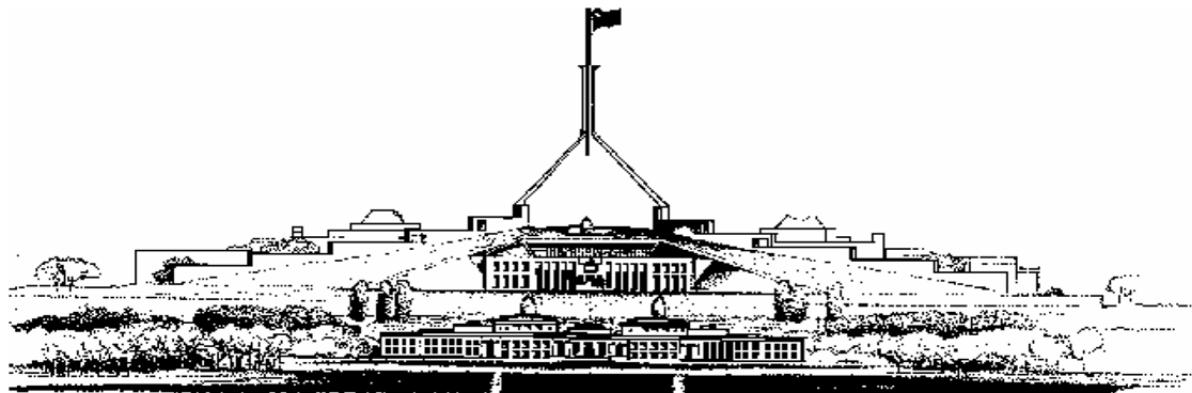




COMMONWEALTH OF AUSTRALIA

**PARLIAMENTARY DEBATES**



# **House of Representatives**

## **Official Hansard**

**No. 180, 1991**  
**Tuesday, 8 October 1991**

THIRTY-SIXTH PARLIAMENT  
FIRST SESSION—FOURTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

# THIRTY-SIXTH PARLIAMENT

## FIRST SESSION—FOURTH PERIOD

### Governor-General

His Excellency the Honourable William George Hayden, Companion of the Order of Australia,  
Governor-General of the Commonwealth of Australia

### House of Representatives Officeholders

*Speaker*—The Honourable Leo Boyce McLeay

*Chairman of Committees*—Mr Ronald Frederick Edwards

*Deputy Chairmen of Committees*—Hon. James Donald Mathieson Dobie,  
Mr Stephen Cairfield Dubois, Mr Colin Hollis, Mr Henry Alfred Jenkins,  
Hon. Michael John Randal MacKellar, Mr Garry Barr Nehl,  
Hon. Gordon Glen Denton Scholes, Mr Leslie James Scott,  
Mrs Kathryn Jean Sullivan and Mr Warren Errol Truss

*Leader of the House*—The Honourable Kim Christian Beazley

*Leader of the Opposition*—Dr John Robert Hewson

*Deputy Leader of the Opposition*—Mr Peter Keaston Reith

*Manager of Opposition Business*—The Honourable Wallace Clyde Fife

### House of Representatives Party Leaders

*Leader of the Australian Labor Party*—The Honourable  
Robert James Lee Hawke, AC

*Deputy Leader of the Australian Labor Party*—The Honourable  
Brian Leslie Howe

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

*Deputy Leader of the Liberal Party of Australia*—Mr Peter Keaston Reith

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

*Deputy Leader of the National Party of Australia*—Mr Bruce Lloyd

## Members of the House of Representatives

Member	Division	Party	Member	Division	Party
Aldred, Kenneth James	Deakin, Vic	LP	Duffy, Hon. Michael	Holt, Vic	ALP
Anderson, John Duncan	Gwydir, NSW	NP	John		
Andrew, John Neil	Wakefield, SA	LP	Duncan, Hon. Peter	Makin, SA	ALP
Andrews, Kevin James	Menzies, Vic	LP	Edwards, Dr Harold	Berowra, NSW	LP
Atkinson, Rodney Alexander	Isaacs, Vic	LP	Raymond		
Bailey, Frances Esther	McEwen, Vic	LP	Edwards, Ronald	Stirling, WA	ALP
Baldwin, Hon. Peter Jeremy	Sydney, NSW	ALP	Frederick		
Beale, Julian Howard	Bruce, Vic	LP	Elliott, Robert Paul	Parramatta, NSW	ALP
Beazley, Hon. Kim Christian	Swan, WA	ALP	Fatin, Hon. Wendy	Brand, WA	ALP
Beddall, Hon. David Peter	Rankin, Qld	ALP	Ferguson, Laurie Donald	Reid, NSW	ALP
Bevis, Archibald Ronald	Brisbane, Qld	ALP	Thomas		
Bilney, Hon. Gordon Neil	Kingston, SA	ALP	Fife, Hon. Wallace Clyde	Hume, NSW	LP
Blewett, Hon. Neal	Bonython, SA	ALP	Filing, Paul Anthony	Moore, WA	LP
Bradford, John Walter	McPherson, Qld	LP	Fischer, Timothy Andrew	Farrer, NSW	NP
Braithwaite, Raymond Allen	Dawson, Qld	NP	Fisher, Peter Stanley	Maliee, Vic	NP
Brereton, Hon. Laurence John	Kingsford-Smith, NSW	ALP	Fitzgibbon, Eric John	Hunter, NSW	ALP
Broadbent, Russell Evan	Corinella, Vic	LP	Ford, Frank Allen	Dunkley, Vic	LP
Brown, Hon. Robert James	Charlton, NSW	ALP	Free, Hon. Ross Vincent	Lindsay, NSW	ALP
Burr, Maxwell Arthur	Lyons, Tas	LP	Gallus, Christine Ann	Hawker, SA	LP
Cadman, Alan Glyndwr	Mitchell, NSW	LP	Gayler, John	Leichhardt, Qld	ALP
Cameron, Ewen Colin	Indi, Vic	LP	Gear, George	Canning, WA	ALP
Campbell, Graeme	Kalgoorlie, WA	ALP	Gibson, Garrie David	Moreton, Qld	ALP
Carlton, Hon. James Joseph	Mackellar, NSW	LP	Goodluck, Bruce John	Franklin, Tas	LP
Catley, Dr Robert	Adelaide, SA	ALP	Gorman, Russell Neville	Greenway, NSW	ALP
Chaney, Hon. Frederick Michael	Pearce, WA	LP	Joseph		
Charles, Robert Edwin	La Trobe, Vic	LP	Grace, Edward Laurence	Fowler, NSW	ALP
Charlesworth, Dr Richard Ian, AM	Perth, WA	ALP	Griffiths, Hon. Alan Gordon	Maribyrnong, Vic	ALP
Cobb, Michael Roy	Parkes, NSW	NP	Hall, Hon. Raymond	Boothby, SA	LP
Connolly, David Miles	Bradfield, NSW	LP	Steele		
Costello, Peter Howard	Higgins, Vic	LP	Halverson, Robert	Casey, Vic	LP
Courtice, Brian William	Hinkler, Qld	ALP	George, OBE		
Cowan, Hon. David Bruce	Lyne, NSW	NP	Hand, Hon. Gerard Leslie	Melbourne, Vic	ALP
Crawford, Mary Catherine	Forde, Qld	ALP	Hawke, Hon. Robert	Wills, Vic	ALP
Crean, Hon. Simon Findlay	Hotham, Vic	ALP	James Lee, AC		
Crosio, Hon. Janice Ann, MBE	Prospect, NSW	ALP	Hawker, David Peter	Wannon, Vic	LP
Darling, Elaine Elizabeth	Lilley, Qld	ALP	Maxwell		
Dawkins, Hon. John Sydney	Fremantle, WA	ALP	Hewson, Dr John Robert	Wentworth, NSW	LP
Dobie, Hon. James Donald Mathieson	Cook, NSW	LP	Hicks, Noel Jeffrey	Riverina-Darling, NSW	NP
Downer, Alexander John Gosse	Mayo, SA	LP	Holding, Hon. Allan Clyde	Melbourne Ports, Vic	ALP
Dubois, Stephen Cairfield	St George, NSW	ALP	Hollis, Colin	Throsby, NSW	ALP
			Howard, Hon. John Winston	Benelong, NSW	LP
			Howe, Hon. Brian Leslie	Batman, Vic	ALP
			Hulls, Rob Justin	Kennedy, Qld	ALP
			Humphreys, Hon. Benjamin Charles	Griffith, Qld	ALP
			Jakobsen, Carolyn Anne	Cowan, WA	ALP
			Jenkins, Henry Alfred	Scullin, Vic	ALP
			Johns, Hon. Gary Thomas	Petrie, Qld	ALP
			Jones, Hon. Barry Owen	Lalor, Vic	ALP
			Jull, David Francis	Fadden, Qld	LP
			Keating, Hon. Paul John	Blaxland, NSW	ALP
			Kelly, Hon. Roslyn Joan	Canberra, ACT	ALP

