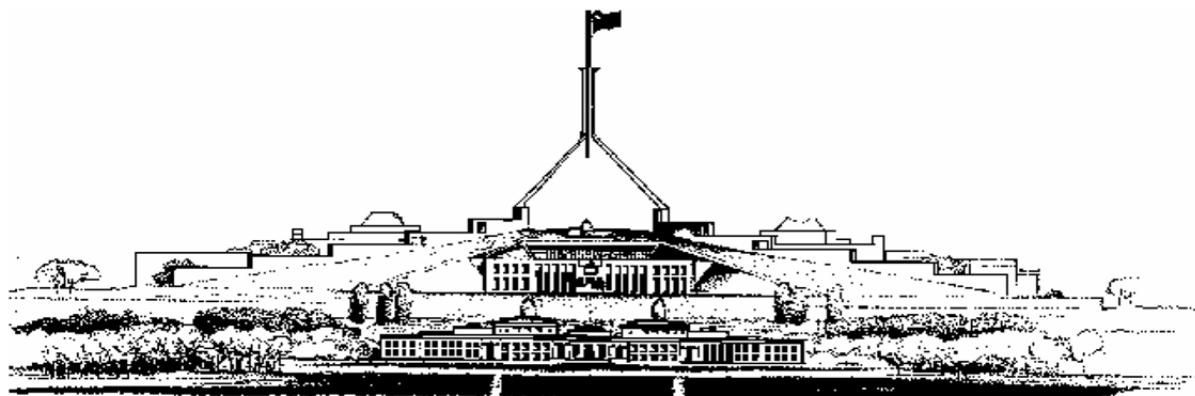




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



Senate
Official Hansard

No. 182, 1997
Thursday, 27 February 1997

THIRTY-EIGHTH PARLIAMENT
FIRST SESSION—THIRD PERIOD

BY AUTHORITY OF THE SENATE

THIRTY-EIGHTH PARLIAMENT

FIRST SESSION—THIRD PERIOD

Governor-General

His Excellency the Hon. Sir William Patrick Deane, Companion of the Order of Australia,
Knight Commander of the Order of the British Empire

Senate Officeholders

President—Senator the Hon. Margaret Elizabeth Reid

Deputy President and Chairman of Committees—Senator Malcolm Arthur Colston

Temporary Chairmen of Committees—Senators Paul Henry Calvert, Hedley Grant Pearson Chapman, Bruce Kenneth Childs, Hon. Rosemary Anne Crowley, Alan Baird Ferguson, Susan Christine Knowles, James Philip McKiernan, Shayne Michael Murphy, Kay Christine Lesley Patterson, Hon. Margaret Reynolds, John Odin Wentworth Watson and Suzanne Margaret West

Leader of the Government in the Senate—Senator the Hon. Robert Murray Hill

Deputy Leader of the Government in the Senate—Senator the Hon.
Richard Kenneth Robert Alston

Leader of the Opposition—Senator the Hon. John Philip Faulkner

Deputy Leader of the Opposition—Senator the Hon. Nicholas John Sherry

Manager of Government Business in the Senate—Senator the Hon. Charles Roderick Kemp
Manager of Opposition Business in the Senate—Senator Kim John Carr

Senate Party Leaders

Leader of the Liberal Party of Australia—Senator the Hon. Robert Murray Hill

Deputy Leader of the Liberal Party of Australia—Senator the Hon.
Richard Kenneth Robert Alston

Leader of the National Party of Australia—Senator Ronald Leslie Doyle Boswell

Deputy Leader of the National Party of Australia—Senator the Hon.
David Gordon Cadell Brownhill

Leader of the Australian Labor Party—Senator the Hon. John Philip Faulkner

Deputy Leader of the Australian Labor Party—Senator the Hon.
Nicholas John Sherry

Leader of the Australian Democrats—Senator Cheryl Kernot

Deputy Leader of the Australian Democrats—Senator Meg Heather Lees

Members of the Senate

Senator	State or Territory	Term expires	Party
Abetz, Eric ⁽³⁾	Tas.	30.6.1999	LP
Allison, Lynette Fay	Vic.	30.6.2002	AD
Alston, Hon. Richard Kenneth Robert	Vic.	30.6.2002	LP
Bishop, Thomas Mark	WA	30.6.2002	ALP
Bolkus, Hon. Nick	SA	30.6.1999	ALP
Boswell, Ronald Leslie Doyle	Qld	30.6.2002	NP
Bourne, Vicki Worrall	NSW	30.6.2002	AD
Brown, Robert James	Tas.	30.6.2002	AG
Brownhill, Hon. David Gordon Cadell	NSW	30.6.2002	NP
Calvert, Paul Henry	Tas.	30.6.2002	LP
Campbell, Hon. Ian Gordon	WA	30.6.1999	LP
Carr, Kim John	Vic.	30.6.1999	ALP
Chapman, Hedley Grant Pearson	SA	30.6.2002	LP
Childs, Bruce Kenneth	NSW	30.6.2002	ALP
Collins, Jacinta Mary Ann ⁽⁶⁾	Vic.	30.6.1999	ALP
Collins, Hon. Robert Lindsay ⁽¹⁾	NT		ALP
Colston, Malcolm Arthur	Qld	30.6.1999	Ind.
Conroy, Stephen Michael ⁽⁷⁾	Vic.	30.6.1999	ALP
Cook, Hon. Peter Francis Salmon	WA	30.6.1999	ALP
Coonan, Helen Lloyd	NSW	30.6.2002	LP
Cooney, Bernard Cornelius	Vic.	30.6.2002	ALP
Crane, Arthur Winston	WA	30.6.2002	LP
Crowley, Hon. Rosemary Anne	SA	30.6.2002	ALP
Denman, Kay Janet ⁽²⁾	Tas.	30.6.1999	ALP
Eggleston, Alan	WA	30.6.2002	LP
Ellison, Christopher Martin	WA	30.6.1999	LP
Evans, Christopher Vaughan	WA	30.6.1999	ALP
Faulkner, Hon. John Philip	NSW	30.6.1999	ALP
Ferguson, Alan Baird	SA	30.6.1999	LP
Ferris, Jeannie Margaret ⁽¹⁰⁾	SA	30.6.2002	LP
Foreman, Dominic John	SA	30.6.1999	ALP
Forshaw, Michael George ⁽⁵⁾	NSW	30.6.1999	ALP
Gibbs, Brenda	Qld	30.6.2002	ALP
Gibson, Hon. Brian Francis	Tas.	30.6.1999	LP
Harradine, Brian	Tas	30.6.1999	Ind.
Heffernan, William Daniel ⁽⁹⁾	NSW	30.6.1999	LP
Herron, Hon. John Joseph	Qld	30.6.2002	LP
Hill, Hon. Robert Murray	SA	30.6.2002	LP
Hogg, John Joseph	Qld	30.6.2002	ALP
Kemp, Hon. Charles Roderick	Vic.	30.6.2002	LP
Kernot, Cheryl	Qld	30.6.2002	AD
Knowles, Susan Christine	WA	30.6.1999	LP
Lees, Meg Heather	SA	30.6.1999	AD
Lundy, Kate Alexandra ⁽¹⁾	ACT		ALP
Macdonald, Ian Douglas	Qld	30.6.2002	LP
Macdonald, John Alexander Lindsay (Sandy)	NSW	30.6.1999	NP
McGauran, Julian John James	Vic.	30.6.1999	NP
MacGibbon, David John	Qld	30.6.1999	LP
McKiernan, James Philip	WA	30.6.2002	ALP

Members of the Senate—*continued*

Senator	State or Territory	Term expires	Party
Mackay, Susan Mary	Tas.	30.6.2002	ALP
Margetts, Diane Elizabeth (Dee)	WA	30.6.1999	G(WA)
Minchin, Hon. Nicholas Hugh	SA	30.6.1999	LP
Murphy, Shayne Michael	Tas.	30.6.1999	ALP
Murray, Andrew James Marshall	WA	30.6.2002	AD
Neal, Belinda Jane ⁽⁴⁾	NSW	30.6.1999	ALP
Newman, Hon. Jocelyn Margaret	Tas.	30.6.2002	LP
O'Brien, Kerry Williams Kelso ⁽⁸⁾	Tas.	30.6.1999	ALP
O'Chee, William George	Qld	30.6.1999	NP
Parer, Hon. Warwick Raymond	Qld	30.6.1999	LP
Patterson, Kay Christine Lesley	Vic.	30.6.2002	LP
Ray, Robert Francis	Vic.	30.6.2002	ALP
Reid, Hon. Margaret Elizabeth ⁽¹⁾	ACT		LP
Reynolds, Hon. Margaret	Qld	30.6.1999	ALP
Schacht, Hon. Christopher Cleland	SA	30.6.2002	ALP
Sherry, Hon. Nicholas John	Tas.	30.6.2002	ALP
Short, Hon. James Robert	Vic.	30.6.1999	LP
Stott Despoja, Natasha Jessica	SA	30.6.2002	AD
Tambling, Hon. Grant Ernest John ⁽¹⁾	NT		CLP
Tierney, John William	NSW	30.6.1999	LP
Troeth, Judith Mary	Vic.	30.6.1999	LP
Vanstone, Hon. Amanda Eloise	SA	30.6.1999	LP
Watson, John Odin Wentworth	Tas.	30.6.2002	LP
West, Suzanne Margaret	NSW	30.6.2002	ALP
Woodley, John	Qld	30.6.1999	AD
Woods, Hon. Robert Leslie	NSW	30.6.2002	LP

- (1) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.
 (2) Chosen by the Parliament of Tasmania vice Hon. Michael Carter Tate, resigned.
 (3) Chosen by the Parliament of Tasmania vice Brian Roper Archer, resigned.
 (4) Chosen by the Parliament of New South Wales vice Hon. Kerry Walter Sibraa, resigned.
 (5) Chosen by the Parliament of New South Wales vice Hon. Graham Frederick Richardson, resigned.
 (6) Chosen by the Parliament of Victoria vice Alice Olive Zakharov, deceased.
 (7) Chosen by the Parliament of Victoria vice Hon. Gareth John Evans, resigned.
 (8) Chosen by the Parliament of Tasmania vice John Coates, resigned.
 (9) Chosen by the Parliament of New South Wales vice Michael Ehrenfried Baume, resigned.
 (10) Chosen by the Parliament of South Australia to fill a casual vacancy caused by her resignation.

PARTY ABBREVIATIONS

AD—Australian Democrats; AG—Australian Greens; ALP—Australian Labor Party;
 CLP—Country Liberal Party; G(WA)—Greens (WA); Ind.—Independent;
 LP—Liberal Party of Australia; NP—National Party of Australia

Heads of Parliamentary Departments

Clerk of the Senate—H. Evans

Clerk of the House of Representatives—L. M. Barlin, AM

Parliamentary Librarian—

Principal Parliamentary Reporter—J. W. Templeton

Secretary, Joint House Department—M. W. Bolton

FIRST HOWARD MINISTRY

Prime Minister	The Hon. John Winston Howard MP
Minister for Trade and Deputy Prime Minister	The Hon. Timothy Andrew Fischer MP
Treasurer	The Hon. Peter Howard Costello MP
Minister for Primary Industries and Energy	The Hon. John Duncan Anderson MP
Minister for the Environment and Leader of the Government in the Senate	Senator the Hon. Robert Murray Hill
Minister for Communications and the Arts and Deputy Leader of the Government in the Senate	Senator the Hon. Richard Kenneth Robert Alston
Minister for Industrial Relations, Leader of the House and Minister Assisting the Prime Minister for the Public Service	The Hon. Peter Keaston Reith MP
Minister for Social Security and Minister Assisting the Prime Minister for the Status of Women	Senator the Hon. Jocelyn Margaret Newman
Minister for Foreign Affairs	The Hon. Alexander John Gosse Downer MP
Minister for Industry, Science and Tourism and Vice President of the Executive Council	The Hon. John Colinton Moore MP
Minister for Defence	The Hon. Ian Murray McLachlan AO, MP
Minister for Transport and Regional Development	The Hon. John Randall Sharp MP
Minister for Health and Family Services	The Hon. Michael Richard Lewis Wooldridge MP
Minister for Finance	The Hon. John Joseph Fahey MP
Minister for Employment, Education, Training and Youth Affairs	Senator the Hon. Amanda Eloise Vanstone

(The above ministers constitute the cabinet)

First Howard Ministry—*continued*

Minister for Immigration and Multicultural Affairs	The Hon. Philip Maxwell Ruddock MP
Minister for Science and Technology and Deputy Leader of the House	The Hon. Peter John McGauran MP
Minister for Schools, Vocational Education and Training and Minister Assisting the Minister for Finance for Privatisation	The Hon. David Alistair Kemp, MP
Minister for Resources and Energy	Senator the Hon. Warwick Raymond Parer
Minister for Small Business and Consumer Affairs	The Hon. Geoffrey Daniel Prosser MP
Minister for Family Services	The Hon. Judith Eleanor Moylan MP
Minister for Defence Industry, Science and Personnel	The Hon. Bronwyn Kathleen Bishop MP
Attorney-General and Minister for Justice	The Hon. Daryl Robert Williams AM, QC, MP
Minister for Sport, Territories and Local Government and Minister Assisting the Prime Minister for the Sydney 2000 Games	The Hon. Warwick Leslie Smith MP
Minister for Veterans' Affairs	The Hon. Bruce Craig Scott MP
Minister for Aboriginal and Torres Strait Islander Affairs	Senator the Hon. John Joseph Herron
Minister for Administrative Services	The Hon. David Francis Jull MP
Assistant Treasurer	Senator the Hon. Charles Roderick Kemp
Parliamentary Secretary (Cabinet) to the Prime Minister	The Hon. Christopher Gordon Miles MP
Parliamentary Secretary to the Prime Minister	Senator the Hon. Nicholas Hugh Minchin
Parliamentary Secretary to the Minister for Trade and Parliamentary Secretary to the Minister for Primary Industries and Energy	Senator the Hon. David Gordon Cadell Brownhill
Parliamentary Secretary to the Treasurer and Manager of Government Business in the Senate	Senator the Hon. Ian Gordon Campbell
Parliamentary Secretary to the Minister for Foreign Affairs	The Hon. Andrew Peter Thomson MP
Parliamentary Secretary to the Minister for Social Security	Senator the Hon. Grant Ernest John Tambling
Parliamentary Secretary to the Minister for Health and Family Services and Parliamentary Secretary to the Attorney-General	Senator the Hon. Christopher Ellison
Parliamentary Secretary to the Minister for Employment, Education, Training and Youth Affairs	The Hon. Anthony John Abbott MP
Parliamentary Secretary to the Minister for Transport and Regional Development	The Hon. Michael John Clyde Ronaldson MP
Parliamentary Secretary to the Minister for the Environment	Senator the Hon. Ian Douglas Macdonald

SHADOW MINISTRY

Leader of the Opposition	The Hon. Kim Christian Beazley MP
Deputy Leader of the Opposition and Shadow Treasurer	The Hon. Gareth John Evans QC, MP
Leader of the Opposition in the Senate and Shadow Minister for Social Security	Senator the Hon. John Philip Faulkner
Deputy Leader of the Opposition in the Senate and Shadow Minister for Finance and Superannuation	Senator the Hon. Nicholas John Sherry
Shadow Minister for Industry and Regional Development and Manager of Opposition Business	The Hon. Simon Findlay Crean MP
Shadow Minister for Industrial Relations and Assistant to the Leader of the Opposition on Public Service Matters	The Hon. Robert Francis McMullan MP
Shadow Minister for Health	The Hon. Michael John Lee MP
Shadow Minister for the Environment, Shadow Minister for the Arts and Assistant to the Leader of the Opposition on the Status of Women	The Hon. Carmen Mary Lawrence MP
Shadow Minister for Primary Industries and Northern Australia and Territories	Senator the Hon. Robert Lindsay Collins
Shadow Minister for Foreign Affairs	The Hon. Laurence John Brereton MP
Shadow Minister for Education and Youth Affairs	The Hon. Peter Jeremy Baldwin MP
Shadow Minister for Commerce and Small Business	Senator the Hon. Peter Francis Salmon Cook
Shadow Attorney-General and Minister for Justice	Senator the Hon. Nick Bolkus
Shadow Minister for Employment and Training	Mr Martin John Ferguson MP
Shadow Minister for Defence	The Hon. Archibald Ronald Bevis MP
Shadow Minister for Immigration and Assistant to the Leader of the Opposition on Multicultural Affairs	The Hon. Duncan James Colquhoun Kerr MP
Shadow Minister for Communications	Senator the Hon. Christopher Cleland Schacht
Shadow Minister for Veterans' Affairs and Shadow Minister for Sport and Tourism	The Hon. Stephen Paul Martin MP
Shadow Minister for Transport	Mr Lindsay James Tanner MP
Shadow Minister for Resources and Energy	The Hon. Neil Patrick O'Keefe MP
Shadow Minister for the Aged, Family and Community Services	Ms Jennifer Louise Macklin MP
Shadow Minister for Trade	Mr Stephen Francis Smith MP

