maintaining the safety net of the award system or a greater commitment to assistance for the unemployed, including job creating initiatives.

On 13 March the Australian people made their decision—a wise decision. They endorsed the broad framework of Labor's program in comparison with the program of the Opposition. I know that in my electorate of Corinella the young families, the working people and many of those suffering under the debilitating pressure of unemployment endorsed Labor's program and the philosophy that is its base. They understand that the Government has a role to play in our economy, that we cannot leave people hanging out to dry without an award system and that access to an equitable health system is what they want and deserve.

I endorse the decision of the Australian people of 13 March. I agree with them that government has a legitimate and real responsibility to play a constructive and intervention-

ist role in the economy. I fully support this Government maintaining a hands-on approach where appropriate, and I hold the view that it is often essential.

Prior to my election as the member for Corinella, I had the pleasure of being a councillor of the city of Springvale. Springvale is an extremely culturally diverse city, and a significant part of the city is in the top end of Corinella. In Springvale we are proud of our multicultural community, and the council is a strong supporter of multiculturalism. Springvale was also extremely fortunate to have a chief executive officer who provided innovative and progressive leadership until his untimely death. The late Ian Tatterson was a great leader in local government who could have played a major role at any level of government. I share his commitment to multiculturalism and to community services and his support for government programs such as the English as a second language program. I value the support I received from migrant communities within the electorate, and I pledge my continued support for government programs that assist them to be active participants in local communities and in the wider community generally.

Corinella also contains the borough of Wonthaggi, Phillip Island and a significant portion of south-west Gippsland. South-west Gippsland is a major farming area for Victoria. Dairy and poultry farming are important constituencies in the electorate, as is vegetable growing. I note the comments today of my colleague the Minister for Industry, Technology and Regional Development (Mr Griffiths) regarding promising developments in the food processing industry, as this will have important implications for local producers in the long term. I share four things with the Minister: a commitment to encourage the development of Australian industry; membership of the Australian Labor Party; support of the great Essendon football team; and an embarrassingly similar name. I am proud of three of these points, but I am quite sick of the confusion caused by the last one.

The borough of Wonthaggi has a distinguished history in the Labor movement. As the location of the State coalmine and the

most active ALP branch in my electorate, it is the home of many old miners and their families. If I were ever to question why I am a member of the Australian Labor Party, I would look to Wonthaggi to remind me of the great working traditions of unionism and community support.

Phillip Island and the coast of Western Port Bay combine a delicate environment with significant tourist attractions that are of an international standard. The balancing act of protecting this environment while developing its tourist potential is a task that must be mastered. I look forward to working with the local community in this endeavour. The capacity for job creation through tourism is a real and important issue to this area, but it relies also on the maintenance of the local environment.

I look forward to the challenges of serving the people of Corinella, both in the electorate and in the parliamentary arena. I thank honourable members for the courtesy extended to me tonight.

Debate (on motion by Mr Bruce Scott) adjourned.

ADJOURNMENT

Motion (by Mr Sciacca) proposed:

That the House do now adjourn.

Gold Coast Radio Communications

Mrs SULLIVAN (Moncrieff) (11.34 p.m.)—This really has not been a very good week for the Minister for Communications (Mr Beddall). We have had the pay television debacle before the Parliament this week, and now I have to put before the Parliament another mess the Minister is making in his own department. The communications group of the Department of Transport and Communications is proposing to close a number of its offices and to amalgamate their functions with other offices. Specifically, it proposes to close its Gold Coast operation before the end of this year, and the duties of that office in future are to be performed from Brisbane.

Since its inception in 1986 the Gold Coast office has provided an excellent service to all users of the radio spectrum, including all services from CB and ships to complex radio

systems. This decision defies all logic. All indications for the past seven years are that the Gold Coast office has been understaffed, not underworked. For example, the department has considered the Gold Coast a high density area, and has charged the appropriate fees. Further, the most recent Australian Bureau of Statistics figures indicate that the Gold Coast region's population is now more than 300,000 and that it is the fastest growing area in Australia. In fact, its population will be close to 500,000 by the end of this decade.