## Members of the House of Representatives—*continued*

Member	Division	Party	Member	Division	Party
Kemp, Dr David Alistair	Goldstein, Vic	LP	Ronaldson, Michael	Ballarat, Vic	LP
Kerin, Hon. John Charles	Werriwa, NSW	ALP	John Clyde		
Kerr, Duncan James	Denison, Tas	ALP	Ruddock, Philip Maxwell	Dundas, NSW	LP
Colquhoun			Sawford, Rodney Weston	Port Adelaide, SA	ALP
Langmore, John Vance	Fraser, ACT	ALP	Scholes, Hon. Gordon	Corio, Vic	ALP
Lavarch, Michael Hugh	Fisher, Qld	ALP	Glen Denton		
Lee, Michael John	Dobell, NSW	ALP	Sciacca, Hon. Con	Bowman, Qld	ALP
Lindsay, Eamon John, RFD	Herbert, Qld	ALP	Scott, Bruce Craig	Maranoa, Qld	NP
Lloyd, Bruce	Murray, Vic	NP	Scott, John Lyden	Hindmarsh, SA	ALP
McArthur, Fergus Stewart	Corangamite, Vic	LP	Scott, Leslie James	Oxley, Qld	ALP
McGauran, Peter John	Gippsland, Vic	NP	Shack, Peter Donald	Tangney, WA	LP
McHugh, Jeannette	Phillip, NSW	ALP	Sharp, John Randall	Gilmore, NSW	NP
MacKellar, Hon. Michael John Randal	Warringah, NSW	LP	Simmons, Hon. David William	Calare, NSW	ALP
McLachlan, Ian Murray, AO	Barker, SA	LP	Sinclair, Rt Hon. Ian McMahon	New England, NSW	NP
McLeay, Hon. Leo Boyce	Grayndler, NSW	ALP	Smith, Warwick Leslie	Bass, Tas	LP
Mack, Edward Carrington	North Sydney, NSW	Ind.	Snow, James Henry	Eden-Monaro, NSW	ALP
Martin, Hon. Stephen Paul	Macarthur, NSW	ALP	Snowdon, Hon. Warren Edward	Northern Territory	ALP
Melham, Daryl	Banks, NSW	ALP	Somlyay, Alexander Michael	Fairfax, Qld	LP
Miles, Christopher Gordon	Braddon, Tas	LP	Staples, Hon. Peter Richard	Jagajaga, Vic	ALP
Moore, Hon. John Colinton	Ryan, Qld	LP	Sullivan, Kathryn Jean	Moncrieff, Qld	LP
Morris, Allan Agapitos	Newcastle, NSW	ALP	Taylor, William Leonard	Groom, Qld	LP
Morris, Hon. Peter Frederick	Shortland, NSW	ALP	Theophanous, Dr Andrew Charles	Calwell, Vic	ALP
Nehl, Garry Barr	Cowper, NSW	NP	Tickner, Hon. Robert Edward	Hughes, NSW	ALP
Newell, Neville Joseph	Richmond, NSW	ALP	Truss, Warren Errol	Wide Bay, Qld	NP
Nugent, Peter Edward	Aston, Vic	LP	Tuckey, Charles Wilson	O'Connor, WA	LP
O'Keefe, Neil Patrick	Burke, Vic	ALP	Walker, Hon. Francis John, QC	Robertson, NSW	ALP
O'Neil, Lloyd Reginald Terrence	Grey, SA	ALP	Webster, Alasdair Paine	Macquarie, NSW	LP
Peacock, Hon. Andrew Sharp	Kooyong, Vic	LP	West, Hon. Stewart John	Cunningham, NSW	ALP
Price, Hon. Leo Roger Spurway	Chifley, NSW	ALP	Willis, Hon. Ralph	Gellibrand, Vic	ALP
Prosser, Geoffrey Daniel	Forrest, WA	LP	Wilson, Hon. Ian Bonython Cameron	Sturt, SA	LP
Punch, Hon. Gary Francis	Barton, NSW	ALP	Woods, Harry Francis	Page, NSW	ALP
Reid, Hon. Nicholas Bruce	Bendigo, Vic	LP	Woods, Dr Robert Leslie	Lowe, NSW	LP
Reith, Peter Keaston	Flinders, Vic	LP	Wooldridge, Dr Michael Richard Lewis	Chisholm, Vic	LP
Riggall, John Peter	McMillan, Vic	LP	Wright, Keith Webb	Capricornia, Qld	ALP
Rocher, Allan Charles	Curtin, WA	LP			

### PARTY ABBREVIATIONS

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

## **FOURTH HAWKE MINISTRY**

**(To 9 December 1991)**

Prime Minister	The Honourable Robert James Lee Hawke, AC
Deputy Prime Minister, Minister for Health, Housing and Community Services, Minister Assisting the Prime Minister for Social Justice and Minister Assisting the Prime Minister for Commonwealth-State Relations	The Honourable Brian Leslie Howe
Leader of the Government in the Senate and Minister for Industry, Technology and Commerce	Senator the Honourable John Norman Button
Deputy Leader of the Government in the Senate and Minister for Foreign Affairs and Trade	Senator the Honourable Gareth John Evans, QC
Minister for Finance	The Honourable Ralph Willis
Attorney-General	The Honourable Michael John Duffy
Minister for Employment, Education and Training	The Honourable John Sydney Dawkins
Minister for Transport and Communications and Leader of the House	The Honourable Kim Christian Beazley
Treasurer	The Honourable John Charles Kerin
Minister for Trade and Overseas Development, Minister Assisting the Minister for Industry, Technology and Commerce and Minister Assisting the Minister for Primary Industries and Energy	The Honourable Neal Blewett
Minister for Social Security and Vice-President of the Executive Council	Senator the Honourable Graham Frederick Richardson
Minister for Defence	Senator the Honourable Robert Francis Ray
Minister for Immigration, Local Government and Ethnic Affairs and Minister Assisting the Prime Minister for Multicultural Affairs	The Honourable Gerard Leslie Hand
Minister for the Arts, Sport, the Environment, Tourism and Territories	The Honourable Roslyn Joan Kelly
Minister for Industrial Relations and Minister Assisting the Prime Minister for Public Service Matters	Senator the Honourable Peter Francis Salmon Cook
Minister for Administrative Services	Senator the Honourable Nick Bolkus
Minister for Primary Industries and Energy	The Honourable Simon Findlay Crean