Shadow Ministry—*continued*

Shadow Minister for Competition Policy, Assistant to the Shadow Treasurer and Shadow Minister for Local Government	Mr Mark William Latham MP
Shadow Minister for Aboriginal Affairs and Assistant to the Shadow Foreign Minister on Arms Control	Mr Daryl Melham MP
Shadow Minister for Science and Information Technology	Mr Martyn John Evans MP
Shadow Minister for Administrative Services	Mr Laurie Donald Thomas Ferguson MP
Shadow Minister for Consumer Affairs and Assistant to the Shadow Minister for Health	Senator Belinda Jane Neal

THE COMMITTEES OF THE SESSION

FIRST SESSION: THIRD PERIOD

MEMBERSHIP

(As at 26 March 1997)

Appropriations and Staffing—Standing Committee

Members

The President (*Chairman*), the Leader of the Government in the Senate, the Leader of the Opposition in the Senate, Senators Boswell, Bourne, Ian Macdonald, MacGibbon, Ray and Sherry

Australian Security Intelligence Organization—Joint Statutory Committee

Members

Senator MacGibbon (*Presiding Member*), Senators Sandy Macdonald and Ray and Mr Hicks, Mr Sercombe, Mr Somlyay and Mr Zammit

Broadcasting of Parliamentary Proceedings—Joint Statutory Committee

Members

The President, the Speaker, Senators Knowles and West and Mr Adams, Mr R Evans, Mr Hicks, Mr Lindsay and Mr Martin

Community Affairs Legislation Committee

Members

Senator Knowles (*Chair*), Senator Lees (*Deputy Chair*), Senators Coonan, Denman, Eggleston and Neal

Participating members

Senators Abetz, Brown, Bob Collins, Colston, Cooney, Crowley, Evans, Faulkner, Gibbs, Harradine, Mackay, Margetts, Patterson, Reynolds, West and Woodley

Community Affairs References Committee

Members

Senator West (*Chair*), Senator Knowles (*Deputy Chair*), Senators Coonan, Denman, Ferris, Lees, Neal and O'Brien

Substitute members

Senator Allison to substitute for Senator Lees for the committee's inquiry into the current arrangements for the provision of housing assistance in Australia, including the public provision of housing, cash subsidies and taxation measures, and options for reform of those arrangements

Senator Eggleston to substitute for Senator Ferris for the committee's inquiry into the consequences for older Australians and their families arising from proposed changes announced in the 1996-97 Federal Budget to the funding of aged care institutions in Australia

Senator Woodley to substitute for Senator Lees for the committee's inquiry into the consequences for older Australians and their families arising from proposed changes announced in the 1996-97 Federal Budget to the funding of aged care institutions in Australia

Participating members

Senators Abetz, Brown, Bob Collins, Colston, Faulkner and Margetts

Community Standards Relevant to the Supply of Services Utilising Electronic Technologies—Select Committee

Members

Senator Tierney (*Chairman*), Senator Reynolds (*Deputy Chairman*), Senators Denman, Harradine, Knowles, McGauran, Stott Despoja and Troeth

Corporations and Securities—Joint Statutory Committee

Members

Senator Chapman (*Chair*), Senators Cook, Cooney, Gibson and Murray and Mrs Johnston, Mrs D Kelly, Mr Latham, Mr McLeay and Mr Sinclair

Economics Legislation Committee

Members

Senator Ferguson (*Chair*), Senator Sherry (*Deputy Chair*), Senators Chapman, Cook, Murray and Watson

Substitute member

Senator Crane to substitute for Senator Watson on matters covered by the Industrial Relations portfolio

Participating members

Senators Abetz, Bishop, Boswell, Brown, Childs, Bob Collins, Jacinta Collins, Colston, Conroy, Cooney, Faulkner, Harradine, Lundy, Mackay, Margetts, Neal, O'Brien and Schacht

Economics References Committee

Members

Senator Jacinta Collins (*Chair*), Senator Ferguson (*Deputy Chair*), Senators Bishop, Chapman, Childs, Mackay, Murray and Short

Participating members

Senators Abetz, Brown, Brownhill, Calvert, Colston, Cook, Cooney, Crane, Evans, Kemp, Lundy, Ian Macdonald, Sandy Macdonald, MacGibbon, Margetts, McKiernan, Murphy, Neal, O'Chee, Schacht, Sherry, Tambling and Watson

Electoral Matters—Joint Standing Committee

Members

Mr Cobb (*Chair*), Senator Conroy (*Deputy Chair*), Senators Abetz, Minchin and Murray and Mr L Ferguson, Mr Griffin, Mr McDougall and Mr Nairn

Employment, Education and Training Legislation Committee

Members

Senator Tierney (*Chair*), Senator Carr (*Deputy Chair*),—Senators Crowley, Ferris, Stott Despoja and Troeth

Participating members

Senators Abetz, Allison, Bolkus, Brown, Bob Collins, Colston, Cooney, Evans, Forshaw, Harradine, Hogg, Mackay, Margetts and O'Brien

Employment, Education and Training References Committee

Members

Senator Crowley (*Chair*), Senator Tierney (*Deputy Chair*), Senators Carr, Ferris, Forshaw, O'Brien, Stott Despoja and Troeth

Substitute member

Senator Allison to substitute for Senator Stott Despoja for the committee's inquiry into private and commercial funding aspects of government schools

Participating members

Senators Abetz, Allison, Bolkus, Brown, Bob Collins, Colston, Denman and Margetts

Environment, Recreation, Communications and the Arts Legislation Committee

Members

Senator Patterson (*Chair*), Senator Schacht (*Deputy Chair*), Senators Eggleston, Lees, Lundy and Ian Macdonald

Participating members

Senators Abetz, Allison, Bolkus, Boswell, Brown, Calvert, Carr, Bob Collins, Colston, Coonan, Cooney, Crane, Harradine, Hogg, Faulkner, Ferguson, Mackay, Margetts and Tierney

Environment, Recreation, Communications and the Arts References Committee

Members

Senator Lees (*Chair*), Senators Coonan, Hogg, Lundy, O'Chee, Reynolds, Schacht and Tierney

Substitute member

Senator Gibbs to substitute for Senator Lundy for the committee's inquiries into the management of water and biological nutrients in Australia and the question of balancing public access with the principle of "user pays" in order to defray the public costs of maintaining natural and cultural heritage assets such as national parks and museums with particular consideration to issues of fairness and equity

Participating members

Senators Abetz, Bolkus, Boswell, Brown, Calvert, Carr, Chapman, Bob Collins, Colston, Coonan, Cooney, Eggleston, Evans, Faulkner, Ferguson, Margetts, McKiernan and Patterson

Finance and Public Administration Legislation Committee

Members

Senator Short (*Chair*), Senator Murray (*Deputy Chair*), Senators Heffernan, Mackay, Ray and Watson

Participating members

Senators Abetz, Bishop, Bolkus, Brown, Bob Collins, Colston, Conroy, Cooney, Evans, Faulkner, Harradine, Lundy, Margetts, Neal, Ray, Reynolds, Schacht, Sherry and Tambling

Finance and Public Administration References Committee

Members

Senator Murphy (*Chair*), Senator Ian Macdonald (*Deputy Chair*), Senators Eggleston, Gibbs, Lundy, Mackay, Murray and Watson

Participating members

Senators Abetz, Allison, Bolkus, Brown, Bob Collins, Colston, Conroy, Faulkner and Margetts

Foreign Affairs, Defence and Trade—Joint Standing Committee

Members

Mr Sinclair (*Chair*), Mr Brereton (*Deputy Chair*), Senators Bolkus, Bourne, Chapman, Childs, Forshaw, Harradine, Sandy Macdonald, MacGibbon, Margetts, Schacht, Short and

Troeth and Mr R Baldwin, Mr Bevis, Mr Bradford, Mr Brough, Mr Dondas, Mrs Gallus, Mr Georgiou, Mr E Grace, Mr Hicks, Mr Hollis, Mr Jones, Mr Lieberman, Mr Nugent, Mr Price, Mr Slipper, Mr S Smith, Mr Taylor and Ms Worth

Foreign Affairs, Defence and Trade Legislation Committee

Members

Senator Troeth (*Chair*), Senator Forshaw (*Deputy Chair*), Senators Bourne, Cook, Eggleston and MacGibbon

Substitute member

Senator Cook to substitute for Senator Evans for the consideration of the 1996-97 Budget and additional estimates on matters covered by the Foreign Affairs and Trade portfolio

Participating members

Senators Abetz, Bolkus, Brown, Brownhill, Calvert, Colston, Faulkner, Harradine, Hogg, Margetts, Ray, Schacht and West

Foreign Affairs, Defence and Trade References Committee

Members

Senator Forshaw (*Chair*), Senator Troeth (*Deputy Chair*), Senators Cook, Eggleston, Hogg, Sandy Macdonald, West and Woodley

Substitute member

Senator Bourne to substitute for Senator Woodley for the period 21 March to 18 April 1997

Participating members

Senators Abetz, Bolkus, Brown, Brownhill, Calvert, Chapman, Colston, Cook, Eggleston, Faulkner, Harradine, Margetts, Schacht and Troeth

Senator Bourne for the committee's inquiry into Radio Australia and Australia Television and their contribution to Australia's foreign and trade policy interests in the Asia-Pacific region

Senator Ferris for the committee's inquiry into Radio Australia and Australia Television and their contribution to Australia's foreign and trade policy interests in the Asia-Pacific region

House—Standing Committee

Members

The Deputy President (*Chair*), Senators Brownhill, Calvert, Knowles and West

Legal and Constitutional Legislation Committee

Members

Senator Abetz (*Chair*), Senator McKiernan (*Deputy Chair*), Senators Bolkus, Coonan, Murray and O'Chee

Participating members

Senators Brown, Bob Collins, Colston, Cooney, Ferris, Harradine, Heffernan, Lundy, Margetts, McGauran, Minchin, Neal and Tambling

Legal and Constitutional References Committee

Members

Senator McKiernan (*Chair*), Senator Abetz (*Deputy Chair*), Senators Bolkus, Bourne, Coonan, Cooney, O'Brien and O'Chee

Participating members

Senators Brown, Bob Collins, Colston, Margetts, Murray, Neal and Stott Despoja
Senators Murray and Woodley for the committee's inquiry into the Sexuality Discrimination Bill 1995 [1996]

Library—Standing Committee

Members

The President (*Chair*), Senators Boswell, Denman, Foreman, Gibson, Lundy and Tambling

Migration—Joint Standing Committee

Members

Mrs Gallus (*Chair*), Senator McKiernan (*Deputy Chair*), Senators Stott Despoja, Tierney and Troeth and Ms Gambaro, Mr Holding, Mr Kerr, Mr Martin and Mr Sinclair

National Capital and External Territories—Joint Standing Committee

Members

Senator McGauran (*Chair*), Senators Allison, Bob Collins, Colston, Ferguson and Lundy and Mr Dargavel, Ms Ellis, Mrs Johnston, Mr Nehl, Mr Neville and Dr Southcott

National Crime Authority—Joint Statutory Committee

Members

Mr Bradford (*Chair*), Mr Sercombe (*Deputy Chair*), Senators Conroy, Ferris, Gibbs, McGauran and Stott Despoja and Mr Filing, Mr Truss and Mrs West

Native Title and the Aboriginal and Torres Strait Islander Land Fund—Joint Statutory Committee

Members

Senator Abetz (*Chair*), Senator Reynolds (*Deputy Chair*), Senators Evans, Ferris and Kernot and Mr Causley, Mr Dondas, Mr Entsch, Mr Melham and Mr Quick

Privileges—Standing Committee

Members

Senator Ray (*Chair*), Senator Knowles (*Deputy Chair*), Senators Childs, Coonan, Cooney, Eggleston and Ellison

Procedure—Standing Committee

Members

The Deputy President (*Chair*), the President, the Leader of the Government in the Senate, the Leader of the Opposition in the Senate, Senators Bourne, Carr, Eggleston, Ferguson, Heffernan and Ray

Public Accounts—Joint Statutory Committee

Members

Mr Somlyay (*Chairman*), Mr Griffin (*Deputy Chairman*), Senators Crowley, Gibson, Hogg, Short and Watson and Mr Anthony, Mr Beddall, Mr Broadbent, Mr L Ferguson, Mr Fitzgibbon, Mr Georgiou, Mrs Stone and Mr Vaile

Public Works—Joint Statutory Committee

Members

Mr Andrew (*Chairman*), Mr Hollis (*Deputy Chairman*), Senators Calvert, Ferguson and Murphy and Mr R Evans, Mr Forrest, Mr Grace and Mr Lee

Publications—Standing Committee

Members

Senator Sandy Macdonald (*Chair*), Senator Colston (*Deputy Chair*), Senators Calvert, Chapman, Jacinta Collins, Gibbs and McKiernan

Regulations and Ordinances—Legislative Scrutiny Standing Committee

Members

Senator O'Chee (*Chairman*), Senator Colston (*Deputy Chairman*), Senators Hogg, Mackay, Patterson and Tierney

Rural and Regional Affairs and Transport Legislation Committee

Members

Senator Crane (*Chair*), Senator Conroy (*Deputy Chair*), Senators Calvert, Bob Collins, McGauran and Woodley

Participating members

Senators Abetz, Boswell, Brown, Brownhill, Chapman, Colston, Cook, Eggleston, Ferris, Forshaw, Gibbs, Harradine, Lundy, Ian Macdonald, Sandy Macdonald, Mackay, Margetts, Murray, Neal, O'Brien, Schacht, Sherry, Tierney and West

Rural and Regional Affairs and Transport References Committee

Members

Senator Woodley (*Chair*), Senator Crane (*Deputy Chair*), Senators Calvert, Bob Collins, Conroy, Foreman and Heffernan

Participating members

Senators Abetz, Brown, Brownhill, Chapman, Colston, Cook, Eggleston, Ferris, Gibbs, Lundy, Margetts, Murphy, Murray, O'Brien, Tambling and West

Scrutiny of Bills—Legislative Scrutiny Standing Committee

Members

Senator Cooney (*Chairman*), Senators Crane, Ferris, Forshaw, Sandy Macdonald and Murray

Selection of Bills—Standing Committee

Members

The Government Whip (*Chairman*), the Opposition Whip, the Australian Democrats Whip, the National Party of Australia Whip, the Greens (WA) Whip, Senators Campbell, Conroy, Foreman and Heffernan

Senators' Interests—Standing Committee

Members

Senator Denman (*Chair*), Senators Abetz, Allison, Bolkus, Brownhill, Ian Macdonald, Mackay and Sherry

Superannuation—Select Committee

Members

Senator Watson (*Chairman*), Senators Allison, Conroy, Evans, Ferguson, McGauran and Sherry

Treaties—Joint Standing Committee

Members

Mr Taylor (*Chair*), Mr McClelland (*Deputy Chair*), Senators Abetz, Bourne, Coonan, Cooney, Murphy, Neal and O'Chee and Mr Adams, Mr Bartlett, Mr L Ferguson, Mr Hardgrave, Mr A Smith, Mr Truss and Mr Tuckey

Uranium Mining and Milling—Select Committee

Members

Senator Chapman (*Chair*), Senator Margetts (*Deputy Chair*), Senators Bishop, Ferguson, Lees, Sandy Macdonald and Reynolds

Victorian Casino Inquiry—Select Committee

Members

Senator Childs (*Chair*), Senator Troeth (*Deputy Chair*), Senators Abetz, Bob Collins, Ellison, Ray and Woodley

PARLIAMENTARY DEPARTMENTS

SENATE

Clerk of the Senate—H. Evans
Deputy Clerk of the Senate—A. Lynch
Clerk Assistant (Table)—J. Vander Wyk
Clerk Assistant (Corporate Management)—P. O'Keeffe
Clerk Assistant (Procedure)—R. Laing
Clerk Assistant (Committees)—C. J. C. Elliott
Usher of the Black Rod—R. Alison

HOUSE OF REPRESENTATIVES

Clerk of the House—L. M. Barlin
Deputy Clerk of the House—I. C. Harris
First Clerk Assistant—B. C. Wright
Clerk Assistant (Procedure)—I. C. Cochran
Clerk Assistant (Table)—J. W. Pender
Sergeant-at-Arms—D. Elder

PARLIAMENTARY REPORTING STAFF

Principal Parliamentary Reporter—J. W. Templeton
Chief Hansard Reporter—B. A. Harris
Assistant Chief Reporter—V. M. Barrett

LIBRARY

Parliamentary Librarian—

JOINT HOUSE

Secretary—M. W. Bolton

Thursday, 27 February 1997

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

QUESTIONS WITHOUT NOTICE

University Fees

Senator BOLKUS—My question is directed to the Minister for Employment, Education, Training and Youth Affairs. I ask: Minister, are you aware of a recently released schedule of fees for full fee-paying students in 1998? Are you also aware of reports that the entry requirement for full fee-paying students at Melbourne University is expected to be about 10 per cent, a substantial amount less than for publicly-funded places? Minister, will you now admit that fees of up to \$110,000 for a degree make a mockery of your claims that educational equity would not be harmed by such higher education measures? Minister, in these circumstances how do you further justify your decision to set no limits on the amount universities can charge in such private fees?

Senator VANSTONE—Senator Bolkus, I am sorry, you simply still fail to understand the government's changes to higher education policy as they relate to Australian students being able to buy places. You simply fail to understand.

The situation is, and will be, that before a university can sell a place in a course the government-funded places in that course must have been filled. For example, we have more undergraduate government-funded places than we had last year. In addition to that, next year, Senator Bolkus, when—on a course-by-course basis—those places have been filled by government-funded students, other students will be able to buy a place at a university if they choose to do so.