There are approximately 10 radio service organisations currently operating on the Gold Coast and radio communications interference on their remote radio communications sites is a regular occurrence. To suggest that these problems can be resolved from an area remote from the site, an area which cannot even monitor the interference problem, is absurd. The intermittent nature of the problem requires continual monitoring. For the department to suggest that regular visits to the Gold Coast is sufficient to resolve these problems highlights a lack of understanding of the technical intricacies on the part of the decision makers.

Staff will spend more time travelling between Brisbane and the Gold Coast than they will on the job. It is not unusual for traffic hold-ups to delay trips from Brisbane and the Gold Coast for two to three hours. It is an absolute nonsense to relocate the office. The spectrum density of radio communication services on the Gold Coast is the highest of any non-capital city and closure of the Gold Coast office will undoubtedly result in a reduction of standards.

The information that has been put out by the department for some unexplained reason splits the number of Gold Coast licences between Southport and Coolangatta. There is, of course, only one Gold Coast office so this office is presently dealing with all of them. When one combines the numbers, one finds that the number of licences on the Gold Coast is equal to that in Brisbane, a city of more than one million people. In fact, the combined number of Gold Coast and Brisbane licences would equal the combined number for Sydney and Wollongong. That fact demonstrates that

the Gold Coast is a major radio communications area.

At present, there are only three areas with more licences than the Gold Coast. They are Sydney, Melbourne and Brisbane, and the latter has only marginally more; they are approximately equal. So the Gold Coast is one of our major radio communications areas.

A document distributed to staff of the Department of Transport and Communications—I honestly do not know where this document came from; it just appeared on my desk one day—is headed:

This is to be the 'framework in which' responses are to be given to customers, members of parliament and media about the proposed [new] structure.

It starts:

It is important to stress it is a proposed structure and is subject to final consultation with staff associations.

There is no mention of public consultations at any stage. Staff are told that they 'should study the information in the background paper provided to [them] in order to explain in a structured manner the reasons for the new policies and structure and the features of the new structure'. In other words, all staff are supposed to do is persuade people that this is the right decision.

Under the heading 'Customer Enquiries' follow seven suggested persuasive arguments that could be put to the public about why it is a good idea. Under the heading 'Parliamentarians' Enquiries', they are immediately flicked past. Reasons are not to be discussed at all with members of parliament. Such inquiries are to be 'referred to Mr Phillip Steven', who is 'principal adviser to the Minister'. It is the same for media inquiries. Staff are not to talk to the media either. 'All media inquiries are to be referred to the Director of Public Affairs in Canberra', one Stuart Campbell.

This proposed restructure is a retrograde step. I urge the Minister for Communications not to bring yet another administrative mess on himself. This, of course, is a subject which has not been aired, has not been put to the public, but which must be forthwith.

Question resolved in the affirmative.

House adjourned at 11.39 p.m.

NOTICES

The following notices were given:

Mr Langmore to move—

That, in view of Australia's intractable high unemployment and high current account deficit, this House urges the Government to establish a National Commission of Inquiry on the Economy to report within a year on the new policies required to simultaneously rapidly increase employment and reduce the current account deficit while maintaining low inflation, improving equity and ensuring environmental security.

Mr Ruddock to present a Bill for an Act to amend the Social Security Act 1991.

Mr Willis to move—

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Housing development at Flinders View near Ipswich, Qld.

Mr Willis to move—

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: HMAS Waterhen facilities modernisation, Waverton, NSW.

Mr Willis to move—

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Housing development in Palmerston, NT.

Mr Beddall to present a Bill for an Act to amend the Broadcasting Services Act 1992.

PAPERS

The following papers were deemed to have been presented on 5 May 1993:

Australian Bureau of Statistics Act—Australian Bureau of Statistics—Proposals for the collection of information—1993 Nos 1, 2, 3, 4, 5.