**(The above Ministers constitute the Cabinet)**

## **Fourth Hawke Ministry—*continued***

Minister for Justice and Consumer Affairs	Senator the Honourable Michael Carter Tate
Minister for Aged, Family and Health Services	The Honourable Peter Richard Staples
Minister for Veterans' Affairs	The Honourable Benjamin Charles Humphreys
Minister for Land Transport	The Honourable Robert James Brown
Minister for the Arts, Tourism and Territories	The Honourable David William Simmons
Minister for Higher Education and Employment Services	The Honourable Peter Jeremy Baldwin
Minister for Small Business and Customs	The Honourable David Peter Beddall
Minister for Defence Science and Personnel	The Honourable Gordon Neil Bilney
Minister for Shipping and Aviation Support and Minister Assisting the Prime Minister for Northern Australia	Senator the Honourable Robert Lindsay Collins
Minister for Local Government and Minister Assisting the Prime Minister for the Status of Women	The Honourable Wendy Frances Fatin
Minister for Resources	The Honourable Alan Gordon Griffiths
Minister for Aboriginal Affairs and Minister Assisting the Prime Minister for Aboriginal Reconciliation	The Honourable Robert Edward Tickner
Minister for Science and Technology, Minister Assisting the Prime Minister for Science and Minister Assisting the Treasurer	The Honourable Ross Vincent Free
Parliamentary Secretary to the Treasurer and Manager of Government Business in the Senate	Senator the Honourable Robert Francis McMullan
Parliamentary Secretary to the Prime Minister	The Honourable Leo Roger Spurway Price
Parliamentary Secretary to the Minister for Social Security	The Honourable Con Sciacca
Parliamentary Secretary to the Minister for Transport and Communications	The Honourable Warren Edward Snowdon

## **FOURTH HAWKE MINISTRY**

**(From 9 December 1991)**

Prime Minister	The Honourable Robert James Lee Hawke, AC
Deputy Prime Minister, Minister for Health, Housing and Community Services, Minister Assisting the Prime Minister for Social Justice and Minister Assisting the Prime Minister for Commonwealth-State Relations	The Honourable Brian Leslie Howe
Leader of the Government in the Senate and Minister for Industry, Technology and Com- merce	Senator the Honourable John Norman Button
Deputy Leader of the Government in the Senate and Minister for Foreign Affairs and Trade	Senator the Honourable Gareth John Evans, QC
Treasurer	The Honourable Ralph Willis
Attorney-General	The Honourable Michael John Duffy
Minister for Employment, Education and Training	The Honourable John Sydney Dawkins
Minister for Finance and Leader of the House	The Honourable Kim Christian Beazley
Minister for Transport and Communications	The Honourable John Charles Kerin
Minister for Trade and Overseas Development, Minister Assisting the Minister for Industry, Technology and Commerce and Minister Assisting the Minister for Primary Industries and Energy	The Honourable Neal Blewett
Minister for Social Security and Vice-Presi- dent of the Executive Council	Senator the Honourable Graham Frederick Richardson
Minister for Defence	Senator the Honourable Robert Francis Ray
Minister for Immigration, Local Government and Ethnic Affairs and Minister Assisting the Prime Minister for Multicultural Affairs	The Honourable Gerard Leslie Hand
Minister for the Arts, Sport, the Environment, Tourism and Territories	The Honourable Roslyn Joan Kelly
Minister for Industrial Relations and Minister Assisting the Prime Minister for Public Service Matters	Senator the Honourable Peter Francis Salmon Cook
Minister for Administrative Services	Senator the Honourable Nick Bolkus
Minister for Primary Industries and Energy	The Honourable Simon Findlay Crean

**(The above Ministers constitute the Cabinet)**

## **Fourth Hawke Ministry—*continued***

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Minister for Aged, Family and Health Services	The Honourable Peter Richard Staples
Minister for Veterans' Affairs	The Honourable Benjamin Charles Humphreys
Minister for Land Transport	The Honourable Robert James Brown
Minister for the Arts, Tourism and Territories	The Honourable David William Simmons
Minister for Higher Education and Employment Services	The Honourable Peter Jeremy Baldwin
Minister for Small Business and Customs	The Honourable David Peter Beddall
Minister for Defence Science and Personnel	The Honourable Gordon Neil Bilney
Minister for Shipping and Aviation Support and Minister Assisting the Prime Minister for Northern Australia	Senator the Honourable Robert Lindsay Collins
Minister for Local Government and Minister Assisting the Prime Minister for the Status of Women	The Honourable Wendy Frances Fatin
Minister for Resources	The Honourable Alan Gordon Griffiths
Minister for Aboriginal and Torres Strait Islander Affairs and Minister Assisting the Prime Minister for Aboriginal Reconciliation	The Honourable Robert Edward Tickner
Minister for Science and Technology, Minister Assisting the Prime Minister for Science and Minister Assisting the Treasurer	The Honourable Ross Vincent Free
Parliamentary Secretary to the Treasurer and Manager of Government Business in the Senate	Senator the Honourable Robert Francis McMullan
Parliamentary Secretary to the Prime Minister	The Honourable Leo Roger Spurway Price
Parliamentary Secretary to the Minister for Social Security	The Honourable Con Sciacca
Parliamentary Secretary to the Minister for Transport and Communications	The Honourable Warren Edward Snowdon

# THE COMMITTEES OF THE SESSION

## FIRST SESSION: FOURTH PERIOD

### STANDING COMMITTEES

ABORIGINAL AFFAIRS—Mr Kerr (*Chairman*), Mr Anderson, Mr Gibson, Mr Lavarch, Mr Nugent, Mr Riggall, Mr Sawford, Mr Les Scott, Mr Snowdon, Dr Wooldridge.

BANKING, FINANCE AND PUBLIC ADMINISTRATION—Mr Martin (*Chairman*), Mr Andrew, Mr Braithwaite, Dr Charlesworth, Mr Courtice, Mr Downter, Mr Dubois, Mr Ronald Edwards, Mr Elliott, Mr Gear, Mr Hall, Mr Wilson. (Mr Les Scott and Mr Somlyay served on the Committee during consideration of inquiry into the Australian banking industry.)

COMMUNITY AFFAIRS—Mr Jenkins, (*Chairman*), Mrs Bailey, Mr Broadbent, Dr Catley, Mr Cowan, Mrs Crosio, Mr Elliott, Mrs Gallus, Mr Goodluck, Mrs Jakobsen, Mr Johns, Mr Walker.

EMPLOYMENT, EDUCATION AND TRAINING—Ms Crawford (*Chairman*), Mr Anderson, Mr Atkinson, Mr Bevis, Mr Bradford, Mr Charles, Mr Elliott, Mr Gibson, Mrs Jakobsen, Mr Jones, Mr Sawford, Mr Bruce Scott.

ENVIRONMENT, RECREATION AND THE ARTS—Ms McHugh (*Chairman*), Dr Charlesworth (to 10 October), Mr Dobie, Mr Dubois, Mr Ronald Edwards, Mr Peter Fisher, Mrs Gallus, Mr Gear, Mr Jenkins, Mr Langmore (from 16 October), Mr Newell, Mr Truss, Mr Webster.

HOUSE—The Speaker, Mr Elliott (from 21 June), Mr Hollis, Mr MacKellar, Mr Martin, Mr Nehl, Mrs Sullivan.

INDUSTRY, SCIENCE AND TECHNOLOGY—Mr Lee (*Chairman*), Mr Campbell, Mr Cobb, Mr Ferguson, Mr Ford, Mr Grace, Mr Jenkins, Mr Jones, Mr McArthur, Mr Nugent, Mr Reid, Mr Les Scott.