This is not a prison sentence; it is not a penalty; this is purely a matter of choice—something that your government was never very fond of offering people. It was not fond of giving them the opportunity to exercise their own minds and their own preferences.

On a number of occasions in this place I have said that I believe there will be children of parents who are prepared to pay in order to get their son or daughter into the university or the course of their choice. That will mean that a previously government-funded student who has won a government-funded place will move out of the government-funded place into a place for which they pay, leaving the government-funded place free for a student who otherwise definitely would not have got in.

I hear from people such as you, Senator Bolkus, and from others of your ilk—and a lot of students—'Make the rich pay'. This government is prepared to let the rich pay, but you are complaining about it. You should be pleased, Senator Bolkus, that this government has provided a mechanism whereby people who can afford to pay full fees can choose to do so. They are not being made to do so. If they choose to do so, why would you be worried about it? Why would you be worried if a wealthier person moves their kid out of a government-funded place, leaving that place free for a less wealthy kid who otherwise would not have got in? How can you possibly complain about that? It shows the twisted, demented attitude that you people—born ideologues who lost touch with the battlers—had to politics.

Let me tell you this: the kids who miss out by one or two points on getting in at the moment will be very pleased to have some students who get in easily with a higher TER move out of government-funded places into up-front fee places that they pay for. That will give more kids opportunities they otherwise would not have had to get into government-funded places.

Let me turn briefly to the question of price. As I have said, this is not a prison sentence. If people do not think it is worth whatever it is Melbourne University wants to charge, they will not pay. And if they do not pay—that is, if people do not purchase the full up-front fee places—then those wealthy people will stay in government-funded places. One of my colleagues thinks his son may or may not get into commerce at Melbourne University. He is prepared to pay to ensure that he does, so

the boy will move out of a government-funded place into a place funded by his parents, and someone else will get a chance. (*Time expired*)

Senator BOLKUS—Madam President, I ask a supplementary question. I will tell you why we are concerned, Minister. We are concerned because a lot of intelligent not-so-wealthy kids will be missing out. Isn't it a fact that as a result of the measures that are being implemented a student will, in effect, be able to buy 10 per cent of TER points for \$110,000? How does that enhance equity, Minister?

Senator VANSTONE—Senator, you still do not seem to understand how it works, do you? You know that the TER scores in a lot of courses are artificially inflated because there is not enough money to fund the number of students who want to do it. You know full well that you do not need something like 90-something to do law. Heavens above, you got through, so you know very well! The University of Sydney could drop the entrance to law by two points and sell their 25 per cent like that. But you do not seem to understand the TER scores are artificially inflated because your people kept putting chains on the higher education system. You would not take the chains off and let as many people come in as were prepared to pay in addition to the government-funded places. That is what you do not understand.

Telstra: Privatisation

Senator CHAPMAN—My question is directed to the Minister for Communications and the Arts. I assume the minister would be aware of the comments made by British Telecom's Deputy Chief Executive, Alan Rudge, on *Business Sunday* at the weekend regarding the benefits of privatisation. In particular, where he said:

And with that new liberalised market and the competition, comes, if you like, a new lease of life, not the end of the world as we saw it.

Will the government's privatisation of Telstra transform Australia's telecommunications giant into a company offering better service, greater efficiencies and new opportunities every day, and how does this compare with

attitudes of the Australian Labor Party on this important issue?

Senator ALSTON—Alan Rudge, the Deputy Chief Executive of British Telecom, did have some very wise words of advice to offer. He pointed out that customers now get better service and a quicker, more responsive and efficient company which is still growing and seeing new opportunities every day. He went on to say that it was not the end of the world as we know it and that we in fact had some of these attitudes 10 or 12 years ago.

That could, in many respects, be a warning to the Labor Party, because this has all the shades of the backsliding that we have seen going on since you lot lost the government benches. The Leader of the Opposition, Mr Beazley—and, remember, Mr Beazley was the Minister for Finance between 1993 and 1996 so was the de facto minister for privatisation—presided over the privatisation of Qantas, CSL and the Commonwealth Bank, facilitated with the privatisation of the FAC, even supported the opposition and did the scoping study on AIDC and Dasfleet. In other words, he privatised everything that moved when he was in government. Now he is trying to walk away from it by saying on the *Four Corners* program, 'Actually we weren't in favour of holus-bolus privatisation.'

Why was Mr Beazley at the National Press Club in August 1994 saying, 'We don't pursue this because of any new right ideology. We do it because of the real benefits to consumers. We do it because it creates jobs'? He said, 'I will repeat that—it creates jobs.' Here is the bloke who we all know told Frank Blount that he was in favour of the privatisation of Telstra, and he has never been game to get up in the House of Representatives and deny it.

Senator Faulkner—He has denied it.

Senator ALSTON—No, he has never done it. So we know that he is up to his eyeballs in this stuff. He is keen on privatisation, keener than anyone else in government. The problem is that Labor Party members do not know what they stand for. That is why George Campbell was dead right when he said, 'I don't think the party knows or has a clear perception of what it stands for.'

This is your fundamental problem. You have been in the wilderness now for 12 months. You think getting back in touch means having a bit of a shadow conference in Ballarat—wander around and shake hands with a few pensioners and all will be well again. The fact is it is not.

Senator Faulkner—The pensioners love me.

Senator ALSTON—They do not like it. They really want to see your policies. The high watermark of this—and I am sure everyone is aware of it—is that the ALP in the ACT want to change their name. Do you know what they want to change their name to? New Labor. In other words, as far as they are concerned, all battlers should have to drink chardonnay and cappuccino. They are not interested in the original values of the party. They have moved on. This is one of the great tragedies you have. You are torn in two different directions.

Honourable senators interjecting—

The PRESIDENT—Order! The level of noise is too high.

Senator ALSTON—Someone said to me the other day that the real problem the left have is that, even when they have the numbers, they have not the brains. The trouble is they are not qualified to argue the case. So you go in there and you do not even know what the arguments are.

Of course, why did all this privatisation occur? It occurred because people like Senator Faulkner were not able to stand up and win the day. This is the bloke who, according to the *Sydney Morning Herald* which quoted one of his colleagues, used to start his cabinet submissions by saying, ‘I know I’m going to get rolled.’ I mean, what hope have you got? There is no place for earnest plodders in this game, son. If you can’t win the argument, you might as well give it away because you will have enormous problems when the election comes around.

Senator Faulkner—At least I read my cabinet submissions.

Senator ALSTON—You can run for the next 18 months, but you will not be able to hide on election day. It will all come home to

roost then. So instead of scurrying around in the gutter trying to dig up all these grubby little issues, you ought to be using the time and getting on with some decent policy thinking.

Concede that privatisation did deliver the goods in government. Recant. Do not be afraid that Paul will bucket you. Come out and say, ‘A lot of good things occurred under us, and privatisation was one of them. A lot of the other bad things—like completely losing touch with the working class—is something we really regret now.’ Then they will have a bit more respect for you. But the way you are going, you are heading for oblivion. (*Time expired*)

Senator Faulkner—You have been—

The PRESIDENT—Order! Senator Faulkner, one of your senators wishes to ask a question.

Teacher Training

Senator JACINTA COLLINS—My question is directed to the Minister for Employment, Education, Training and Youth Affairs. Minister, are you aware of the recent Australian Council of Deans of Education report on teacher supply and demand which estimates that at least 7,000 teaching positions in Australia will go unfilled by the year 2000? Will you now admit that the recent decline in student demand for university courses will exacerbate this situation? Will you tell the Senate how many teacher training courses have been dropped by universities across Australia as a result of funding cuts and higher fees? What are you doing about this problem?

Senator VANSTONE—In deference to your presence, Senator Jacinta Collins, a hush fell over the place when you were speaking, which you would have noticed. I have been made aware on a number of occasions in the past of that report. There are a variety of reports about teacher supply and demand.

Opposition senators interjecting—

Senator VANSTONE—Madam President, I am happy to answer the question, but it is just impossible if these people will not be quiet.

The PRESIDENT—Order! Senator Vanstone, please wait for a moment.

Senator Faulkner—Watch out for the Kemp brothers. When does David Kemp take over?

The PRESIDENT—Order! Senator Faulkner! I call Senator Vanstone.

Senator VANSTONE—Senator Collins, there are obviously regular reports—if you are interested in the answer to the question that someone gave you to ask—on teacher supply and demand. The deans of education are concerned that there will be an inadequate supply of teachers. The deans are concerned about that.

But the opposition rates and classifies any cuts in education courses at universities as a function of things that this government has done. I think you need to appreciate that what we have done is given universities greater freedom to decide what courses they should offer. If it turns out, as I believe it will, that we end up with universities that specialise in this area—as opposed to everybody doing a bit of everything—I will be very, very pleased.

If the public are to believe these reports, you have given a very helpful tip to school leavers who are capable of getting into university. As I understand it, the TER courses for the undergraduate teaching areas are not that high. If there is going to be an under-supply, what would that tell you? It would tell you that, if you were leaving school, tick that box and get into that course because you are dead certain to get a job. So, frankly, I do not understand your concern. There is the cyclical demand and supply of teachers and other professions on a number of occasions as time passes by. The deans of education believe that there will be a shortage further down the track. A university with some freedom that wants to spot that and offer courses and opportunities will undoubtedly find those places taken up by students who believe that report.

Senator JACINTA COLLINS—Madam President, I ask a supplementary question. Does the minister then agree with the view of the chair of the higher education review, Mr

Roderick West, as reported in Australian newspapers on 16 January, that universities are not the places to train teachers?

Senator VANSTONE—Mr West has a number of views. Other members of the higher education review committee have other views.

Senator Cook—What a flash of insight!

Senator VANSTONE—Just hold your horses. Give yourself a pause and you will get the answer. The higher education review will clearly look at something your government failed to look at, and that is the appropriate nexus between technical and vocational training and universities absolutely. I think you will find that what Mr West actually said was that it is not necessarily appropriate to teach postgraduate education. I think he described that, perhaps not in the way I would have, as teaching people how to start a lesson. So he has some very clear views on that. He obviously does not think it is appropriate. Other people have different views.

Senator Bolkus—Do you agree with him?

Senator VANSTONE—I am awaiting the outcome of the review to see what the considered view is of a range of very talented people. (*Time expired*)

Resources Development

Senator McGAURAN—My question is addressed to the Minister for Resources and Energy and good news. As the minister is aware, the minerals, oil and gas industries now make a major contribution to export earnings, which translates into lower foreign debt. Are you able to tell us just what underlines your confidence that these industries will continue to retain their position in the top line of export earnings? Will he confirm that there is growing evidence that we are entering a new era of downstream production?

Senator PARER—I thank Senator McGauran very much for that question. Is it not amazing that every time we get a question involving good news, the Labor Party goes bananas. They just cannot stand good news. They were not used to it for 13 years when they were in government. They just cannot hack it. Let me say that the Labor Party will

have to get used to this under the Howard government.

I am delighted to have the opportunity to inform the Senate about exciting developments in the resources sector. The contribution of the resources sector is not well understood by some sectors in the Australian community. It is worth pointing out that total exports are worth currently \$34 billion, representing 60 per cent of all commodity exports and 35 per cent of all exports from Australia. It is a major employer of labour, currently employing directly 85,000 people, predominantly in regional and rural areas, but indirectly somewhere in the order of 400,000 people, who are mainly involved in the small business sector.

In a very real sense, the industry is the future of Australia, and the future of Australia depends on its continued success. That is why it is vital that major projects such as Century Zinc, which are in the national interest and in the interest of all Australians, are not frustrated by undue delays. That is why this government is sweeping away the Labor legacy of unnecessary impediments, red tape and green tape.

According to information brought together by my department, there have been 34 new mine expansions and value-adding projects completed in the last 12 months valued at \$5.4 billion. Major oil and gas projects include Esso's West Tuna and Bream B projects in New South Wales and Victoria, goldfields, Moomba to Sydney gas pipelines and downstream processing in nickel, iron ore and mineral sands. With the new confidence of policy predictability injected by the Howard government, these resources are expected to accelerate. Fifty-seven new major mineral projects valued at \$15 billion have been identified as currently committed. Of these, \$5.4 billion are in downstream processing, which means more value adding.

Good examples are the \$1 billion Laminaria project, the Mount Isa gas pipeline, coal projects worth a total of \$1.6 billion in Queensland and New South Wales, the massive \$1.48 billion Olympic Dam expansion in South Australia and value-adding projects, such as BHP's hot briquetted iron ore plant in

WA and the expansion of the Boyne Island smelter, Korea Zinc in Queensland and synthetic rutile expansion in Western Australia. In addition to these projects already committed, there are an estimated 88 mining and processing projects with a value in excess of \$40 billion under active consideration. While not all these projects will come to fruition, it is the responsibility of this government and this parliament to ensure that as many as possible do. As a nation, our wellbeing depends on our being able to capitalise on the advantages and opportunities presented by the resources sector.

Senator Cook—Good point!

Senator PARER—I know that Senator Cook can fully appreciate that, but he is in a minority on his side.

Universities: Review

Senator CARR—My question is addressed to the Minister for Employment, Education, Training and Youth Affairs. On 22 January, as reported in the *Australian* newspaper, the chair of the higher education review indicated that he believed Australia had too many universities. Did he in fact say, 'There are 36 public institutions and two private universities in this population of 18 million, and they are all degree conferring institutions—now obviously the review will have to look at that.' Do you agree with that view? Can you assure the University of Ballarat, James Cook University or South Australia's only non-metropolitan university campus, Whyalla, that they will not close as a result of this review?

Senator VANSTONE—Senator Carr, I am sorry you reveal in your question the typical Labor attitude, and that is you would not set up a review unless you were guaranteed that you would hand-pick the people to give you the answer that you wanted. That is what you would do. You would ring up a few mates, give them a job and pay them far more than they were worth—your government had a history of doing that. Look at what you paid Neville Wran to do with ANL—plenty of money there. What is the rule of thumb given to them? You have to come up with a solution that suits us. It has to suit either the unions, the Labor minister or whatever.

To your great surprise—something that you find completely unacceptable; something that you are completely baffled by and that you have no capacity to understand—and what you are baffled by is that this government would give people the freedom with broad terms of reference to actually report to the government on what they thought. You apparently find that an appalling prospect.

I want to make it clear to you that I went to great pains to ensure that the terms of reference for the higher education review were as broad as they possibly could be. Unlike you, Senator Carr, who seemss to think you are the repository of all knowledge in the world and especially on this subject, I am bright enough to recognise that there may be some people who have other views and those views might have some value. So I am prepared to set up a review with very broad terms of reference so that the review could genuinely look in an objective way at what will be better for higher education in Australia.

The chair of the review has expressed a number of views. I saw some of those reports. Undoubtedly, there are others that have not come to my attention. I do not think you should prejudge the outcome of the review on a few—some of them might be puerile—pieces of paper and a few news reports of the views of one member of that committee. I really think you are jumping the gun here, son; you just have to wait. I am sorry that the higher education review is not going to report at a time convenient to you. It is going to report when it has done the job properly, and the terms of reference are as broad as they can possibly be.

I am absolutely confident that the higher education review will recognise the value of universities, such as those you mentioned. I will give an example of the University of Ballarat. Last week or the week before, I was in Laverton, Western Australia, opening a regional development association to which we are contributing some funds as a means of trying to increase indigenous employment in the area. Who was one of the people who assisted in a tour of the mines? A graduate of the University of Ballarat. Did he have to

wait to get a job? No. Why? Because the University of Ballarat offered a specialist course in environmental landscaping.

The young man left the University of Ballarat and immediately got a job with Argyle Diamond Mines. He has left there and is now working for the Placer (Granny Smith) mine. He shifted from the Argyle Diamond Mines where he was engaged in re-landscaping—you should be interested in this—the mine sites and is now working on those sorts of projects at Placer (Granny Smith).

Each of these universities have their specialist areas, and I do not feel at all concerned for their future. I am absolutely confident that the people we have picked for the higher education review will come up with a very solid plan for higher education for the next 10 to 20 years—absolutely confident of that, Senator. (*Time expired*)

Senator CARR—Madam President, I ask a supplementary question to the minister. Since she can give no assurance to the universities at Ballarat, James Cook or the campus at Whyalla, I would ask that the minister give an assurance that the review of higher education is not predicated on the declining public expenditure on higher education or on cuts to the number of people accessing higher education.

Senator VANSTONE—There is a couple of things you need to have pointed out to you, and one is to show your own deceitfulness. I am reasonably confident that, if you go through all the news clippings, you will also find Mr West saying, ‘But you cannot turn the clock back.’ You do not mention that, do you? Why do you not mention that that is what he said—that you cannot turn the clock back? Do you know why you do not mention that? Because it does not suit your cheap, political, tatty little purposes. That is why you do not mention it.

I have made it abundantly clear to you that the terms of reference are as broad as possible. They are most certainly not predicated on a reduction in government funding or of funding government students.