LEGAL AND CONSTITUTIONAL AFFAIRS—Mr Lavarch (*Chairman*), Mr Andrews (from 19 December), Mr Cadman, Mr Costello, Mr Holding, Mr Kerr, Mr Martin, Mr Melham, Mr Ronaldson, Mr Scholes, Mr Sinclair, Mr Smith (to 28 November), Mr Wright. (Mrs Bailey, Ms Crawford and Ms McHugh to serve on the Committee during consideration of the inquiry into equal opportunity and equal status for Australian women. Mr Nehl and Mr Snow to serve on the Committee during consideration of the inquiry into the legal regimes of Australia's external territories and the Territory of Jervis Bay).

LIBRARY—The Speaker, Mrs Bailey, Mr Fitzgibbon, Mr Hollis, Mr Jones, Mr Ronaldson, Mr Truss.

LONG TERM STRATEGIES—Mr Jones (*Chairman*), Mr Andrews, Mr Atkinson, Mr Bevis, Mr Broadbent, Dr Catley, Mr Dobie, Mr Ferguson, Mr Johns, Mr Allan Morris, Mr Nehl, Mr Snow.

MEMBERS' INTERESTS—Mr Dubois (*Chairman*), Mr Connolly, Mr Cowan, Mr Lindsay, Mr O'Neil, Mr Ruddock, Mr John Scott.

PRIVILEGES—Mr Gear (*Chairman*), the Leader of the House or his nominee, the Deputy Leader of the Opposition or his nominee, Mr Costello, Mrs Crosio, Mr Dobie, Dr Harry Edwards, Mr Johns, Mr McGauran, Mr Snow, Mr Snowdon.

PROCEDURE—Mr Scholes (*Chairman*), Mr Ronald Edwards, Mr Grace, Mr Hollis, Mr Rocher, Mr Shack, Mr Truss, Mr Walker.

PUBLICATIONS—Mr Gorman (*Chairman*), Dr Harry Edwards, Mr Filing, Mr Peter Fisher, Mr Fitzgibbon, Mr Gear, Mr Gibson.

SELECTION—Mr Ronald Edwards (*Chairman*), Mr Andrew, Mr Gear, Mr Grace, Mr Halverson, Mr Hicks, Mr Hollis, Mr Kerr, Mr Langmore, Mr Nehl, Mr Reid.

TELEVISING OF THE HOUSE OF REPRESENTATIVES—The Speaker (*Chairman*), Mrs Darling, Mr Ronald Edwards, Mr Hicks, Mr Jull, Mr Les Scott.

TRANSPORT, COMMUNICATIONS AND INFRASTRUCTURE—Mr Peter Morris (*Chairman*), Mr Anderson, Mr Cadman, Mr Ewen Cameron, Mr Campbell, Mr Elliott, Mr Gorman, Mr Hawker, Mr Hollis, Mr Mack, Mr John Scott, Mr Harry Woods.

### JOINT STATUTORY COMMITTEES

AUSTRALIAN SECURITY INTELLIGENCE ORGANIZATION—Mr Wright (*Presiding member*), Mr Duncan, Mrs Jakobsen, Mr McGauran, Senator Coulter, Senator Lewis, Senator Zakharov.

BROADCASTING OF PARLIAMENTARY PROCEEDINGS—The Speaker (*Chairman*), the President, Mrs Darling, Mr Ronald Edwards, Mr Hicks, Mr Jull, Mr Les Scott, Senator Coates, Senator Vanstone.

CORPORATIONS AND SECURITIES—Senator Beahan (*Chairman*), Mr Brereton, Mr Ford, Mr Kerr, Mr Moore, Mr Punch (from 12 September), Senator Campbell, Senator Cooney, Senator Lewis, Senator Spindler.

NATIONAL CRIME AUTHORITY—Mr Lindsay (*Chairman*), Mr Filing, Mr Melham, Mr O'Keefe, Mr Sinclair, Senator Crichton-Browne, Senator Jones, Senator Loosley, Senator Spindler, Senator Vanstone.

PUBLIC ACCOUNTS—Mr Punch (*Chairman*), Mr Aldred, Mrs Crosio, Mr Fitzgibbon, Mr Kerr, Mr Langmore, Mr Nehl, Mr Les Scott, Mr Shack, Mr Somlyay, Senator Aulich, Senator Bishop, Senator Giles, Senator Reynolds, Senator Watson.

PUBLIC WORKS—Mr Hollis (*Chairman*), Mr Ewen Cameron, Mr Gorman, Mr O'Neil, Mr Bruce Scott, Mr Taylor, Senator Burns, Senator Calvert, Senator Devereux.

### JOINT COMMITTEES

AUSTRALIAN CAPITAL TERRITORY—Mr Langmore (*Chairman*), Mr Elliott, Mr Halverson, Mr Scholes, Mr Sharp, Senator Aulich, Senator Bell (to 10 October), Senator Parer, Senator Reid, Senator Sowada (from 10 October), Senator West.

### JOINT STANDING COMMITTEES

ELECTORAL MATTERS—Mr Brereton (*Chairman*), Dr Catley, Mr Cobb, Mr Melham, Mr Miles, Senator Beahan, Senator Faulkner, Senator Harradine, Senator Kemp, Senator Kernot.

FOREIGN AFFAIRS, DEFENCE AND TRADE—Senator Schacht (*Chairman*), Mr Bevis, Mr Connolly, Mr Dubois, Dr Harry Edwards, Mr Ferguson, Mr Fitzgibbon, Mr Grace (from 14 November), Mr Halverson, Mr Hicks, Mr Hollis, Mr Langmore, Mr Lee, Mr Lindsay, Mr MacKellar, Mr Moore, Mr Punch (to 14 November), Mr John Scott, Mr Sinclair, Mr Taylor, Dr Theophanous, Senator Beahan, Senator Bourne (from 10 October), Senator Brownhill, Senator Chapman, Senator Childs, Senator Crichton-Browne, Senator Jones, Senator MacGibbon, Senator Maguire, Senator Valentine.

MIGRATION REGULATIONS—Dr Theophanous (*Chairman*), Dr Catley, Mr Holding, Mr Ruddock, Mr Sinclair, Mrs Sullivan, Senator Bourne, Senator Cooney, Senator McKiernan, Senator Olsen.

### JOINT SELECT COMMITTEES

CERTAIN ASPECTS OF THE OPERATION AND INTERPRETATION OF THE FAMILY LAW ACT—Senator McKiernan (*Chairman*), Mrs Jakobsen, Mr Lavarch, Mr Martin, Mr Peacock, Mr Webster, Senator Brownhill, Senator Crowley, Senator Reid, Senator Spindler.

### SELECT COMMITTEE

PRINT MEDIA—Mr Lee (*Chairman*), Dr Charlesworth, Mr Costello, Mr Elliott, Mr Langmore, Ms McHugh, Mr O'Keefe, Mr Sawford, Mr Shack, Mr Sinclair, Mr Smith, Mr Somlyay.

# **PARLIAMENTARY DEPARTMENTS**

## **SENATE**

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

## **HOUSE OF REPRESENTATIVES**

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

## **PARLIAMENTARY REPORTING STAFF**

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

## **LIBRARY**

*Parliamentary Librarian*—H. de S. C. MacLean

## **JOINT HOUSE**

*Secretary*—M. W. Bolton

*Tuesday, 8 October 1991*

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The House met at 2 p.m.

#### ABSENCE OF MR SPEAKER

**The Clerk**—I inform the House of the absence of the Speaker, who is on parliamentary business overseas. In accordance with standing order 14, the Chairman of Committees, as Acting Speaker, will take the chair.

**Mr ACTING SPEAKER (Mr Ronald Edwards)** thereupon took the chair, and read prayers.

#### MINISTERIAL ARRANGEMENTS

**Mr HAWKE** (Wills—Prime Minister)—I inform the House that the Minister for Trade and Overseas Development, Dr Blewett, is overseas holding discussions on GATT and will return to Australia tomorrow. In his absence from Question Time today questions which normally would be addressed to Dr Blewett should be addressed to the Attorney-General, Mr Duffy.

#### QUESTIONS WITHOUT NOTICE

##### Interest Rates

**Dr HEWSON**—My question is directed to the Prime Minister. Is it a fact that on one side of the interest rate debate we have the Prime Minister, the Treasurer and the Treasury and lined up opposing them are the honourable member for Blaxland and the Governor of the Reserve Bank? Does this open conflict signal to the Australian people that the Hawke Government does not have a clue about the direction of interest rates in the midst of the worst recession in 60 years, a recession engineered by extremely high interest rates?

**Mr HAWKE**—The honourable gentleman raises the issue of sources of advice on what should happen to interest rates. Let me make one point to him which should be without debate at all: I would not look to him—nor would any sensible person—on the question of what should happen to interest rates. I remind the House of the statement made by the Leader of the Opposition when we commenced the reduction of interest rates in January of last year. His classic comment at

that time was, ‘The Treasurer, his Government and, indeed, the Reserve Bank should hang their heads in shame’. That was in January 1990, when we commenced the 8½ percentage point reduction in interest rates which is now being effected. The position of the Leader of the Opposition was that this was an incorrect decision and that the Government should have kept interest rates higher for longer than it did. That is the position of the Leader of the Opposition, so he speaks from no position of strength on this question of interest rates.

As far as the processes are concerned, I will not comment on any speculation in the newspapers, but I will make some points about the Government’s conduct of monetary policy. We observe due process in this matter and, unlike the Leader of the Opposition, we respect the position of the Reserve Bank, its Governor and its board. We do not undertake a process of public denigration of people occupying positions of important responsibility.

I remind the House that the last interest rate reduction was based on the unanimous advice of the board, formulated at its regularly scheduled meeting. That is what happened on the last occasion. This Government and its advisers, including the Reserve Bank, will continue to monitor developments in the economy and to ensure that the setting of monetary policy remains closely attuned to achieving the economic objectives of this Government. The stance that we have established is designed to facilitate the recovery which is now becoming evident without re-igniting inflationary development. I am sure that everyone in this House would agree with that.

Let me make it clear that this Government does not intend to forgo growth, including job growth, to achieve zero inflation—which is so glibly talked about by the honourable gentleman who has asked this question—by having that unrealistic inflation objective, nor does it intend to have an excessive easing of policy to launch Australia on the path of boom that inevitably would be followed by bust.

Since January 1990, the way in which the Government has conducted monetary policy,

against the position of the Leader of the Opposition, has been to the benefit of this country. There has been an 8½ percentage point reduction in interest rates—a process which, as I say, was opposed by the Leader of the Opposition. At all times we have followed due process; we will continue to do so and, in following due process, we will not engage in that tactic of the Leader of the Opposition of, without any basis at all, attacking the integrity of people who have a statutory duty to uphold the position of this country in regard to the responsible conduct of policy.

**Australian Council of Social Service:  
Assistance to Needy**

**Mr LES SCOTT**—My question is addressed to the Prime Minister. Can he inform the House what action has been taken to assist those affected by the economic downturn? Does he intend to take any additional measures to assist Australians affected by the downturn?

**Mr HAWKE**—This is a very timely question, and I thank the honourable member for Oxley for it. I spoke to ACOSS last week and outlined that the Government, Mr Acting Speaker, as you know, has a comprehensive safety net for those people directly affected—

**Dr Hewson**—Answer the question.

**Mr HAWKE**—I know the Leader of the Opposition wants to interrupt; after last week, he will not want to hear anyone talking about ACOSS. He should be ashamed of his performance, as I will show. We will come to the Leader of the Opposition and ACOSS in a moment. Let me say, as I pointed out to ACOSS, that we have this comprehensive safety net in place. First, we have substantially increased in real terms benefits for those in need. For an unemployed single adult, we have increased real benefits by 26 per cent; for those not renting privately and for those renting privately, we have increased benefits by 54 per cent. Secondly, we have, with the introduction of Newstart, assisted the unemployed to find jobs through active job search and training. Finally, of course, the last line of defence in the safety net is emergency relief. You will know, Mr Acting Speaker,

that in the Budget that emergency relief funding was increased by \$3m to a total of \$10.84m and that last week, when I was speaking to ACOSS, I announced an increase in additional funding of \$3.5m this year to bring the total funds available in 1991-92 to \$14.4m.

Against that background of the demonstrated real concern of the Government for looking after those who have been adversely affected by the economic downturn, I imagine that most members in this place, not only those on this side of the House but many on the other side, would have been bemused by the amazing speech of the Leader of the Opposition to ACOSS last week. For example, the Leader of the Opposition said to ACOSS:

I put it to you that the Coalition is just as interested in welfare and just as interested in assisting the genuinely needy as the Labor Party . . .

Yet in the same speech he confirmed the policy of the Opposition to throw onto the street after nine months those who are unemployed. That is the measure of this man who wants the Australian public to believe he is compassionate. The revelation of the working of the mind of the Leader of the Opposition was in fact contained in an article in the *Sydney Morning Herald* on 3 August this year. I would ask members of the House to just pick up closely how the mind of the Leader of the Opposition works. This is what he had to say:

The basics of my beliefs are in economics. They stem originally from a lot of theoretical work that I did myself, building multi-country computer models of regulated financial systems, for example, then breaking down the regulations in the models. And then cranking out all the properties to see what effect it has on interest rates, growth and employment, and things like that.

**Mr Simmons**—What about people?

**Mr HAWKE**—The honourable member correctly interjects, ‘What about people?’ Where are people in this desiccated calculating machine? There is no concern for people—

*Opposition members interjecting—*

**Mr ACTING SPEAKER**—Order!

**Mr HAWKE**—The Opposition Leader gave us another revealing insight in this speech. I ask the House to take note of what he said when speaking to ACOSS, this collection of honourable people of integrity who make up ACOSS. I will table a list of the members who make up ACOSS. Without being exhaustive about it, these are the people who were so viciously attacked by the Leader of the Opposition: the Anglican Church of Australia; the Social Responsibilities Commission, the Australian Conference of Leaders of Religious Institutes, the Federation of Australian Jewish Welfare Societies; Legacy Coordinating Council; the National Anglican Caring Organisations Network; the National Association of Community Based Children's Services; the National Catholic Association of Family Agencies; the Salvation Army, Southern Command and Eastern Command; and the Society of St Vincent de Paul. These are the organisations to whom the Leader of the Opposition had this to say:

By concentrating on expanding and approving the provision of welfare, in one sense at least, ACOSS is just reinforcing the Biblical reminder that the poor are always with us.

What did the Leader of the Opposition mean by that statement, reminding us that the poor are always with us? Does he mean that by taking away welfare from people, the people whom he calls the poor will disappear from the scene? Or does he mean that because the poor are always with us that it is not worth doing anything to help them? The Leader of the Opposition owes it to the House and to the hundreds of thousands of decent people of integrity involved in working with those 55 organisations of ACOSS to explain what he means about the proposition that the poor are always with us.

This gentleman in his speech to ACOSS has demeaned the concept of parliamentary responsibility to those in need in this community. He has made a mockery of any concept of compassion. Those opposite will stand condemned and will reap their reward in 1993.

#### The Honourable Member for Blaxland

**Mr McARTHUR**—Is the Prime Minister aware of comments by the Victorian State

Secretary of the AMIEU, Mr Wally Curran, that the honourable member for Blaxland should be elevated to the prime ministership on the basis of his support for job creation? Is it the Prime Minister's view that their combined experience—the former in creating an unemployment pool of one million, and the latter in reducing the work force of the Victorian meat industry from 7,000 to 1,800—ideally equips them to guide Australia out of the recession we had to have?