Small Business: Franchising Code Council

Senator MURRAY—My question is addressed to the Minister representing the Minister for Small Business and Consumer Affairs. Is it good news for small business that the Franchising Code Council has collapsed due to funding problems, the threat of litigation, a lack of protection for its directors and no underpinning legislation? Can the minister confirm that the budget decision of this government to withdraw funding from the franchising council which administers the franchising code of conduct has contributed to the collapse of the council? What impact will the collapse of the council and loss of its education, auditing and mediation processes have on the ability of the tens of thousands of small businesses who operate franchises in seeking to defend their rights against the market power of predatory franchisors? Does the collapse of the franchising council, combine with the decided reluctance of this government to pursue amendments to the Trade Practices Act to outlaw harsh and unconscionable conduct against small business operators, confirm that this government is just not interested in defending the rights of small business where that involves treading on the toes of big business?

Senator PARER—I would like to thank Senator Murray for that question. It is very refreshing to get questions like this on the interests of small business from someone in the Democrats. It has been a long time coming. I think the last time we had questions like this was when Senator Siddons was here. So it is years and years.

At least Senator Murray understands the fact that the rest of the Democrats do not understand—that is, you cannot talk about redistributing wealth unless you create it first. It is a lesson, I might say, the Labor Party should also take on board.

Honourable senators interjecting—

The PRESIDENT—Order! The level of noise in the chamber is far too high.

Senator PARER—In fact I was rather intrigued to see with a flourish the other day Senator Kernot saying she was taking over the

job of employment from Senator Stott Despoja. I would have thought that it would be more appropriate to give it to Senator Murray. At least Senator Murray understands that, if you are really going to create employment in this country, you are going to have to do it through the small business sector.

Honourable senators interjecting—

The PRESIDENT—Order! The level of noise is still far too high.

Senator PARER—He regrets the franchising council has chosen to appoint an administrator. He is discussing with industry interests to see whether alternative self-regulatory mechanisms can be put in place. It is important to realise that the former council failed not because of any problem with the concept of self-regulation but because of a division within the council between those who were prepared to modify corporate plans to meet tight budgetary circumstances and those who refused to adapt to the different circumstances. The strategy of the former government towards franchising went through a number of lurches or changes in direction.

The previous funding allocations had to be set against the need to take firm budgetary action to redress the massive budget deficit left to us by the other side. In this context, funding for the council was reviewed. Funding for the council was discontinued in 1997-98. However, there was no change at all to the \$648,000 allocated to the council for 1996-97 because the government recognised the desirability of allowing it time to adapt to those budget changes.

The minister met with the council in October and discussed the need to modify the strategic plan, which they had developed under the former government, and to prioritise their activities to achieve self-funding status from 1997-98. This is what the minister would expect any company facing reductions in revenue to do. At subsequent meetings of the council, it was clear that many members were willing to do this. The minister understands that a draft strategic plan along these lines was in fact prepared.

Based on discussions the company had with the minister and his officials, he agreed to

seek funds to increase the subsidy by another \$150,000, to be paid in 1997-98. This brought the subsidy to \$800,000 over two years, which should have been more than enough to achieve the transition to self-sufficiency. In spite of this, there were some council members who were unprepared to modify their position to meet the new financial circumstances.

In November and December, the council twice considered a resolution to wind up on the basis that it did not have enough funds to implement the old plan. Both those resolutions were defeated. The minister was advised at the end of December that the then chairman, Mr Gardini, had resigned. Mr Delaney, a representative of the franchisee interests on the council, wrote to the minister in December to indicate, notwithstanding council decisions, he had convened another meeting to consider the—*(Time expired)*

Senator MURRAY—Madam President, I ask a supplementary question. Senator Parer, I think you should understand that I am in the Democrats because of their leadership and their policies—

Honourable senators interjecting—

The PRESIDENT—Order!

Senator Alston—Madam President, I rise on a point of order. If it is good enough for Senator Murray to take the opportunity to indicate where his support lies, I would have thought an equal opportunity ought to be made available to his colleagues. We might be able to clear up any problems in one hit.

The PRESIDENT—There is no point of order.

Senator Faulkner—Madam President, I also rise on a point of order. I do question your ruling, Madam President. Really, if the same opportunity is to be given, perhaps Senator Alston could express his loyalty to Senator Hill.

The PRESIDENT—There is no point of order.

Senator MURRAY—Minister, can you confirm whether the government has received an expression of interest from the national franchisors association to take over the admin-

istration of the code? Will the government rule out allowing the code to be taken over by the very people who were set up to regulate it in the first place? In view of the lessons learnt from this collapse, will the government now urgently consider making the code mandatory and capable of enforcement?

Senator Schacht—And will you amend the legislation to put ‘unconscionable conduct’ into the Trade Practices Act?

Senator PARER—Who is asking the questions, Senator? You can ask a question on that. Again, I would like to congratulate Senator Murray because it is a very unique experience, and I hope you, Senator Murray, will continue because you may eventually get the Democrats to really focus on small business and the job creation that comes.

Senator Bob Collins—Have you had a look at Senator Murray’s CV? Have you had a look at his business background?

Senator PARER—That is why I am congratulating him. He is the only bloke in the Democrats, the only person in the Democrats—

Honourable senators interjecting—

The PRESIDENT—Order! Senator Parer is answering this question and I will ask him to continue when the Senate is silent.

Senator Murray—Madam President, I rise on a point of order. Senator Woodley objects to the inference that he is not a bloke.

The PRESIDENT—There was so much noise in the chamber that I did not hear anything of that nature.

Senator PARER—It was a generic term, I might say, Senator.

The PRESIDENT—Senator Parer, you will address your remarks through the chair, not across the chamber.

Senator PARER—Thank you, Madam President. It is a term that is commonly used to cover both sexes, by my kids anyway. The minister has pointed out that the council was destroyed by dissension within the industry and that self-regulation can only be effective if all members of the self-regulatory body agree to a general direction. A fresh start will enable this to happen. The issue of trading

practices in relation to franchising is one that is before the fair trading inquiry of the House of Representatives Standing Committee on Industry, Science and Technology. (*Time expired*)

Education: Fundraising

Senator FORSHAW—My question is directed to the bloke—sorry—the Minister for Employment, Education, Training and Youth Affairs. Minister, is the minister aware of a recent report by Monash University—

Senator Faulkner—It will be a bloke soon! It will be Dr Kemp.

Senator Herron—Madam President, I rise on a point of order. Senator Faulkner has continued to flout your direction to him earlier about interjections to this side and he has started again about Dr Kemp. I think he should be brought to order.

Senator Faulkner—On the point of order, Madam President: it is true that on a couple of occasions I have interjected that Senator Vanstone is really on the slippery slide and that Dr Kemp will take her responsibilities. I know that. You know that. It is a perfectly reasonable interjection and, frankly, Senator Herron, through you, Madam President, a matter of public record.

The PRESIDENT—Order! Senator Faulkner, all interjections on both sides are disorderly. There is no point of order.

Senator Herron—On a further point of order, Madam President: he has just demonstrated that he is flouting your ruling by that very statement.

The PRESIDENT—Order! I have ruled that there is no point of order and interjections, Senator Faulkner's and others, are disorderly.

Senator FORSHAW—My question is to Senator Vanstone. Is the minister aware of a recent report by Monash University which showed that Victorian schools were forced to raise from fundraising activities some \$200 million or one-third of their non-salary costs for delivering educational programs? What action is the minister taking to address this situation in Victoria and other states and territories where similar situations occur?

Senator VANSTONE—No, I am not aware of that report. Dr Kemp may be; he is responsible for schools. If he is aware of it and has anything to say about it, I will bring that information forward to you as soon as is possible.

Senator FORSHAW—Thank you for that. I am a bit surprised, Minister, that you are not aware, given that there is a Senate inquiry being conducted at the moment into the issue of private fundraising sources for government schools. While you are checking that out could you also check this out: that same study found huge variations between regions in a school's ability to raise funds, creating a haves and have-nots situation. Will the minister now acknowledge that the government's reduction in funds to the government school sector and their abandonment of equity provisions in the last federal budget will have a devastating effect on schools, particularly in the poorer parts of Australia?

Senator VANSTONE—Senator Forshaw, you are just a little bit desperate here. Of course there are regional differences in anybody's capacity to raise money. If you think that fact is a function of government policy, you are sadly mistaken. What we did is what you should have done—that is, got rid of your stupid new schools policy which was inhibiting the setting up of new schools and very drastically inhibiting parental choice. This government has recognised that the registration of schools is primarily a state matter. If a state wants to register a school, why should the Commonwealth stand in the way?

You do not like that because your government was opposed to choice for parents. You wanted to make sure that parents, as far as possible, were locked into government schools. We do not think like that. We want to give parents the maximum opportunity to have their children educated where they want, at a school of their choice. If you do not like that—bad luck. The government has changed and things are changing.

Apple and Pear Industries

Senator HARRADINE—My question, which is directed to the Minister representing

the Minister for Primary Industries and Energy, relates to the likely effect on the production of apples and pears in Australia if fire blight is introduced because of imports of apples. Is it not a fact that in some parts of the United States there has been a production loss of about 90 per cent in one season in pear growing and around 25 per cent in apples? What is the state of affairs on that matter at the present moment because there is considerable concern amongst apple and pear growers in Australia, as you would know?

Senator PARER—Thank you Senator Harradine for that question. I can appreciate the reason for it because you come from the Apple Isle.

Senator Sherry—I am glad you know that.

Senator PARER—Here we have an interjection from Senator Sherry. I thought he came from Tasmania, too. Isn't he interested in the answer? No, of course not. I think Senator Harradine is referring to a proposal that New Zealand submitted in late December 1995 to export apples to Australia. The most significant quarantine problems to be evaluated with regard to the importation of apples is the establishment of fire blight in Australia, which Senator Harradine referred to. The New Zealand proposal is based on mature, healthy apple fruit not being a vector for the establishment of fire blight disease. That is their proposal. Fire blight is a serious bacterial disease of apples and pears and a number of other rosaceous plants. This disease is present in most apple producing countries—including New Zealand—but is absent in Australia. A previous proposal by New Zealand was rejected by AQIS in 1991 because gaps exist in our scientific knowledge which cannot be ignored. The previous application generated a great deal of industry opposition and comment.

As part of the current proposal, New Zealand has presented results of research work intended to fill gaps in current knowledge. New Zealand considers that phytosanitary measures imposed on mature apple fruit are not justified and has informally indicated that it would be prepared to invoke World Trade Organisation dispute settlement procedures if Australia does not grant access.

AQIS has released an information package on the New Zealand proposal. Comments have been received from the states, a number of industry groups and other interested parties. AQIS is currently considering these comments and additional information from New Zealand. A pest risk analysis paper containing a response to these comments and a draft AQIS position on the New Zealand proposal is expected to be released in the near future. A final technical assessment is expected to be completed in the first quarter of this year.

Labour Market Programs

Senator MACKAY—My question is addressed to the Minister for Employment, Education, Training and Youth Affairs. Can the minister inform the Senate of the current status of the expenditure of funds in her department's labour market programs? Can the minister confirm that Tasmania's labour market program allocation for the year is \$51.304 million? Is the minister aware that these funds are being spent at the rate of \$310,000 per week and that expenditure needs to be at least \$736,000 per week to be on track on a pro rata basis for the year? How does the minister justify a potential shortfall of \$4 million to \$5 million in spending on programs for the unemployed in the state of Tasmania alone, a state with a double-digit unemployment rate?

Senator VANSTONE—These questions were canvassed at the estimates committee hearing last night. I do not know whether you had popped home on that occasion or were doing something else more interesting. Nonetheless, these questions were canvassed specifically with respect to Tasmania. The answer you were given last night was that the officers present did not have the information for Tasmania. You then indicated that you were interested on a national basis—whoever asked the question indicated that.

Senator Carr—She had gone home?

Senator VANSTONE—You were there, were you? Gee, I must have missed you. So dramatic and devastating is your presence that it passed me by—I am sorry.

Senator Carr—You weren't paying attention, as usual.

Senator VANSTONE—Actually, you were there. I do apologise, Senator. You were there and you were your usual smiling self.

Opposition senators interjecting—

Senator VANSTONE—Keep going on! Banter, banter, banter! I remember saying that this government would be more accountable to parliament and would not want to have the subcontracts of the previous government, which hid, for example, how much the ever-so-honest Bill Hunter got for doing the Working Nation projects. I remember you saying under your breath to me, 'I might know how much he got, but I'm not going to tell you.' I remembered that slightly ungenerous remark of yours, last night. We know that it was sufficient to be surprised when he went bankrupt within a few years. We know it was that much—quite a lot, to be sincere. Of course, you evaded accountability to parliament by having the fees that he was paid in a subcontract that parliament will never be able to get at.

Getting back to the questions that you asked last night, since you obviously were not listening, let me remind you what you were told. You were told that the figures for Tasmania were not available last night and, I am sorry, I went home at half past one. I did not rush down to the department and say, 'Get me this answer by 9 o'clock in the morning.' You were told you would get the answer as soon as we could possibly get it and give it to you. If I was meant to go down to the department at half past one in the morning and bring people out of their beds to get an answer for you at 9 o'clock in the morning, I am sorry, I did not do that. I apologise—something you can never do. We will get you the answer as soon as we can possibly can.

Gary Gray indicated in the *Four Corners* report that the Labor Party would be in a better position if you were ever able to apologise, but you just could not ever bring yourselves to do it. The first thing you were told, as I have said, is that the figures for Tasmania were not immediately available. You were also given some clear indications on a national basis.

Opposition senators interjecting—

The PRESIDENT—Order! Senators on my left, please be quiet.

Senator VANSTONE—You were also given some clear indications on a national basis of the spending in labour market program areas which was regarded as being pretty much on track. You were told that, when we had further information, we would come back and give it to you. It is now 20 past 10. I do not know whether the information will be available by half past 10. I am reasonably confident it will not be. As soon as we can get some information, we will bring it to you.

You were also told that it is a general broad appropriation for labour market programs which is then notionally divided within the department. These are not budgetary allocations you are talking about; they are notional allocations made within the department. You were also told the reasons for that, devised, in fact, by the previous government: because labour market funding is traditionally very difficult to track. That is why we have the capacity—the previous government had it for three or four years—to shift funding between labour market programs and to bring forward money if you overspend, as you people did last year spending 12 months of money in nine months, and, of course, to carry over money if there is an underspend. That flexibility is there because these things are traditionally hard to track.

The other point that was made to you last night, which you might have forgotten by now, is that December and January are traditionally the lowest spending months for labour market programs. (*Time expired*)

Senator MACKAY—Madam President, I ask a supplementary question. Minister, you and I know very well that area managers are required to provide monthly reports on labour market program expenditure. So I was amazed at the estimates yesterday when that information could not be provided. Can the minister explain what you intend to do with any funds allocated to specific labour market programs which are not fully expended by the end of the financial year?

Senator VANSTONE—'By the end of the financial year.' Let's put a bit of emphasis on

the end of the question, make it sound more important than it is. I am trying to ensure, and the department is constantly monitoring these matters to see, that money provided actually gets to unemployed people. That is what it is allocated for. As I indicated to you last night, but you were not listening and you are not listening this morning, there is a capacity to carry forward some moneys, but I am not planning on being in that position. What we are trying to ensure—as I am sure you did when you were in government—is that the money allocated does get out and is used usefully within a range of labour market programs around Australia. Tasmania is important, but it is no more important to me than any other state or territory.

Quarantine

Senator WOODLEY—My question is addressed to the Minister representing the Minister for Primary Industries and Energy. Minister, the last 10 months has seen a catalogue of failure of quarantine services in this country, recently capped off with the outbreak of anthrax disease in Victoria, ovine Johnes disease in Victoria and New South Wales and sorghum ergot in New South Wales. North Queensland farmers have endured further outbreaks of papaya fruit fly with flies trapped recently at Mount Isa. There have been outbreaks of anthracnose affecting lupins in Western Australia, equine morbilli virus in North Queensland and the VRE in the poultry industry. This is not good news. Yet, against this background, farmers are now hearing that your government plans to pursue a quarantine policy of acceptable risk which means relaxing quarantine barriers. Minister, how can your government pursue a policy of acceptable risk in the face of these disastrous failures?

Senator PARER—For a while there I thought that, with Senator Murray, we were seeing a change in the Democrats. Now we get Senator Woodley standing up, talking about doom and gloom, saying that Armageddon is on the way and Australia is about to collapse. Typical Democrat stuff—go around, terrify people—and of course it is quite wrong.

You have gone through a whole range of things. Let us take one, the papaya fly. There is no way in the world that I am going to blame the Labor Party for the papaya fly. Yet they were the government in power when it flew across from New Guinea or wherever it came from. It was not the fault of AQIS and it was not the fault of the previous government. There are a number of ways that these things can come into this country.

In relation to a lot of it, certainly, you need to have proper inspection services through AQIS. There is no doubt about that. However, there are other ways. Some of these things come into this country with tourists. If you want to stop the whole tourist trade and you want to stop all imports into Australia, you go right ahead—or try. This is just the sort of nonsense stuff we expect from you.

You mentioned AQIS and I think you were talking about the meat industry and probably remarks made by a visiting American inspector. Let me say that there is a move in some quarters for certain industries to go down the path of total quality management. That, in itself, is something that I think should be encouraged where it is possible. There is no way in the world that we would engage in a process in this country which would adversely affect Australian exports, because other countries have certain requirements. But to come in here and blame AQIS for certain things that have come into this country through no fault of AQIS or any government—this or the previous government—is absolute blatant nonsense.