**Mr HAWKE**—That is a very uncharitable question indeed. It is uncharitable to me, it is uncharitable to the honourable member for Blaxland, and it is uncharitable to Mr Curran.

*Mr Downer interjecting—*

**Mr HAWKE**—May I say in response to the interjection from the honourable member for Mayo that I dream about him, that I have very little time for dreaming and what I do have I do not waste on Curran.

As I have indicated, I am quite relaxed about the way this great Labor movement operates. We have been going for 100 years now. In that time we have found that sections of the political movement talk to sections of the industrial movement. It is good for business. As far as we are concerned, we will do what we have to do; that is, having slowed down the Australian economy, as we had to do in the period—

**Mr Broadbent**—Slowed it down!

**Mr ACTING SPEAKER**—Order! The honourable member for Corinella!

**Mr HAWKE**—I have explained the statistics before. When the honourable member for Blaxland was the Treasurer we had to slow the Australian economy down. We did that. We did it, as I have indicated in my previous answer, with a concern for those who would be adversely affected. Now we are able to point to the fact that we are now emerging from that recession and we are doing it from an infinitely stronger base than we had before.

We have a rate of inflation which is significantly lower than that of our major trading partners. Our external position is steadily improving. As we go into the second half of this financial year, employment will begin to

recover significantly. As a nation comes out of recession, employment is always the last indicator to recover because employers keep on an excess of labour in times of recession.

My colleagues in Government and I are going about that business. If people—whether on the side of government, in the trade union movement or in ACOSS—have specific proposals that they want us to consider, we will do so.

### Trends in Disposable Income

**Mr LANGMORE**—Is the Minister representing the Minister for Social Security aware of a survey of trends in disposable income in Australia during the last eight years? If so, would he tell the House the conclusions of that survey and its implications?

**Mr HOWE**—I thank the honourable member for Fraser.

**Mr Howard**—Are we going to have a bit of retribution?

**Mr HOWE**—I do not mind being labelled compassionate. The honourable member for Bennelong may not like to be regarded as such, but if that is a label he wants to put on me, I accept it. The study by Dr Harding and John Lant carefully demonstrates the significant progress that this Government has made in alleviating poverty among the most vulnerable groups in our society—the aged, the disabled, sole parents, the unemployed and low income and single income families with young children.

The study shows that the real disposable incomes for social security recipients increased sharply after taking full account of inflation. For example, the real disposable income for a full rate pensioner couple rose by almost 15 per cent. Increases were higher for those renting privately or with children under 16. The real disposable income for a sole parent with two children renting privately rose by almost 26 per cent.

The Leader of the Opposition, in his speech to the ACOSS congress, was outraged that those who were unemployed experienced a real increase in their disposable income of 26 per cent over the last eight years—a staggering 54 per cent if they received rent assistance. These increases were understood by

social security recipients. When we hear interjections from the Opposition about work being the solution, it is hardly the solution for the aged when they are in poverty or disadvantaged. The aged certainly remember that in 1983 the pension was only 22 per cent of average weekly earnings. They understand that it is now 26 per cent of average weekly earnings. The suggestion that somehow the Hawke Government favours welfare over work is erroneous.

The Leader of the Opposition asserts that there are a large number of people receiving the dole who feel no pressure to go out and get themselves jobs. That is an extraordinary statement coming from the Leader of the Opposition. The reality is that no government has done more than this Government to link the social security system to an active employment strategy. Unlike the Opposition when it was in government in 1982-83, when little was done to create any relationship between the unemployment benefit and work and training, this Government has placed a great deal of emphasis on seeking to maximise the opportunities for people to leave dependants on benefits and take up the opportunities to find work.

Indeed, there is no clearer contrast between the Government and the Opposition than that between a policy that would simply cut people off after nine months, simply saying, 'After nine months you don't get paid any more, you don't deserve any more assessments; after nine months you go on the scrap heap', and a policy that, when people reach long term unemployment, seeks to structure assistance more in line with training and other forms of assistance for unemployment.

Programs such as JET and Newstart and disability reforms are all about offering people opportunities to get into the mainstream of our community life. Rather than the Government looking at the issue of unemployment as a welfare issue, it has seen that issue as one that needs to be addressed, certainly in terms of improved benefits while people are outside the work force, and it has also seen it as one that maximises the opportunities that can be taken to ensure that people return to meaningful work.

When one returns to the ACOSS speech by the Leader of the Opposition, in a sense one is looking through a window back into the nineteenth century, looking at the attitudes that were there in the depression of the 1890s.

**Mr Tuckey**—Mr Acting Speaker, I have a point of order. Standing order 145 deals with the matter of relevance. It would be a great opportunity for you personally, Mr Acting Speaker, to demonstrate to this Parliament that you at least understand its meaning, which clearly the Ministers do not. I would suggest that the Minister has no responsibility for speeches made by other people and that it would be a good idea if he told us how he was going to fix the unemployment problem and not talk about handouts.

**Mr ACTING SPEAKER**—There is no point of order. The answer is still relevant to the question. However, I am sure the Minister will assist the House by drawing his answer to a conclusion.

**Mr HOWE**—I am happy to do that. I am simply drawing the parallel that when one looks at the language of the speech, what one returns to is the nineteenth century, when at least towards the end of that period progressive social workers recognised that there was something somehow wrong about a distinction between the deserving and undeserving poor, that we could do a little better in terms of our conceptualisation than talk about people who are genuinely poor, as if those who are unemployed, those who happen to be in a situation of dependency because of marriage breakdowns, those who suffer from a disability, are somehow responsible for their own situation.

**Mr Tuckey**—I have a point of order. I applauded your decision, Mr Acting Speaker. The Minister is now ignoring you, insulting you, and should bring his answer to a conclusion as you suggested.

**Mr ACTING SPEAKER**—I am listening to the Minister's summing-up of his answer.

**Mr HOWE**—That is the tenor of the speech by the Leader of the Opposition. It is a tenor which is not simply out of touch with contemporary welfare, but it has been out of touch with good thinking in terms of social

policy for a century. That is what is wrong with it. It is an intellectual contribution that represents all of the conservative values for a class which may have dominated the nineteenth century but ought to take its place in the twentieth century and work with people rather than against them in the insulting way suggested by the Leader of the Opposition at ACOSS.

### Prime Minister

**Mr REITH**—My question is directed to the Prime Minister. I refer him to an interview with his former Deputy, the honourable member for Blaxland, Mr Keating, that was published in the *Sydney Morning Herald* last weekend. In this interview the honourable member for Blaxland is quoted as saying:

I won't serve a person who can't keep their word. If the Prime Minister's close colleague of eight years does not trust him, why should the Australian people?

**Mr HAWKE**—All I can say is that sometime in 1993 the Australian people will be given the opportunity to decide whether they trust me or the honourable member for Flinders, if he is still here. There is not a great deal of certainty in Australian politics. I will be leading the Government in the election in 1993. I am not sure whether Dr Hewson will be leading the Opposition. It is even less sure whether the honourable member for Flinders will be the Deputy Leader of the Liberal Party. But whoever is there, the Australian people will have the chance, as they did in 1983, 1984, 1987 and 1990, to choose between a government—

**Mr Reith**—Why don't you create jobs?

**Mr HAWKE**—To that quiet little sotto voce interjection 'Why don't you create jobs?', I will tell the honourable gentleman what we have done. Including the loss of employment in the last 12 months, this Government has created on average each year 177,000 new jobs. That is three times faster than in the period of the Leader of the Opposition's predecessors, when he was advising them how to run the economy. He made an absolute mess of it then; he is now showing that he is incompetent. He will increase inflation with his goods and services

tax—theoretically, because he will not be bringing it in.