Senator WOODLEY—Madam President, I ask a supplementary question. Minister, thank you for your answer. It did not really answer anything, but here is a further question arising out of your answer. Minister, I am not blaming AQIS; I am asking what your government is going to do and what you are going to offer by way of compensation or other assistance to the lupin farmers who lost their crops in Western Australia, the organic farmers in North Queensland sent out of business by the papaya fruit fly, or sheep and cattle farmers in Victoria and New South Wales?

Senator PARER—Again we have the whole run of doom and gloom. Let us go to anthrax, because that is in vogue at the moment. I will give you a run-down of where it sits at the moment. The Minister for Primary Industries and Energy and the Minister for Health and Family Services have given a public assurance that the recent incidence of anthrax in some Victorian dairy herds is posing no health problems for consumers or for other animal products.

In relation to what you are talking about, the Victorian health authorities, who have major responsibility for this, I might say, as everyone would agree, are imposing what they call an eight-hour rule, and this is in regard to milk, in case you are going to raise that question later. Mandatory vaccination of cattle is being imposed on all properties where clinical cases of anthrax occur, as well the properties adjoining affected farms. All the cattle are subject to a minimum six-week period of quarantine confinement. (*Time expired*)

Midyear Review

Senator SHERRY—My question is to Senator Kemp, representing the Treasurer, Mr Costello, and the Minister for Finance, Mr Fahey. I refer to the *Mid-year economic and fiscal outlook 1996-97* and the corrigendum with 170 corrections to the nine pages of errors.

Senator Bob Collins—How many?

Senator SHERRY—One hundred and seventy corrections to the nine pages of errors. The Minister for Finance, Mr John Fahey, in defending the mistakes, including the \$1.2 billion blow-out in the general government sector, said ‘it was regarded as a minor tabling error’. Mr Rod Shogren, the chief of Treasury’s Fiscal Policy Division, describes some of the errors as ‘major errors’. Who is right—Mr Fahey or Mr Shogren?

Senator KEMP—I cannot believe the question I have just received. Senator Sherry has been relentlessly consulting all question time with his advisers. He has been on the phone, he has come out and checked with Senator Faulkner, and that is the best that he

is able to do. That is a pathetic effort. It is an absolutely pathetic effort.

Senator Sherry, these matters were very well canvassed last night and the explanations were clearly given to you. These include particularly, Senator Sherry, so that we get no confusion on this matter, that the errors identified by the Department of Finance do not relate to the budget sector of government. Of course, as you will be aware, Senator Sherry, the budget sector includes the great bulk of government outlays and includes government departments. Senator Sherry, I put it to you that your questions were very well canvassed last night. The department recognised that an error had occurred. That error was brought to the attention of the public and there was an apology given.

It is an incredible cheek for the Labor Party to be asking this question, Senator Sherry—and you of all people. You will have a chance in the supplementary question you are going to ask me to see whether you will take Gary Gray’s advice and apologise. That is what you will have to do, because—

Opposition senators interjecting

The PRESIDENT—Order! Senator Kemp, resume your seat. Question time ought to be able to proceed so people at least can hear. I would ask senators to restrain the amount of noise they feel they must make today.

Senator Sherry—It would be good if I could get an answer to the question.

The PRESIDENT—You will get a chance to ask a supplementary question if need be.

Senator KEMP—That is precisely right, Madam President. That is most useful advice. I am looking forward to the supplementary question from Senator Sherry to see whether he is able to pick up the challenge.

Senator Faulkner—On a point of order, Madam President: Senator Kemp may be looking forward to the supplementary question. We are looking forward to an answer to the question Senator Sherry asked. The minister was asked: who was right—Mr Shogren or the minister? Could you direct him to answer the question he was asked by Senator Sherry?

The PRESIDENT—There was a preliminary to that question being asked. He is entitled to canvass the preliminary statement first and come to the question.

Senator KEMP—The question of course, as I said, relates to the errors identified by the Department of Finance. Those matters were brought to the attention of the public and the errors were corrected.

Senator Sherry—Where is your press release? We are still waiting for it.

Senator KEMP—Unlike you, Senator Sherry, we are still waiting for the confession of error that you made in the last midyear review that the Labor government released. It was a \$10 billion error. Remember that? Take Gary Gray's advice—stand up, acknowledge the error and apologise.

Senator SHERRY—I have a supplementary question, Madam President. Senator Kemp still has not—as is his habit—answered the question. Who was wrong—Mr Fahey or Mr Shogren? Why do you continue to describe the error to personal benefits payments—previously a decrease of \$400 million, changed to an increase of \$221 million; a reversal of \$621 million—the error in personal benefits payments of \$731 million, the error in grants to governments of \$719 million, and many, many more, as 'a minor tabling error'?

Senator KEMP—One tries to help the good senator, but nothing seems to succeed. Senator Sherry, the errors were discovered and they were brought to the attention of the public.

Senator Sherry—By me! What did you do? Where is your press release?

Senator KEMP—Senator Sherry, I noticed that you have not apologised for the \$10 billion black hole as a result of your midyear review. When you do, you might be slightly more credible.

Immunisation

Senator SANDY MACDONALD—My question is addressed to Senator Newman, the Minister representing the Minister for Health and Family Services. Minister, the fall in child immunisation to only 53 per cent has

subjected Australian children to life threatening and utterly preventable diseases and has been a concern to all of us. Following the announcement of the government's immunisation measures, I ask you: what has been the reaction to the government's strategy to increase immunisation rates?

Senator NEWMAN—I am pleased to advise the Senate that there has been absolutely overwhelming support around Australia for the government's announcement by Dr Wooldridge, the health minister. I have to accept there that there was not quite overwhelming support. Although the Labor leader, Mr Beazley, and Mr Lee both welcomed the plan, we did not hear anything—as far as I know—from Dr Carmen Lawrence, the former health minister who perhaps was the one that should have been held responsible for the serious deterioration in childhood immunisation. Perhaps even worse, at estimates last night we heard criticism of it from two of the senators in this place—Senator Neal and Senator Crowley.

Senator West—That is an untruth.

Senator NEWMAN—That is typical. Senator Crowley criticised the link that was made to child care. Senator Neal said that it was a rough and ready initiative. Well, so much for the children of Australia!

Senator Crowley—On a point of order: I do believe it is terribly important that the minister, in answering questions, never ever slips into the—

Senator Ian Macdonald—What is your point of order? What standing order?

The PRESIDENT—What is the point of order, Senator Crowley?

Senator Crowley—You like quiet; I like quiet, and the President would like quiet for me, too. The point of order is that the senator has just misled parliament. I would urge you to remind her that misleading parliament is a very serious matter. If she will not buy that, and if you will not, then she has clearly misrepresented the senators on this side.

The PRESIDENT—There is no point of order and, if there is any misleading on anything, it is a matter that can be taken up at the appropriate time.

Senator NEWMAN—That is the former minister who used to have the responsibility for families. Clearly, we have touched a sore spot with her, because she was not doing much for the families of kids with whooping cough, measles, diphtheria, polio, et cetera. All those years of Labor government and there was Senator Crowley, a doctor, not prepared to do something which this new government has now done. It is a disgrace.

Senator Faulkner—My point of order is on relevance, Madam President. I do not believe that it is appropriate for Senator Newman to answer the question that was directed to her as Minister representing the Minister for Health and Family Services. This is the first time that she has not taken a question to the Minister for Health and Family Services on notice.

Senator Alston—What are you talking about?

The PRESIDENT—Senator Faulkner, what is the point of order?

Senator Faulkner—My point of order, Madam President, is that, because of her lack of knowledge of the portfolio, she is utilising question time to attack Senator Crowley, the former minister.

Senator NEWMAN—That is not true. I have constantly answered questions on the health and family services portfolio and, where the opposition wanted more detailed information, I have taken those concerns to the minister responsible. I deny utterly what the Leader of the Opposition in the Senate has said and he should withdraw because he himself has misled the Senate.

The PRESIDENT—There is no point of order.

Senator NEWMAN—It is quite clear that we have a Labor rabble who are divided amongst themselves. We get one lot of the party saying one thing; another lot saying—

Senator Alston—It's the George Campbell faction.

Senator NEWMAN—Exactly. George Campbell was pretty right when he said that they did not stand for anything. That is the problem that the Australian people recognised.

They do not stand for anything and they do not know where they are going.

I will tell you what other people have said. The Australian Medical Association have said that the plan will save lives and they have congratulated the minister and the government on taking this essential action. The Royal Australian College of GPs has praised the plan for recognising the pre-eminent role that GPs will play. The Public Health Association has also welcomed and endorsed the initiative. I draw your attention to a number of newspapers that came out today: 'Vaccination strategy to the point...' said the *Australian*, '...it is thoughtful and comprehensive'. The *Courier-Mail* said it was a 'bold plan to boost immunisation'. Even the *Canberra Times*, and you know how friendly they are, welcomed the move on immunisation. Now that is just a selection of some of the papers.

It is important to recognise that it is a vitally important element that is going to improve the health of Australia's children. For 13 years we had a Labor government that were not prepared to protect our kids and they have the gall to be critical when the rest of Australia is welcoming it as a much needed initiative.

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

Regional Development

Senator ALSTON—Yesterday Senator Forshaw asked me a question about claims by the Real Estate Institute of New South Wales in relation to regional Australia. I now have some further information which I seek leave to incorporate.

Leave granted.

The answer read as follows—

In my answer to Senator Forshaw yesterday I said I would get back with more information in relation to his question regarding the Real Estate Institute (REI) of NSW's claims that a drop of 27 per cent in country house sales can be attributed to the cut of the regional development Program and that Federal spending on regional development is now less than a dollar a person a year in regional Australia.

The Minister for Transport and Regional Development has supplied me with the following information.

The article that Senator Forshaw was quoting from was in the *Sydney Morning Herald* of 25 February.

It is a complete nonsense to suggest the winding down of the previous Government's Regional Development program has resulted in the country house sales decline.

The REI's figures show that changes in house prices varied significantly, from a fall of 17.8% in the Far West to an increase of 4.5% in the Murray region—if changes are so variable, how can this be due to a single decision by the Commonwealth.

The Federal Government is fulfilling all of its contractual obligations with regard to the previous Government's Urban and Regional Development Program and is in fact spending \$80 million dollars this financial year.

I note that Mr Weight is talking of a 'whole of state' approach to regional development and therefore Mr Weight should be talking to the State Minister for Regional Development, Michael Egan to see what he did for the year of Regional Development in 1996. Our understanding is that out of a budget of \$22 million he spent \$20 million on Centennial Park in Sydney. Whilst this Government might not be spending money through an overly bureaucratic Program, it is providing real initiatives to rural and regional Australia. Some of these initiatives I outlined to the Senate yesterday.

HMAS Voyager

Senator VANSTONE—Senator Childs asked me a question in my capacity as representing the Attorney-General on 25 February. I seek to incorporate an answer in *Hansard*.

Leave granted.

The answer read as follows—

Senator Childs asked the Minister representing the Attorney-General on 25 February 1997:

Is it a fact that Mr Costello, when Shadow Attorney-General, promised that a Coalition Government would not use the Statute of Limitations as a defence against HMAS Voyager survivors' compensation claims?

At any stage prior to the last election did any Coalition spokesperson contradict this commitment?

Does this constitute a core or non-core promise?

Can the Government's current actions over Voyager compensation be seen as a broken promise?

If not, why not?

Senator Vanstone—

In a letter dated 11 March 1993 the Honourable Treasurer stated, in his then capacity as Shadow Attorney-General and Shadow Minister for Justice, that a Coalition Government would waive a Statute of Limitations defence in relation to claims by HMAS Voyager survivors.

The Government has honoured the Honourable Treasurer's undertaking.

In this regard, the Government has adopted a settlement scheme established in 1995 by the previous Government for settlement of damages claims by or in relation to HMAS Voyager survivors.

The adoption of that settlement scheme necessarily involves a waiver of a Statute of Limitations defence in relation to those claims.

Virtually all claims by Voyager survivors have been settled.

However, as was the position under the previous Government, any damages claim by a Voyager survivor which cannot be settled under the settlement scheme—for example, where the quantum of compensation cannot be agreed—is being dealt with in accordance with normal legal practice.

There was no undertaking in the Honourable Treasurer's letter to waive another defence on which the Commonwealth is relying, namely section 44 of the Safety, Rehabilitation and Compensation Act 1988.

That is a provision of general application barring common law claims by Commonwealth employees for injury sustained in the course of their employment.

If this defence is upheld—and the High Court has reserved judgment in another matter which raised section 44 for consideration—then such common law claims could generally be barred.

The Honourable Treasurer's undertaking to waive a Statute of Limitations defence did not extend to damages claims by or in relation to HMAS Melbourne crew.

This Government shares the previous Government's view that the circumstances of HMAS Melbourne crew are not sufficiently exceptional to warrant a departure from normal Commonwealth legal practice in relation to the defence of damages claims.

It is however open to both HMAS Voyager survivors and HMAS Melbourne crew to seek compensation under the Comcare scheme, which the Safety, Rehabilitation and Compensation Act 1998 established.

PERSONAL EXPLANATIONS

Senator NEAL (New South Wales) (10.39 a.m.)—I seek leave to make a statement on the basis that I have been misrepresented by Senator Newman.

Leave granted.

Senator NEAL—I must say I am somewhat surprised at the allegations made by Senator Newman in light of what occurred yesterday. In spite of the relatively early hour that we retired, she seems to have some difficulty in remembering what actually occurred. The issue of immunisation and the new scheme being introduced by the government was canvassed at some length, and I think quite properly. We made some inquiries about the impact of this immunisation scheme and what would occur if a parent chose not to immunise a child and did not take up the opportunity of being a conscientious objector.

During this debate I took the opportunity to answer a question, although it is unusual in the circumstances, and I stated very clearly at that time that I was very much in favour of the immunisation of children and I saw it as an extraordinarily important issue. I find it rather unusual and dishonest for the minister to come forward now in question time and try and put my view as being the contrary.

Also, I was quite surprised that, despite the announcement of this scheme by the Minister for Health and Family Services, Dr Wooldridge, the department was unable—

Senator Patterson—I raise a point of order. The senator is now debating the issue and I think you should call her to order and ask her to sit down.

The PRESIDENT—Order! It should be related to the misrepresentations, Senator, but do proceed.

Senator NEAL—I was, in fact, inquiring about what the impact of this scheme might be and what detrimental effect might arise from a failure to comply.

Senator Knowles—I raise a point of order. I too was at last night's committee hearings—in fact, I was chairing them—and I have to say that what we are now hearing is a continuation of the debate of last night. It is not

in any way related to any misrepresentation. This is purely and simply a repetition of the debate last night and, if Senator Neal has been misrepresented, I am waiting to hear how. But I am not waiting to hear a repetition of last night's debate.

Senator Crowley—On the point of order, Madam President: there is no way the claim by Senator Newman can be refuted by Senator Neal, as I will shortly attempt to do on my behalf, unless the terms in which that misrepresentation occurred can be spelled out. It is necessary for Senator Neal to canvass the context in which that misrepresentation happened. That is what she is doing. It is entirely proper and legitimate in making a personal explanation to make that clear to you so that you and other senators can understand the misrepresentation. It is absolutely vital that it be done.

The PRESIDENT—The explanation should relate to the misrepresentation and not stray into debating the issue, but you may proceed with your explanation, Senator Neal.

Senator NEAL—The essence of it is that a questioning of the department about the impact of a measure does not amount to opposition, and I think if that were to be the case then certainly we are not complying with the democratic principles that I adhere to and I would have thought the minister would adhere to. I was very surprised to see the department was unable to tell me—

The PRESIDENT—Senator, I think that is straying into debating the issue. The previous explanation I accept as relating to the misrepresentation.

Senator NEAL—With respect, Madam President, I was coming to explain why I questioned at length what the impact of that proposal was to be, as the department was unable to tell me what the full impact of that was.

Government senators interjecting—

Senator NEAL—If you would like to stand up and take a point of order, Senator, I invite you to do so, rather than screaming from your position.

Senator CROWLEY (South Australia) (10.44 a.m.)—I seek leave to make a personal statement because I claim to have been misrepresented.

Leave granted.

Senator CROWLEY—In answering a question, Senator Newman claimed that I opposed the proposals by Minister Wooldridge to encourage inoculation of children in this country. That is an absolute, complete falsification and misrepresentation. Particularly in the light of the further comments that she went on to gratuitously add, it would no doubt be understood by a lot of people to mean that I am opposed to immunisation of children and do not care about whether or not the children of this country survive. Nothing could be further from the truth, and I take particular offence at that because it goes not only to my personal standing as a senator but also to my professional standing as a doctor.

Senator Knowles interjecting—

The PRESIDENT—Order! Senator Knowles!

Senator CROWLEY—I could take another personal explanation against you and your personal, particularly revolting, behaviour, Senator Knowles. Senator Newman accused me of opposing the proposed changes for immunisation in this country.

Senator Knowles interjecting—

The PRESIDENT—Senator Knowles!

Senator CROWLEY—That is a matter of the greatest gravity. In this place, playing as children in the sandpit might be sort of amusing, and abuse across the chamber is something you just cop because the pathetic behaviour of parliament is lowering the tone more and more.