**Dr Hewson**—Oh, come on!

**Mr HAWKE**—Of course he will not. He will not be elected, so he will not be there to bring it in. But, conceptually, if he were to have the chance to bring in his goods and services tax, he would smash the gains on inflation that we have made, he would lose our competitiveness, and he would increase unemployment, particularly when the Opposition talks about slashing expenditures by \$4 billion. As I have said in answer to the Deputy Leader of the Opposition, the chance will be given to the people sometime in 1993 to make their choice on whom they want to rely upon. As they have done on the four previous occasions, they will pick the Australian Labor Party under my leadership because we leave the Opposition for dead in terms of economic management and social compassion.

#### Occupational Superannuation

**Mr SAWFORD**—Has the Treasurer seen reports proposing that occupational superannuation be scrapped to save 100,000 jobs? What would the effects be of such a measure? Is it the intention of the Government to scrap occupational superannuation?

**Mr KERIN**—No doubt the honourable member's question is provoked by the suggestion that came from the remarkable speech of the Leader of the Opposition to the ACOSS national conference where he saw fit to attack organisations such as the Salvation Army and the St Vincent de Paul Society. But I find it incredible that even this Opposition Leader would get up in front of the nation's peak welfare organisations and tell them that the Government should scrap a policy which will allow all working Australians to provide for their old age. Already something like 70 per cent of wage and salary earners are covered by occupational superannuation. The Leader of the Opposition made that statement knowing that our population is ageing and that it will become an increasing burden over coming decades for those in the work force to provide the existing level of age pension for retirees. It is obvious what the implication of that will be for the living standards of future

generations of Australian workers. In the absence of occupational superannuation, they would have to be taxed more heavily to provide age pensions.

In years gone by most people would have assumed that a Leader of the Liberal Party would be enthusiastic about a measure which would help people provide for their old age rather than rely on the social security system, particularly a measure which would give them a better standard of living in retirement. Quite frankly, I am amazed. People would wonder why the Leader of the Opposition said in a doorstop on 18 August this year:

... I don't believe that occupational superannuation makes any sense in a country like Australia.

People would be asking: what is the policy prescription of the Leader of the Opposition? Anyone listening to the ABC on 31 July this year might have heard him say:

People can prepare for their superannuation (by) not only putting it into a few superannuation funds ... they may save in banks, they may keep their money in a stockmarket and invest in equity themselves.

I do not know when it was that the Leader of the Opposition went back to Welfare Avenue, but I doubt whether his old neighbours have the Reuters screen installed next to their beds.

The regrettable fact is that not enough Australians have had the capacity to provide adequately for their retirement. The Leader of the Opposition needs to recognise that not many Australians fit his computer driven model. Through non-compliance, many do not have any superannuation cover, and the present level of award superannuation cover is insufficient to provide a reasonable standard of living in retirement. We cannot afford to dismiss this problem for later on. It takes in excess of 30 years for ordinary wage and salary earners to save sufficient money to finance an adequate retirement income. With the first of the baby-boomers reaching 65 by the year 2011, there is no practical alternative to the current timetable.

The Leader of the Opposition has tried a scare campaign, suggesting that occupational superannuation will cost 100,000 jobs; and he is using the recession to suggest that this is not the time for reform. Of course, for the

Leader of the Opposition, the Liberal Party and the Opposition in general, it is never the time for any reform. The Leader of the Opposition ignores the facts. No employer will face an increase in superannuation contributions under these arrangements before 1 July 1992, by which time the recovery will be well under way.

**Mr Reith**—I'll tell you what: you will eat those words.

**Mr KERIN**—Those opposite put on a wholesale sales tax. What do they want—19 per cent inflation like New Zealand had? That is a good way to stymie recovery.

**Mr Reith**—You tell that to the unemployed. That is absolute hypocrisy.

**Mr ACTING SPEAKER**—Order! The member for Flinders!

**Mr KERIN**—New Zealand had 19 per cent inflation and interest rates of 25 per cent. This is the prescription that those opposite put forward. Where are the jobs in that? Honourable members opposite are berserk. The Leader of the Opposition ignores the fact that for many employers who are already complying with the 3 per cent obligation there will be no additional increase until 1 July 1993. He ignores the fact that improvements in superannuation will be taken into account in future award negotiations.

No, we will not be scrapping occupational superannuation; no, we will not be scrapping 100,000 jobs; no, we will not be scrapping the welfare of future Australian retirees.

### Unemployment

**Mr TIM FISCHER**—My question is directed to the Prime Minister, and it follows up on behalf of the one million jobless. The Victorian Premier, Mrs Kirner, said that she has been telling him for some time that what we need in this country is a 'national jobs policy'. Now that this Labor Premier has confirmed that the Federal Government does not have a jobs policy, and given the impact of the drought, when will the Prime Minister face up to his responsibilities and put in place policies that will create long term economic growth and sustainable jobs?

**Mr HAWKE**—I remind the Leader of the National Party of something that I pointed out in the House some time ago about the impact of the policies that the honourable member is advocating.

**Mr Beale**—What about Kirner?

**Mr HAWKE**—We will come to the Premier of Victoria in a moment, if the honourable member will just contain himself. Honourable members opposite should recall that what they are advocating to deal with employment in this country is a goods and services tax. I want to remind them of some figures that I gave recently about what happened in New Zealand with the introduction of a broad based consumption tax. In New Zealand, since the introduction of the consumption tax, employment has fallen by 6 per cent. That is what has happened in New Zealand. Honourable members cannot just wipe New Zealand off, because every one of the Opposition's shadow Ministers is beating a path across there. They want to make Australia a nation of Kiwis. New Zealand is their role model. I do not think that that is something to which Australians particularly look forward, but that is what honourable members opposite want to do. They say that this is the example that they want to follow.

I tell the gentleman who asked the question, the Leader of the National Party that, since the broad based consumption tax was introduced in New Zealand, employment has fallen by almost 6 per cent. At the same time in this country, including the employment losses of the most recent period, there has been a 9 per cent increase in employment. That is a 15 per cent difference. That is what honourable members opposite would do to this country. They would smash any opportunity for economic recovery. Just as this has happened in New Zealand, so it would happen here.

The situation is that the record of this Government is, as I have said before in this place, the creation of 177,000 jobs per annum, on average, since we have been in government. Honourable members opposite had their opportunity. We have created jobs three times faster than honourable members opposite created them when they were in government. The honourable member opposite

can shake his unknowing head, but he cannot change the statistics. Our rate of employment creation is three times greater than that of honourable members opposite.

While employment in New Zealand—the country which the Opposition uses as its model and on which it wants to base its experiment in this country—was going down by 6 per cent, Australia's was up by 9 per cent, a difference of a million jobs.

**Mr Tim Fischer—Mrs Kirner?**

**Mr HAWKE**—We have pointed out—it is true for the Premier of Victoria; it is true for everyone in the State—that one cannot change the statistics. The statistics are very simple and I will remind the Leader of the National Party what they were and what we had to deal with. We had a situation in this country where expenditure was increasing twice as fast as production. The Leader of the National Party will admit in the privacy of his room that if we had not slowed down the Australian economy the world would have imposed a much more drastic solution upon us. That is the fact, so we had to slow the economy down.

Now we are starting to see the indisputable signs of recovery which will mean that in the second half of this financial year employment will grow, and it will grow on a much more secure base. As part of the slowing down of the Australian economy, which had to be done in those circumstances, we now have a position which is distinct from any other recession out of which this country has come, including what those opposite gave us. We inherited their recession. What was the inflation rate that they gave us? It was 11.2 per cent. They gave us a massive recession but they could not do anything about inflation—it was still 11.2 per cent. So we had to bring this country out of recession in 1983 with an inherited inflation rate of 11.2 per cent.