What Senator Newman did was go to the credibility and good name of both Senator Neal and me. I take particular offence at it. It is gross misrepresentation. I believe I asked one question of the minister, which simply concerned why she felt it was all right to have a coercive relationship between child-care assistance and inoculation but not between child-care assistance and the quality of care

we provide in child-care centres. That is all, and that in no way could be construed as opposing the changes for immunisation. I have campaigned for and supported the immunisation programs and the health of our children. Equally, I have supported and campaigned for the health of our children through quality child care. If the minister were answering truthfully, she would know that she stood condemned, not me.

Senator Knowles—I raise a point of order, Madam President. Once again, I take the same point of order, which is that Senator Crowley is now debating this issue. She has just admitted that their government failed on this issue. She has failed to say how she has been misrepresented.

Senator CROWLEY—I have not.

Senator Knowles—She has failed to say how she has even been misrepresented by her own leader, who has jumped on the bus in terms of this issue. I am waiting to see how Senator Crowley actually says that she has been misrepresented. This is a debate that we had last night in which a former minister for child care did not even have a clue about the years we were talking about, let alone the issue. I ask you, Madam President, to rule that Senator Crowley should tell the Senate how or if she was misrepresented.

The PRESIDENT—Senator Crowley, had you finished your explanation?

Senator West—I raise a further point of order, Madam President. The questioning last night related to the implementation of the program. I fail to see how questions about the implementation of a program can be misconstrued as opposition. We have an absolute imperative to scrutinise the implementation of programs and the administration of money.

Senator Jacinta Collins—Madam President, also on the point of order, I was not in attendance last night so I will not comment on that aspect of Senator Crowley's response, but it is quite clear to me that the way she was dealing with the content of the matter related to the way in which she feels she was misrepresented. What I would also like you to consider, Madam President, is dealing with

Senator Knowles in terms of how she is being hypocritical in trying to promote a debate in her interjections.

Senator Knowles—Withdraw!

The PRESIDENT—I do not follow what you are asking to be withdrawn.

Senator Knowles—I ask for the word 'hypocritical' to be withdrawn.

The PRESIDENT—It has been held to be unparliamentary. You should withdraw that word.

Senator Jacinta Collins—I withdraw that word. I think my concern is obvious in the point that has been made.

The PRESIDENT—My impression at the present time is that Senator Crowley is making an explanation as to why she pursued things in a certain way. It must not go beyond that into debate, but I would ask you to conclude your remarks on the question of personal explanation.

Senator CROWLEY—Thank you, Madam President. I probably would have concluded by now if we had not had the totally unwarranted interjection by Senator Knowles. It seems fairly clear to me that when a minister stands up and accuses me—in this case, of opposing a program of immunisation in blatant contradiction of the facts; I have never opposed it and did not oppose it last night—

Senator Knowles—Senator Newman and Senator West knew what they were talking about.

The PRESIDENT—Order! Senator Knowles!

Senator CROWLEY—It is obvious that Senator Knowles does not like to hear that her minister has completely stumbled and blundered in calling us liars on this side of the chamber. I take particular offence at being so personally misrepresented. It is there on the record that it did not happen. It does nothing for this minister's reputation to so loosely smear her colleagues.

QUESTIONS WITHOUT NOTICE

Bougainville: Use of Mercenaries

Senator HILL—Senator Margetts asked me a question two days ago relating to alleged

recent shooting incidents from Iroquois helicopters in PNG. I have some further information, but even I am prepared to concede that it is a touch incomplete. I was preferring to try to get it in a complete form, but I understand that Senator Margetts wants to know what I have got to date—so this may be of help to her.

We have no information confirming incidents reportedly involving the PNGDF helicopters on or around 15 January 1997, I am told. I am further advised that no Australian citizen was contracted to fly PNGDF helicopters around the time the alleged incidents occurred. I am given a precis of the Crimes (Foreign Incursions and Recruitment) Act as it prohibits Australians from engaging in hostile activities in foreign states, but I suspect Senator Margetts knows the legislation so I do not know that she is wanting to know that.

She did ask whether there was any intention of removing the exemption that related to what is referred to in my notes as the:

. . . limited declaration which allows for recruiting in Australia of persons to facilitate the use of the four Iroquois helicopters supplied to the PNG Government by Australia, subject to the condition that recruiting not be directed at the Permanent Naval or Air Forces or at the Australian Regular Army or the Regular Army Supplement.

That was issued by the then Attorney-General, Mr Bowen. On that, I have no instructions, so I am presuming that we have no intention to remove that exemption, but that is one of the things I want to check further.

I am told that the question of prosecutions under the act would be considered when evidence of offences came to notice, which is not surprising. She also asked a question relating to the North Fly development fund: whether there was any evidence that money had been diverted from that fund to pay for mercenary activities. I am told that the Australian government is continuing to make inquiries into the possible funding of mercenary activities. I thought that part of the answer was incomplete; I was going to seek further information on that and I still will do so.

MID-YEAR ECONOMIC AND FISCAL OUTLOOK

Senator KEMP (Victoria—Assistant Treasurer) (10.53 a.m.)—I table the corrigendum to the *Mid-year economic and fiscal outlook 1996-97*.

QUESTIONS WITHOUT NOTICE

Bougainville: Use of Mercenaries

Senator MARGETTS (Western Australia) (10.54 a.m.)—I move:

That the Senate take note of the further answer given by the Minister for the Environment (Senator Hill), to a question without notice asked by Senator Margetts on 25 February 1997, relating to allegations that Papua New Guinea hired foreign mercenaries for the conflict in Bougainville.

I do not wish to delay the Senate overly, but I feel the need to take note of the late and, as the Minister for the Environment (Senator Hill) admitted, incomplete answer that he has just given me.

It is interesting that subsequent ministers up to now have said that they have no record of Australians working in any mercenary capacity in Papua New Guinea. The explanation that has been given in the past has related to the fact that it is not an illegal activity to recruit people for mercenary activities from Australia under certain stated conditions; therefore there is no necessity to keep a register of those Australians so engaged.

First of all, the minister said there was no knowledge of the incident on 15 January. Secondly, he said no Australians were involved. It either has been investigated or it has not. If it has been investigated, that is not the same as saying there is no knowledge. To say the Australian government has no knowledge and then to say no Australian was engaged in flying the Iroquois is rather bizarre. You either have knowledge of the incident or you have not. If you have knowledge of the incident and then say that no Australian was engaged, that makes sense. It is a matter of whether it has been investigated or it has not. That was the question I asked two days ago: has the matter been investigated? That does not seem to be the case. It is always possible to go to one's advisers or department and ask, 'Do you have knowledge

of this incident?' They could say, 'No, we have no knowledge,' but that does not mean the incident did not take place. And it certainly does not indicate that the matter has been investigated by Australian or any other sources. Certainly, that question was not adequately answered.

I am pleased to see that the minister has indicated there will be further investigations into the funding of mercenary activities. I would like to point out that the definition of mercenaries, according to the *Collins English Dictionary*, is a soldier for pay. If you happen to be flying an Iroquois helicopter into a war zone, that seems to fit the definition. So whatever people called the exemption in the first place in 1989—because that meant that it was no longer illegal to recruit Australians for that kind of activity—it simply meant the Australian government at that time largely washed their hands of responsibility for keeping an eye on what was happening. They enabled the Papua New Guinea government to fund such activities and they set up a mechanism by which Australians could be involved. Therefore, it is hardly surprising that Sir Julius Chan was scratching his head early this week and saying, 'This is what Australians showed us how to do.' The previous government showed them how and that is exactly why it is very difficult for Labor to speak out strongly on this issue at the moment. It is difficult because they were involved in it. I would like to see some changes in that response.

We have been asking questions since 1994. Sir Julius Chan said, in 1994, that he would take all steps necessary to rid the world of the leadership of the BRA. Nothing much has changed except by degree. And it is so obvious now that even governments and oppositions cannot totally ignore what is going on and what Australia's culpability in this potentially is. It is extremely embarrassing, for both the government and the opposition. There have been inadequate answers to questions about training. There have been inadequate answers to questions about mercenaries and Australian involvement in mercenary activities since 1994. It is time now for proper investigations to be done. It is time now for Austral-

ia to play the role it should have been playing all along, which is to work with the company which helped to create the situation and the tension in the first place—to work for land justice, to work for environmental justice and to look for the means by which Bougainville can work for self-determination. It is well overdue. Australia could be playing a much more positive role than it has been playing now and in the recent past.

Question resolved in the affirmative.

University Fees

Senator NEAL (New South Wales) (10.59 a.m.)—I move:

That the Senate take note of the answer given by the Minister for Employment, Education, Training and Youth Affairs (Senator Vanstone), to a question without notice asked by Senator Bolkus today, relating to the payment of full fees for university courses.

I am somewhat astonished by the straightforward views put forward by Vanstone in relation to—

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Order! Please use the correct title, Senator Neal.

Senator NEAL—I must apologise to the Senate. I will use the proper title—that is, Senator Vanstone.

Senator Patterson—At least she called her by the right name.

Senator NEAL—I must say that for me to remember the name was a great benefit to both me and the chamber.

The ACTING DEPUTY PRESIDENT—Order! Perhaps you could return to the subject, Senator Neal.

Senator NEAL—In terms of the introduction of fees for places, I must say that I was a little astonished by Senator Vanstone's incapacity to see the difficulties that may arise from creating a double system—a double system where those who have merit get into places based on that merit and those who may or may not have merit but who have large pockets, or at least their parents have large pockets, are able to purchase a place despite their merit.

I must say that, if we looked at another community in a country overseas where people are able to leap over a system of merit and buy themselves a place, we would probably see this as some sort of corruption. But what this government sees fit to introduce, what Senator Vanstone sees fit to introduce, is a system of entrenched corruption. You do not have to be very good. You do not have to measure up on the merit stakes. All you have to do is pay a bit of money. Then you can bypass everyone else who is lining up and get taken to the front of the queue. You get told that, despite your merit and just because you have more money than somebody else—because your parents have done well, they have inherited some money or you have inherited some money—you can skip the queue and get in ahead. You can get into the course and the university that you want. Those who are not so well-off have to go further down and go somewhere else where they do not want to go.

I must confess that, after talking to people who are at university now or who are trying to get into university, I feel a bit of survivor guilt. I did enjoy a free education and I very much appreciated that and have benefited from it.

I was talking to a young girl the other day who is presently working as a secretary. She has felt inspired to do some study, and I am very proud of her. She wants to do a law degree, at least part time, but she said to me, 'I can't afford it.' I think that is a pretty appalling situation.

A situation like that—where someone who is so committed and prepared to put in the time and effort but cannot get in, compared with someone in different circumstances who has parents who are well-off and are able to buy her a place—is corruption. I am sad to see, despite our political differences, that you think that is okay. I do not think you should be corrupting the merit principle in this way.

Senator TIERNEY (New South Wales) (11.02 a.m.)—This is the third occasion this week where the Minister for Employment, Education, Training and Youth Affairs, Senator Vanstone, has been attacked by the opposition—first, in an urgency motion, then

at estimates last night and then at question time today. But they have all had the same effect; they have all fallen totally flat because of the ineptitude of the opposition in the way in which they have tried to mount this debate.

Where are the five opposition senators who asked Senator Vanstone questions today? This debate is about taking note of answers, but the opposition have left it to a member of the second XI. They have left it to Senator Neal—who did not even ask a question—to come in here and put up a pathetic defence of the opposition's position on this matter.

We have tried to explain what is happening on the issue of fees on a number of occasions in this place, but we have some real slow learners on the other side. I really wish we had some coloured blocks or something so we could explain this concept. What our proposal actually does is increase equity in the system. You had equity in your system. Boy, was it equal. Everybody missed out. That was really equal. Under this system, both groups can actually get in.

Senator Neal—You only miss out if you are not well off.

Senator TIERNEY—Let me explain it to you very simply, Senator Neal. People pay for a place. What that then does is free up a place, and the person who would have missed out actually gets that place that we have freed up.

Under your system, Senator Neal, both of those people would have missed out. Under our system, students can purchase a place. Mind you, they must meet the requirements of the university. As was pointed out by Senator Vanstone, quite a lot of students who are capable of doing the course miss out because the supply and demand forces up the TER. Under your system of restricted quotas, they could not get into the course. Under our system, if they meet the requirements, they get into the course.

Let me give you the good news, Senator Neal. That frees up a place for the ones you were most concerned about. They can get a place. We have freed it up. There is a public place for those people who would not have got one under your system. Why would they

not have got one under your system? Because you put artificial restrictions on the whole system.

I was absolutely shocked when I came into this parliament in 1991 when, in the depths of the recession which you created, you were turning away 55,000 people from the gates of universities. If you had brought in this policy back then, you would have had a whole new group of people able to get into universities, not only because they could purchase places but because the other group—

Senator Neal—I was at university when—

Senator TIERNEY—Senator Neal, are you picking up the concept? I am explaining it for the third time. That other group, who are also disadvantaged and who would have missed out under your system, get in too. Under your system, the two of them miss out. Under our system, the two of them get in. Isn't that more equitable? You left them equitably poor; we leave them equitably educationally rich. I cannot understand why you cannot see that very basic concept.

A second point was made in your rather pathetic questions today relating to the university review. What a contrast to what the opposition did in terms of changing the university system. My colleague Senator Patterson will remember this because she was in the system at the time. In fact, Senator Patterson and I were both in the system. We woke up one morning and discovered all of a sudden that, instead of having 18 universities, we actually had 37. When the Labor Party was in government, Dawkins woke up one morning and said, 'I'm going to create all these new universities and put them all together.' What a pathetic way to do public policy.

What we have done is set up a proper review where we are not determining the outcome of the review. We have an independent group that will review the situation very thoroughly and then come up with recommendations so we can sensibly plan for the future provision of higher education in this country—something that you never did; something that, under this government, we will do.

Senator CARR (Victoria) (11.07 a.m.)—I find that the answers of the Minister for Employment, Education, Training and Youth Affairs (Senator Vanstone) today to the various questions that have been asked demonstrate yet again just how inept this government is when it comes to questions of higher education. What senators opposite try to disguise is one simple proposition: this is a government that has embarked upon some of the greatest cuts to higher education of any government in the history of this Commonwealth. The direct result of those cuts is a reduction of 17,000 places in the higher education sector. There are 17,000 fewer places against the forward estimates. That is 17,000 lost opportunities as a result of this government's action. There will be 17,000 fewer places available as a result of this government's attacks upon higher education.

We have \$1.8 billion dragged out of the higher education sector. Some \$1.2 billion is being extracted from students as a result of higher education fees and charges. HECS fees and various ancillary fees and charges are being levied by this government.

On top of that, a proposition is now being introduced that students will be required to pay for tuition fees. We have seen cases in Victoria where some courses will attract fees of \$110,000. It is not just a question of being able to pay; you will also get a discount, on that basis, on your tertiary entrance score requirement. There will be a lower academic requirement to enter into a particular course. If you have the capacity to pay, under this government's policy you will be able to enter university with reduced academic ability. As you well know, TER scores actually represent a measure of academic ability. To discount the entrance requirements is to look, on the basis of a capacity to pay, at a transfer to wealth away from ability. That is a fundamental change that this government is trying to introduce.

Look at the broader picture that this government is aiming to achieve. It instituted a review with an old-world view that there should be two types of higher education institutions in this country: one for academic education and one for vocational education.

That means the reintroduction of a bifurcate system of education in this country. You will see this government attempting to justify its cuts to higher education, undermine the higher education sector and remove the rights of citizens in this country to higher education. It wants to introduce a further class system within higher education. If you have the money and the connections, you will go to university. If you have not, you will go to the TAFE college; you will go to a vocational centre.

The government is trying to reintroduce a system which Labor did so much to get rid of in this country. Labor allowed for up to 70 per cent more students to go to university than otherwise would have been the case. There was a massive expansion in the places that were available. There was a massive expansion in the amounts of public funds put towards public education.

This government is about privatising education and opportunities. It is about ensuring that, if you have wealth and power, you will have the ability to extract from this system advantages that other people do not have. This government is committed to removing 17,000 places from the higher education system based on the forward estimates. Who says that? The minister's very own officials do. Is there any denial that that is the case? There will be 17,000 fewer places against the forward estimates. There will be 17,000 lost opportunities as a direct result of this government's attack upon the higher education system. It is a mean and philosophically withered view of our society. You will all be condemned as a result of it.

Senator PATTERSON (Victoria) (11.12 a.m.)—I find the comments that Senator Carr made just then absolutely outrageous. He knows that they are untruthful about the policy. He continues to go on about the fact that people who do not have the money to buy a place will be locked out of the system. Senator Neal, alias Senator Lees, as she was called by one of my colleagues today, said that those who have merit will be locked out and that those who do not have merit will be able to buy a place. She said that it will be a system of entrenched corruption and that

people who can pay will bypass the queue. It is outrageous. They should be telling the public the truth.

Where were Senator Neal, Senator Carr and all these senators on the other side when they allowed students from overseas to buy places? Were they then saying that they were taking away places from Australians? No.

Senator Stott Despoja—They introduced it. The Democrats were the only ones who voted against it.

Senator PATTERSON—I know that Senator Stott Despoja has lost the limelight and is suffering from relevancy deprivation syndrome, as former Senator Gareth Evans did, because her job has been taken way from her. But she will get a chance in a minute to talk for five minutes. It would be nice if she could actually keep quiet while I have a go. She will have her turn.

The Labor Party allowed fees for overseas students, but we did not hear them bleating then that it was going to take places away from young Australians. Fees will be paid by young Australians now who were not able to buy a place then. They were discriminated against because there were young people coming from overseas who could buy places in universities. There were people in Australia who were prepared to do things to buy a place when they could not get a place for lots of reasons. They were being discriminated against because overseas students could buy those places. Look at the number of young people who do all sorts of things to get themselves into Bond and Notre Dame. There are young Australians who are prepared to do that, and they should not be disadvantaged because young people from overseas can buy places at Australian universities.

Senator Neal went on as if those people were going to take places away from young people or mature age students who could not afford places. Full fee places will not be at the expense of current course positions. Universities—and this has got to be made clear and said again and again—will only be able to sell full fee places when they have filled the current number of government funded places.

As for this business of jumping queues and in-built corruption, Senator Carr has not realised that the world has moved on. Even the Chinese and the Russians have realised that, but he—still back in the Dark Ages—has all this socialist leftie nonsense going on. What we are saying is that people should have the same chance. How was he able to condone the fact that young people could come from overseas and buy a place in a publicly funded university but young people in Australia could not? That was totally unfair. We have taken away that inequity and given young people the opportunity to obtain a place here.

The opposition conveniently forgets to remind the Australian public that there will be an increase of 1,600 in the number of Australian students receiving Australian postgraduate awards. In 1997, the government will fund an additional 6,000 undergraduate places followed by a further increase of 6,000.

Senator Carr—There will be 17,000 less places.

Senator PATTERSON—I wish you would say ‘fewer’. You are wrong, but if you are going to say it, say ‘fewer places’ instead of ‘less places’. I cannot bear you screaming across the chamber saying there will be ‘less places’. There will not be fewer places. There will be 6,000 more places in 1998. There is \$98 million for 600 large new research grants. Thirty-five million dollars of those funds will be spent in 1997. There are 100 new Australian Research Council fellowships for 1997, worth over \$6.6 million, covering a wide range of disciplines and spread over a total of 23 universities. There is \$8.8 million over three years for the establishment of five indigenous higher education centres to pursue important matters for indigenous Australians.

The opposition does not talk about those things. They get in here and talk about furphies, saying that people without merit will be able to buy a place and there will be a system of entrenched corruption. What absolute nonsense. When overseas students were able to buy places in universities, we did not see systems of entrenched corruption or people without merit. That is a furphy. The previous government was not able to do what we have

been able to do to free up—as Senator Tierney said—places for young Australians and give young Australians the opportunity to buy a place in a university, which is something they were not able to do under Labor. (*Time expired*)

Senator STOTT DESPOJA (South Australia) (11.17 a.m.)—Thank you, Mr Acting Deputy President, for giving me a little limelight. First of all, it is necessary to counter some of the comments that Senator Patterson has made. It is all very well to talk about research scholarships, but I wonder if the honourable senator realises that the purported maintenance of undergraduate load is coming at the expense of postgraduate positions. Postgraduate positions in this country are going to be reduced as a consequence of the budget measures. As for taking away an inequity—what a farce that is. This government have entrenched inequity. They have made the university system in this country even harder to access than it was during the period of Labor rule.

I am the first to point the finger at both sides in this debate and to acknowledge that they are equally culpable. I will tell you where the Australian Democrats were, not only when fees were introduced for overseas students but also when the higher education administration charge, the higher education contribution scheme, the increase above CPI to HECS payments in this country and the deregulation of the postgraduate sector were introduced—and the list goes on. We Democrats were in this chamber and not only did we speak against and oppose those moves but we voted against them. I acknowledge Senator Margetts's comment that the Greens have also voted against fees while they have been in this place. The ALP opposition are culpable. They began a process of user pays education, and the government has now entrenched that.

Senator Carr is right. Some of the most radical reforms to higher education ever to have been undertaken have been undertaken in the last few months since this government got into power. When in opposition, the coalition acknowledged that, whilst the legacy of the Labor government was certainly an increase in the number of undergraduate

places, it was at the expense of funding for infrastructure and staffing and followed the introduction of fees and charges. In opposition, the coalition lamented the underfunding of the sector. They said they would do something about it and promised they would not cut operating grants. What have they done? They have sliced \$1.8 billion from operating grants.

Senator Conroy—It wasn't a core promise.

Senator STOTT DESPOJA—If it is nothing else, it is—specifically—a broken election promise. The fees and charges this government has introduced are contemptible. This is a furphy and what we have heard from the Minister for Employment, Education, Training and Youth Affairs (Senator Vanstone) not only in this chamber today but in estimates last night and during the debate on the higher education so-called 'reforms' is farcical, positively Orwellian doublespeak: the minister says it is choice. What choice is it for a battler—since the minister is so keen to use that phrase—to pay full cost fees of 110 grand for dentistry up front? That is no choice. Even the minister has been good enough to concede, on occasion, that that is no choice, that working class kids cannot pay 34 grand up front for a bachelor of arts degree or 110 grand for dentistry.

What a farce it is to call that 'choice'. It is absolute doublespeak and I cannot wait to hear someone explain how that can be defended as a choice for people with no money or coming from a traditionally disadvantaged background, be they women, Aboriginal or Islander people, people from lower socioeconomic different backgrounds. This government has entrenched a system where it is not your brains but your bank balance that counts. Your ability to study is determined by your ability to pay. Senator Bolks was quite right in this chamber today when he talked about the trading off of TER points for about \$10,000 per point. That is what is happening. If the minister needs reminding of the decline in enrolment applications, it is all in front of her, available from her department.

Senator Patterson referred to opportunities for young people—what about mature age aspirants? That is where the sharpest decline

in enrolment applications is. In every state around the country, the lowest number of applications for enrolments has come from mature age students. I am sorry Senator Tierney is not here because, with his experience in education, he should be the first to look at the impact of the deregulation of the postgraduate sector, what that has meant for traditionally disadvantaged groups and how those people cannot afford up-front fees and charges. There is no choice in that.

As for the West committee, I commend some of the comments by Professor Roderick West. However, I am sure they will be countered by some of the other carefully selected members of the committee. Someone explain to me how we are supposed to articulate a vision for the next 20 years in higher education in the four pages which is, I believe, the recommended limit or maximum number of pages for submissions. This government have a litany of broken promises to the higher education sector. They promised to maintain Austudy—they cut it. They promised to maintain operating grants—they cut them. They promised to strengthen regional and rural campuses and they are closing down. My final question to the minister today is: is she going to ensure Whyalla campus is protected? (*Time expired*)

Senator FERRIS (South Australia) (11.22 a.m.)—We have heard plenty of talk in the chamber today about Senator Vanstone's portfolio. It follows hours and hours of unrelenting trawling yesterday and until very early this morning through the estimates of the same sorts of questions. Quite clearly, those opposite were more interested in asking the questions than listening to the answers because we heard so many of them in here again this morning.

Senator Carr—Pity you didn't listen. You would know that's not true.

Senator FERRIS—I hope you are going to be listening to what I say, Senator Carr, because it might be a new experience for you.

I would like to address the comments made this morning by Senator Forshaw in his question about the effects of funding levels on state government schools. Senator Forshaw, Senator Carr and I are all members of the

Senate committee that is looking into that matter, and we had some very interesting evidence on that issue. Far from raising and waving the flag of free education and all the rhetoric that we hear from Senator Carr—

The PRESIDENT—Order! The time for taking note of answers has expired.

Question resolved in the affirmative.

PETITIONS

The Clerk—A petition has been lodged for presentation as follows:

Repatriation Benefits

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

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

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

It is claimed that:

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

(b) Naval personnel were subject to similar dangers as all other Australian service personnel

serving in Malaya and there were RAN casualties, none of which appear on the Roll of Honour at the Australian War Memorial;

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

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

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

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

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

by Senator Gibbs (from 18 citizens).

Petition received.

NOTICES OF MOTION

Indonesia: Nuclear Power

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

That the Senate—

(a) notes:

- (i) that, on 26 February 1997, the Indonesian Parliament passed a law allowing state-owned and private companies to build nuclear power plants,
 - (ii) that it has been reported that the law limits liability for a nuclear power plant operator at around A\$200 million, despite evidence that the cost of an accident at a nuclear power plant would far exceed this,
 - (iii) that, in 1996, Dr John Taylor of the Australian National University released a study showing that, in the event of an accident at a nuclear power plant on Java, Australia would be at substantial risk of receiving radioactive fallout, and
 - (iv) the statement made by Indonesia's Agency for Environmental Control which expressed doubts about nuclear power and emphasised the need to look at options for alternative sources of power; and
- (b) calls on the Australian Government:
- (i) to convey to the Indonesian Government Australia's strong opposition to plans for nuclear power plants in Indonesia,
 - (ii) to encourage the development of alternative sources of power, with emphasis on renewable energy technologies in which Australian companies are world leaders, and
 - (iii) to inform the Parliament as to the status of any current or proposed nuclear science and technology agreement with, or any current or proposed uranium sales agreements to, Indonesia.

Tasmania: Homosexual Laws

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

That the Senate—

- (a) notes that the High Court of Australia has rejected 'six-nil' the Tasmanian Government's contention that gay activists Rodney Croome and Nick Toonen had no right to take action over State laws discriminating against homosexual activities;
- (b) congratulates Mr Croome and Mr Toonen; and
- (c) calls on the Tasmanian Government to act to remove the anti-gay laws from its statutes.

COMMITTEES

Superannuation Committee

Extension of Time

Motion (by Senator Watson)—by leave—agreed to:

That the time for the presentation of the report of the committee on the provisions of the Retirement Savings Accounts Bill 1996, the Retirement Savings Accounts (Consequential Amendments) Bill 1996 and the Retirement Savings Accounts Supervisory Levy Bill 1996 be extended to Thursday, 6 March 1997.

Superannuation Committee

Extension of Time

Motion (by Senator Watson)—by leave—agreed to:

That the time for the presentation of the report of the committee on the appropriateness of current unfunded defined benefit superannuation schemes, application to judges and parliamentarians be extended to the first day of sitting in June 1997.

PRIVATE HEALTH INSURANCE INCENTIVES BILL 1997

HEALTH LEGISLATION AMENDMENT (PRIVATE HEALTH INSURANCE INCENTIVES) BILL 1996

MEDICARE LEVY AMENDMENT BILL (No. 2) 1996

TAXATION LAWS AMENDMENT (PRIVATE HEALTH INSURANCE INCENTIVES) BILL 1997

First Reading

Bills received from the House of Representatives.

Motion (by Senator Herron) agreed to:

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

Bills read a first time.

Second Reading

Senator HERRON (Queensland—Minister for Aboriginal and Torres Strait Islander Affairs) (11.30 a.m.)—I table revised explanatory memoranda relating to the Private Health Insurance Incentives Bill 1997 and the Taxation Laws Amendment (Private Health Insurance Incentives) Bill 1997 and move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

PRIVATE HEALTH INSURANCE INCENTIVES BILL 1997

I am delighted to rise today to introduce this bill, and the accompanying bills, which give substance to a core commitment given by this government to the Australian people on 2 March.

These bills reflect the government's faith in an Australian health care system which recognises both public and private providers, and in which the private health sector actively complements the public services funded largely through Medicare and grants to the states and Territories under the Medicare Agreements.

The Private Health Insurance Incentive Scheme, which this bill will implement, is the centrepiece of the government's strategy to rescue Medicare from collapsing under the weight of demand for publicly funded hospital and medical services. The Scheme does so by recognising the value of the private sector as an indispensable complement to the public sector, and acknowledges that, by making the fullest use of the sum of our hospital resources, we will be able to ensure that all Australians have reasonable access to the full range of public and private services.

The private health insurance incentives are not simply a commitment to private health insurance in its own right. Rather, they reflect that private health insurance is the way most favoured by Australians to gain access to the hospitals and doctors of their choice, when and where they need them.

Madam President, the Scheme this bill implements is an essential part of restoring the necessary balance between the use of the public and private health systems.

This package of bills will give effect to the government's incentives to assist people to purchase private health insurance. They come not a moment too soon. It is a matter of record that when our predecessors took office in March 1983, private health insurance covered 65.1 per cent of Australians. In June 1996, this coverage had fallen to just 33.6 per cent, with the burden of this exodus falling squarely on our public hospitals. Most particularly, the effect of the drop-out has been felt very heavily on public hospital waiting lists for elective procedures.

Our predecessors chose to neglect the contribution of private health insurance makes to health financing, and deliberately allowed private health fund membership to wither on the vine. It was seen as

a boast by those politically responsible for our health care system that they personally disdained making any private provision for their health care. This government's election has ended this sad and wilful policy neglect.

Madam President, Medicare is a successful and popular part of this country's health system, the support of which is a key government commitment. Medicare, however, was never designed to stand alone. It was devised by John Deeble and Richard Scotton in the context of being complemented by a robust private health care system, primarily funded through a private health insurance system partially assisted by government through measures such as the private hospital bed day subsidy and Commonwealth contributions to the private health fund reinsurance pool. These supports were knocked away by our predecessors.

As a result, the ongoing and increasingly precipitous decline in health fund membership threatens the financial stability of the entire health care system. The Private Health Insurance Incentive Scheme, and the addition to the Medicare levy (to be known as the surcharge) for people on higher incomes who have chosen not to insure themselves privately, are essential measures designed to arrest the catastrophic decline in the level of participation in private health insurance.

The available evidence suggests that the biggest concern Australians have about private health insurance is the cost of premiums. The government's Private Health Insurance Incentives Scheme therefore provides assistance to people who purchase private health insurance by giving them incentive payments to assist in lowering the cost of their insurance either directly through lowered premiums or indirectly through a taxation offset.

The incentives provided will make private health insurance a more financially attractive option to ordinary Australians, especially in providing much needed assistance to the one-third of Australians already providing for their own health care. For if we can, as a start, stop the exodus from private funds, health care providers—both public and private—can better plan for the future health care needs of our nation, and a time of likely increasing demand for health services, with a confidence based on real stability.

Details of the incentives

Madam President, I will now outline the main elements of the incentives scheme.

The government has honoured its commitment to provide private health insurance membership incentives for singles, couples, and families.

From 1 July 1997, single people earning not more than \$35,000 a year may receive up to \$125 each year towards the cost of their private health insur-

ance premiums, and couples earning not more than \$70,000 may receive up to \$250.

Families with one child earning not more than \$70,000 may receive up to \$450 per year. The income threshold will rise by \$3,000 for each additional child, in line with the government's Family Tax Initiative.

The incentives will be paid as follows:

- eligible people with single memberships will qualify for a \$100 incentive payment per year for their hospital insurance, which covers them for costs incurred during hospital episodes and a further \$25 if they have ancillary cover which covers services such as dental, optical and physiotherapy;
- eligible people with couple memberships will qualify for an annual \$200 incentive payment for their hospital insurance and a further \$50 if they have ancillary cover;
- eligible families—including single parent families—will qualify for an annual \$350 incentive payment for their hospital membership and a further \$100 if they have ancillary cover.

Eligible people will be able to choose the way in which they receive their incentive amount. They may either have the incentive paid directly to their health fund in return for a guaranteed reduction in premiums or may receive the payment as a taxation offset after the end of the financial year. This choice recognises that many Australians who have private health insurance are pensioners and self-funded retirees who no longer pay personal tax. Aged pensioners with appropriate health cover will clearly be eligible for the incentives.

Health funds wishing to participate in the scheme will register with the Health Insurance Commission.

People wishing to receive the incentive as a premium reduction will obtain a booklet from their participating health fund. This will provide them with information about how to apply to receive the incentive payments. If they believe they are eligible, they will complete a statutory declaration stating their belief that they are eligible to receive the incentive amount appropriate to their level of cover.

The health fund will then reduce the member's premiums by the appropriate amount depending on their membership status. The premium reduction will be pro-rated according to the period for which the member pays. If, for example, they pay for a full year's cover, their premium will be reduced by the full annual amount. If they pay for a month's cover the premium will be reduced by one twelfth of the annual amount.

The fund will then notify the Health Insurance Commission to complete the registration of the

single, couple or family membership as participating in the incentive scheme.

Health funds will receive through the Commission, on a monthly basis, the incentive amounts applicable to their members. To enable this, health funds each month will send the Commission information on participants in the incentives scheme. The Commission will then forward to the funds an amount equal to one twelfth of the annual incentive payments for the registered memberships.

The alternative to choosing reduced premiums is electing to receive the amount as a year end taxation offset.

People electing this course will fill in a section in their tax return. The Taxpack will provide information and instructions on how to complete the tax return. The Australian Taxation Office will then deduct the tax offset from the income tax of the taxpayer.

To ensure that ineligible people do not claim the incentive and that people do not claim twice, appropriate measures will be implemented.

Care has also been taken by the government to ensure that information provided by health fund members will receive due privacy considerations. The bill contains a provision making it a criminal offence for unauthorised use or disclosure of the information provided by people under this bill.

In addition, I will be formulating principles, modelled on the Information Privacy Principles of the Privacy Act 1988, to ensure that funds comply with privacy requirements for incentive-related information in their charge, including its collection, use and storage.

Madam President, the Private Health Insurance Incentives Scheme will cost an estimated total of \$8 million in 1996-97, \$491 million in 1997-98, \$609 million in 1998-99 and \$616 million in 1999-2000. These estimates include both amounts paid to the funds in return for lower premiums being charged to eligible members and taxation offsets direct to claimants, as well as expected running costs.

It is estimated that about 2.5 million memberships of health insurance funds, covering more than five million people, will potentially be eligible for these incentive payments.

These costings are based on the assumption that the private health insurance participation rate will stabilise at just under a third of the population by 1 July 1997, and will then increase by two percentage points over time.

Madam President, this legislation will make private health insurance more affordable for the many Australians on lower and middle incomes. Those who have maintained private cover in the face of the premium rises largely driven by the previous

government's policy will be rewarded for their perseverance. This is particularly so for those older Australians, many on very low fixed incomes, who have scrimped and saved against great odds to keep their cover.

Those who have had to make the decision to let their membership go, and those who want to purchase health insurance, but have been unable to afford it, will also benefit from the incentives.

But another beneficiary will be the Australian health system.

By providing this assistance, the government will restore \$600 million a year of the funding that was deliberately and systematically cut out of the private health system, when it removed bed day subsidies and payments to the reinsurance pool.

It was on the basis of the private sector having this infrastructure that Medicare was introduced. These incentives will provide the injection of funds, and public confidence, into a private health system which for too long has been neglected, while our public hospitals are straining at the seams to cope with demand.

Madam President, the Private Health Insurance Incentives Scheme, and the related measures being introduced today, highlight the government's absolute determination to turn this around, to make the most of our existing health care assets, both public and private, and to ensure that Australia and Australians can look forward confidently to assured quality health care, with the maximum of individual choice.

I commend the Private Health Insurance Incentives Bill 1996 to the Senate.

HEALTH LEGISLATION AMENDMENT (PRIVATE HEALTH INSURANCE INCENTIVES) BILL 1996

In order to ensure that the private health system remains a vital component of Australia's national health care system, this government has introduced into parliament the Private Health Insurance Incentives Bill 1996.

As a result of this bill, there are several consequential amendments that need to be made to other acts.

This bill amends the Health Insurance Commission Act 1973 to allow the Commission to administer the Incentives Act.

This bill also makes several amendments to the National Health Act 1953. These amendments require registered health benefits organisations to comply with the provisions of the Incentives Act.

The amendments also require the funds to provide information relating to the Incentives Scheme to the Private Health Insurance Administration Council. The Council is then required to include such

information in its annual report on the operations of the private health insurance industry.

This bill also allows members of health funds to make complaints to the Private Health Insurance Complaints Commissioner about matters relating to the Incentives Scheme.

I commend the bill to the Senate.

**MEDICARE LEVY AMENDMENT BILL
(No. 2) 1996**

Medicare levy surcharge

The bill complements the private health insurance incentives being made available to lower income earners by providing encouragement to high income earners who can afford to take out private health insurance to do so.

The bill provides for a 1 per cent Medicare levy surcharge for individual's with taxable incomes greater than \$50,000 or families with combined taxable incomes greater than \$100,000 who do not have private patient hospital cover for themselves and all family members. Married and de facto couples and single persons with dependants are eligible for the \$100,000 combined taxable income threshold.

Trustees of trust estates who are assessed under section 98 of the Assessment Act (that is a trustee who pays tax on behalf of a beneficiary who is under a legal disability) will also be liable for the surcharge if the beneficiary would have been liable.

The required private patient hospital cover is cover under a private health insurance policy which provides benefits in relation to fees and charges for hospital treatment. This includes 'front-end deductibles', or excess, cover. Cover merely for treatment provided by a medical professional in a hospital (ancillary cover) does not avoid the surcharge.

The amendments imposing the surcharge will apply from 1 July 1997, in respect of the 1997-98 and subsequent years of income. This parallels the introduction of the private health insurance incentives scheme. The surcharge will generally be payable when income tax for a year is assessed and is payable. However, provision is to be made for PAYE taxpayers to provide for their liability for the additional amount through the tax instalment deduction system.

Madam President, the Treasurer has stated in this House that this is a surcharge the Government hopes no-one has to pay. However the Government is assuming that a number of taxpayers liable for the surcharge will choose not to take even the most basic private health insurance cover for hospital.

We estimate therefore that the surcharge will raise additional estimated of \$60 million in 1998-99 and \$75 million in 1999-2000.

Medicare levy low income exemption thresholds

The bill also increases the low income exemption thresholds that ensure that low income individuals and families are exempt from the Medicare levy. The increases were announced in the 1996-97 Budget. The thresholds for the 1996-97 and subsequent years will be increased to \$13,127 for individuals and \$22,152 for families. The additional threshold for each child remains unchanged at \$2,100.

These increased exemption thresholds, together with the change of Medicare levy rate already implemented for the 1996-97 year of income, result in changes to the income ranges over which the exemptions are shaded-out. The new upper limits of the ranges for individuals, certain trustees and families are \$14,346, \$454 and \$24,209, respectively.

The estimated cost of raising these thresholds will be \$2 million in 1996-97; \$30 million in 1997-98 and \$15 million in 1998-99 and 1999-2000.

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

I commend the bill to the Senate.

**TAXATION LAWS AMENDMENT (PRIVATE
HEALTH INSURANCE INCENTIVES) BILL
1997**

Private health insurance tax offset (rebate)

The bill amends the proposed Income Tax Assessment Act 1996 to provide for a tax offset as an incentive for persons to take out or maintain private health insurance.

The tax offset is complementary to benefits available under the Private Health Insurance Bill 1996 in the form of reduced premiums for private health insurance.

People will have a choice of taking the incentive through a health insurance fund in the form of reduced premiums or as an income tax offset claimable on assessment at the end of the income year. It will also be possible to choose to move within the year from reduced premiums to tax offset or vice versa since a taxpayer may claim the offset in respect of premiums that have not been reduced.

The offset will be available for assessments in respect of the 1997-98 income year and later income years.

The offset will involve a cost to revenue of \$113 million in 1998-99 and \$114 million in 1999-2000.

Medical expenses rebate—increased threshold

The bill also makes amendments that change the threshold for the medical expenses rebate announced in the 1996-97 Budget.

The Government intends that the threshold be raised from \$1,000 to \$1,500. The Government believes the increase is appropriate in the context of the incentives package, as only medical expenses net of reimbursements from health funds qualify for the rebate. Medical expenses in excess of the threshold qualify for a rebate at the rate of 20 cents in the dollar on the excess.

The increase in the threshold applies from Budget night, so that for the 1996-97 income year the threshold will be \$1,430. For the subsequent income years the threshold will be \$1,500. The 1996-97 Budget documents estimated that the increase in the threshold was expected to raise additional revenue of \$26 million in 1997-98, \$23 million in 1998-99 and \$24 million in 1999-2000. The Australian Taxation Office has supplied revised revenue figures for the measure of \$45 million in 1997-98, \$45 million in 1998-99 and \$50 million in 1999-2000.

Medicare levy surcharge

The bill also amends the Income Tax Assessment Act 1936 to make changes in connection with the Medicare levy surcharge that applies to high income earners without private health insurance from 1997-98.

The amendments ensure that prescribed persons with dependants who are presently exempt from the Medicare levy or pay a reduced amount of levy are liable for the surcharge where any member of their family is not also a prescribed person and is not covered by private patient hospital insurance. This ensures that those persons have the same choices as other Australians to take out private health insurance for their families, where their incomes exceed the relevant thresholds.

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

I commend the bill to the Senate.

Debate (on motion by Senator Carr) adjourned.

COMMITTEES

Legal and Constitutional Legislation Committee

Membership

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—The President has received a letter from the Leader of the Government in the Senate (Senator Hill) seeking to vary the membership of a committee.

Motion (by Senator Herron)—by leave agreed to:

That Senator Eggleston replace Senator O'Chee on the Legal and Constitutional Legislation Committee on 28 February 1997.

Procedure Committee Report

The ACTING DEPUTY PRESIDENT (Senator Patterson)—I present the first report of 1997 of the Procedure Committee.

Ordered that the report be printed.

Legal and Constitutional References Committee

Report

Senator McKIERNAN (Western Australia)—I present the second report of the Legal and Constitutional References Committee on the payment of a minister's legal costs.

Ordered that the report be printed.

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

Leave granted.

Senator McKIERNAN—I move:

That the Senate take note of the report.

I seek leave to incorporate my tabling statement in the *Hansard* and continue my remarks later.

Leave granted.

The statement read as follows—

Payment of a Minister's Legal Costs: Part 2

On 28 August 1995, the Senate referred to the Senate Legal and Constitutional References Committee matters relating to the payment by the Commonwealth of the legal costs of the then Minister for Human Services and Health, Dr Carmen Lawrence.

On 28 September 1995, the Committee reported on terms of reference (a)-(e) and (h) in *Payment of a Minister's Legal Costs: Part One*.

The Senate extended the time for the presentation of the Committee's report on the remaining terms of reference on three occasions. The workload of the Committee did not allow it to complete the inquiry and it lapsed at the end of the 37th Parliament, following the March 1996 Election.

Following the commencement of the 38th Parliament, the newly constituted References Committee requested, and the Senate agreed, that the Committee inquire into and report on the two outstanding terms of reference, namely:

- (f) what guidelines and conditions should be put in place to ensure the legality and propriety of any use of public funds to pay the legal costs of Ministers and members of parliament; and
- (g) what is the appropriate level of reporting to parliament on the use of public funds to pay the legal costs of Ministers and members of parliament including the reasons for the decision to provide such funds.

In order to address term of reference (f), the Committee reviewed the various policies and guidelines for the payment of Minister's legal costs that have been adopted by the States, Territories and New Zealand.

The Committee also took evidence from officer of the Attorney-General's Department on proposals for statute-based schemes for payment of legal costs of Ministers and members of parliament.

In this report, the Committee noted evidence advising that the nature of parliamentary duties may leave Members of Parliament particularly open to civil actions, such as negligent misstatement actions. The Committee also noted that parliamentarians have no special immunity from civil actions for damages arising from their position and duties as Members of Parliament. The Committee considered that Members of Parliament need to be aware of the legal rights and responsibilities that are concomitant with their duties.

Accordingly, the Committee has recommended that the Presiding Officers ensure that newly-elected Senators and Members of the House of Representatives receive advice during orientation programs on the legal liability of parliamentarians.

In relation to the provision of Commonwealth assistance to Ministers for legal matters, the Committee is of the view that comprehensive arrangements, based on appropriate and transparent criteria and procedures, should be established.

The Committee welcomed advice from the Attorney-General's Department that it is developing a proposal for a statute-based scheme to be established by regulation under the Parliamentary Entitlements Act 1990. These regulations will include revised guidelines to be applied when determining whether it is appropriate for the Commonwealth to pay a Minister's legal costs.

In this report, the Committee makes several recommendations about such a statutory based scheme. For example, The Committee recommends that revised guidelines should include indicative limits on the use of public funds to pay Ministers legal costs, but that these limits contain an element of discretion to retain flexibility.

The Committee also recommends that the revised guidelines indicate the level of professional legal

services that are considered appropriate to specific court proceedings.

The Committee was concerned about extravagant or unnecessary litigation strategies and has recommended that revised guidelines should require the Attorney-General's Department to monitor the strategies being pursued by Ministers in legal proceedings and that the revised guidelines stipulate that extravagant or unnecessary strategies adopted in the course of legal proceedings will not be funded. The Attorney-General's Department should determine and advise beforehand whether a strategy is extravagant or unnecessary.

The Committee also reviewed existing arrangements about who decides whether a minister's legal costs will be paid and has recommended that, in relation to a personal claim against a Minister, the decision to pay legal costs should be made by Cabinet, based on advice from the Attorney-General that the matter is part of the Minister's duties.

The Committee also recommended that the Commonwealth Government maintain its policy not to use public funds to assist Ministers to institute defamation actions.

The second part of the Committee's report relates to reporting of these payments to Parliament.

The Committee considers that discretionary payments to parliamentarians require a high degree of transparency, control and accountability. Where politicians are providing discretionary payments to other politicians, the public is entitled to such a standard.

The Committee considers that the proposal to establish schemes relating to the payment of Ministers' legal costs by regulation under the Parliamentary Entitlements Act 1990 is consistent with constitutional and legal principles that the Parliament must pass a bill that contains an appropriation for any money expended on a Minister's legal costs and that any allowance or pecuniary benefit paid to a Member of Parliament must be paid pursuant to a law enacted by the Parliament.

The Committee has recommended that, if a scheme is established to appropriate expenditure for Ministers' legal costs under the standing appropriation contained in section 11 of the Parliamentary Entitlements Act 1990, the relevant regulations should require the Attorney-General to inform the Parliament of each decision to pay a Minister legal costs, at the earliest opportunity. This information should include the initial reasons for the decision to pay the legal costs and any limitations placed on expenditure.

In addition, the Committee has recommended that a consolidated statement on current cases, including progressive levels of expenditure, should be tabled in the Parliament every three months.

The Committee considers that these and other measures recommended in the report will ensure that the payment of a Minister legal costs will be done in a transparent and accountable manner.

I commend this report to the Senate.

Debate adjourned.

**Scrutiny of Bills Committee
Report**

Senator COONEY (Victoria)—I present the second report of 1997 of the Senate Standing Committee for the Scrutiny Bills. I also lay on the table Scrutiny of Bills *Alert Digest* No. 2 of 1997, dated 26 February 1997.

Ordered that the report be printed.

The ACTING DEPUTY PRESIDENT—

Before the Senate adjourns I remind members of legislation committees that estimates hearings will commence in 10 minutes time. The bells will be rung for five minutes before the hearings commence. Full details of the location for each hearing appear on page 2 of today's red.

Senate adjourned at 11.33 a.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

Defence Act—

Determinations under section 58B—

Defence Determinations 1997/5 and 1997/7.

Overseas Defence Determination 1997/6.

Defence Force Remuneration Tribunal—
Determinations Nos 1 and 2 of 1997.

Indexed Lists of Files

The following documents were tabled pursuant to the order of the Senate of 30 May 1996:

Indexed lists of departmental and agency files for the period 1 July to 31 December 1996—

Civil Aviation Safety Authority Australia.

Defence Force Remuneration Tribunal.

Department of Primary Industries and Energy portfolio agencies.

Department of Transport and Regional Development.

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Telecommunications

(Question No. 382)

Senator Schacht asked the Minister for Communications and the Arts, upon notice, on 29 January 1997:

With reference to the Minister's letter of 3 December 1996 to Senator Harradine, as reported in the Melbourne Herald Sun of 11 January 1997:

(1) Will the 1 700 jobs in Tasmania and Queensland be protected as a result of the arrangements between the Government and Senators Harradine and Colston and, as a consequence, will more than 500 jobs be lost in the Minister's home state of Victoria.

(2) If any jobs are to be lost in Victoria as a result of these arrangements, in which areas will these jobs be lost.

Senator Alston—The answer to the honourable senator's question is as follows:

(1) & (2) There were no arrangements made between the Government and Senators Harradine and Colston to protect jobs in Tasmania and Queensland at the expense of jobs in Victoria. My letter to Senator Harradine, which was supposedly the basis for the Herald Sun articles, makes no reference whatsoever to employment levels in Victoria.

During discussions with Senators Harradine and Colston I provided a table prepared by Telstra of the breakdown over three years of the effect on Tasmania and Queensland of the announced 22 000 reduction in Telstra's workforce. The 22 000 workforce reduction, which will affect each of Queensland, Tasmania and Victoria, was announced well before Parliament had agreed to the part sale of Telstra. It reflects the need to reduce costs and make Telstra more efficient as the telecommunications market becomes more competitive. Telstra's staffing requirements will be determined by the Telstra Board and management in its corporate planning processes in accordance with operational needs.

Australian Conservation Foundation: Funding

(Question No. 389)

Senator Abetz asked the Minister representing the Minister for Industrial Relations, upon notice, on 31 January 1997:

(1) What funding, and if any what amount of funding was provided to the Australian Conservation Foundation (ACF) in the 1994-95 and 1995-96 financial years by any department or agency falling within the Minister's portfolio.

(2) What is the estimated funding any department or agency falling within the Minister's portfolio will provide to the Australian Conservation Foundation in the 1996-97 financial year.

Senator Alston—The Minister for Industrial Relations has provided the following answer to the honourable Senator's question.

(1) Nil.

(2) Nil.

Australian Conservation Foundation: Funding

(Question No. 398)

Senator Abetz asked the Minister representing the Minister for Immigration and Multicultural Affairs, upon notice, on 31 January 1997:

(1) What funding, and if any what amount of funding was provided to the Australian Conservation Foundation (ACF) in the 1994-95 and 1995-96 financial years by any department or agency falling within the Minister's portfolio.

(2) What is the estimated funding any department or agency falling within the Minister's portfolio will provide to the Australian Conservation Foundation in the 1996-97 financial year.

Senator Vanstone—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable Senator's question.

(1) Nil.

(2) Nil.

Australian Conservation Foundation: Funding

(Question No. 400)

Senator Abetz asked the Minister representing the Minister for Veterans' Affairs, upon notice, on 31 January 1997:

(1) What funding, and if any what amount of funding, was provided to the Australian Conservation Foundation (ACF) in the 1994-95 and 1995-96

financial years by any department or agency falling within the Minister's portfolio.

(2) What is the estimated funding any department or agency falling within the Minister's portfolio will provide to the Australian Conservation Foundation in the 1996-97 financial year.

Senator Newman—The Minister for Veterans' Affairs has provided the following answer to the honourable senator's question:

- (1) Nil
- (2) Nil