Certainly, we had to recess the economy—that has happened. But now, in the process, because of the range of relevant policies we will have in this year an inflation rate of 3 per cent, which is significantly less than that of our major trading partners. That will mean that Australian industry will be increasingly competitive. It will mean that jobs that we

will create, as we go back to the sorts of standards of job creation that we have had over our period of government, will be more secure in an Australian economy which is significantly more competitive than it has ever been before.

We have had the courage to bring in the processes of micro-economic reform about which all those opposite have ever done is heehaw. They have never done anything about it. They are the people who kept tariff rates as high as they possibly could be, which rendered our industry uncompetitive. They never did anything about our transport infrastructure in order to make it more competitive. All they did was talk. They never did anything.

They gave to this country in 1983 a legacy of a taxation system which was the worst in the world—a totally unreformed infrastructure. We have changed those things. That means that as we come out of this recession, as we will and as we are doing now, we will be able to resume the employment growth which has characterised all the previous period of the Hawke Labor Government.

### Housing

**Mr KERR**—My question is to the Minister for Health, Housing and Community Services. What is the significance of the most recent ABS figures on housing finance approvals and dwelling approvals?

**Mr HOWE**—I thank the honourable member for Denison for his question. Obviously, as the Prime Minister has been indicating in regard to the signs of recovery, increased activity in the housing industry is an early indicator of broader economic recovery. Recently released figures from the ABS suggest that we will see broader steady recovery over the course of the year.

The statistics for housing finance in July this year show that the number of loan approvals for owner occupied dwellings increased by 8 per cent over June and by 36 per cent compared with July last year. More importantly, loan approvals over the three-month period to July this year increased by 23 per cent over the previous three months, with demand growing strongly in this period.

Statistics also show that in the three months to August dwelling approvals increased by 8 per cent over the previous three months. Figures from the Housing Industry Association for the same period show that net sales of houses increased by 21 per cent. These trend increases are moderated by slight declines in August, which indicate that growth is proceeding at a moderate pace. There is no sign that the housing market will overheat.

Overall increased demand, assisted by declining home loan interest rates, should flow through to a significant increase in housing commencements in the September quarter. This is, of course, consistent with the Indicative Planning Council's forecast of an increase in dwelling commencements to 135,000 in 1991-92. Increased activity will generate employment opportunities not only in the building industry but also in the components of production, industry and retail trade.

Consistent with the answer to the previous question, we are beginning to see the early signs of a steady recovery. That is particularly reflected in the area of housing. Of course, it is against that background that the issue of taxation is clearly so important. In Australia most building materials are exempt from wholesale sales tax. Indeed, it represents only about one per cent of the cost of a new home. Even allowing for the abolition of wholesale sales tax and fuel excise, a goods and services tax of 12½ per cent would increase the extent to which new houses are taxed by some 10 per cent.

**Mr Reith**—Where did you get that figure from?

**Mr HOWE**—I will tell the honourable member what I can get. I can get this particular clipping, which indicates the views of Ron Silberberg of the Housing Industry Association on the impact of a goods and services tax on the housing industry in this country. Ron Silberberg is quite independent of the Government and is someone who, I understand, is not uncritical these days of the Opposition's policies. He talks about the impact under a 15 per cent tax. He suggests that the cost of a \$130,000 house and land package would increase by \$10,000. He says

that that is a ferocious impact and that the difficulty for new home buyers is that it is all front-end loading.

We have an Opposition that decries any sign of recovery; we have an Opposition that says that it wants to go forward into new policies in relation to the goods and services tax; and we have an Opposition that says that that tax ought to be a comprehensive tax, that is, it ought to be as simple and clear as possible. So the Housing Industry Association makes its assessment; it sees what the tax means. It means that new home buyers—people at a stage which obviously is not lacking in difficulties—are going to be loaded with a \$10,000 impost or something of that order in terms of a new tax with all of the consequences in terms of employment and all of the opportunities to abort the recovery that I have been speaking about.

I conclude by simply saying that the Government is pleased to see the genuine signs of recovery that are occurring in the Opposition. We are horrified by the prospect of what Ron Silberberg calls a ferocious tax that might be imposed by the Opposition if ever the opportunity came up.

#### Medicare

**Dr BOB WOODS**—My question is directed to the Prime Minister. Is it a fact that the Government has still not finalised its Budget decision on Medicare? Is it also a fact that Caucus is divided on the matter? Given that the Government is clearly split over health policy, is it a fact that, if you cannot govern yourself, you cannot govern the country?

**Mr HAWKE**—I am afraid that I cannot resist the temptation. If we are going to have questions about health care policy, it is an appropriate moment to—

**Dr Hewson**—Come on. We support you on this one and you cannot even deliver.

**Mr HAWKE**—We will see about the credentials of these people opposite to speak about health policy. I remind the House of the immortal words of Mr Shack.

**An honourable member**—Just put it on CD.

**Mr HAWKE**—We will, I think. This is what he had to say on 25 January 1990. They were great words, Peter, particularly the second paragraph, which is not always mentioned. The second paragraph really is better than the first. The first paragraph—and this was the Liberals on health policy—reads:

Now I want to say to you with all the frankness that I can muster—

and that is not a lot, but on this occasion it was a good deal. He said:

the Liberal and National Parties do not have a particularly good track record in health and you don't need me to remind you of our last period in government.

And unless they are the world's greatest masochists, they would never want to be reminded of their record in health during their last period in government. But the next paragraph was even better.

**Dr Hewson**—They are asleep; look at them.

**Mr HAWKE**—Yes, look at them, they are laughing—and they will be laughing in a moment.

*Opposition members interjecting—*

**Mr HAWKE**—Opposition members will not divert attention from the next paragraph. This is what Mr Shack had to say:

You might accuse us of a lot of things but one of the things I don't think we are guilty of is learning from our past mistakes.

Well, he was right. Those opposite do not learn from their mistakes: they have not produced a health policy; they still do not have one. We on this side of the Parliament have a health policy in operation which is endorsed by over 70 per cent of the Australian electorate. They are the facts. More than 70 per cent of the Australian people endorse the health policy of this Government.

**Opposition members**—Where is your policy?

**Mr HAWKE**—We have a policy; those opposite do not. At this time we have a process under way: the Caucus has been given the opportunity, as it should be given the opportunity, of examining proposals put forward in the Budget. That process will go

on through this week. Out of this process, the contrast will still remain: on this side of the House, a Party and a government which have a relevant, compassionate, universal, equitable health policy; on the other side, none.

**Joint Venture by Australia Post and Australian Airlines**

**Mr O'KEEFE**—My question is addressed to the Minister for Land Transport. I refer the Minister to—

**Mr Beale**—Who?

**Mr O'KEEFE**—The Minister for Land Transport, Bob Brown.

**Mr ACTING SPEAKER**—The honourable member for Burke will ask his question.

**Mr O'KEEFE**—I ask the Minister for Land Transport about recent speculation that Australia Post and Australian Airlines were looking at forming a joint venture. Is the Minister aware of that speculation? Can he inform the House on the situation?

**Mr Tim Fischer**—Mr Acting Speaker, I rise on a point of order. The honourable member made a mistake by using the term 'speculation'. Standing order 144(g) states that a question should not contain 'hypothetical matter' as well as other aspects. That question clearly has been badly drafted and is out of order.

**Mr ACTING SPEAKER**—The question is in order. The Minister for Land Transport.

**Mr ROBERT BROWN**—I thank the honourable member for Burke for the question. I acknowledge his vigilance in relation to questions of this kind. I am aware of the speculation which surrounded the possibility of some type of joint venture between Australia Post and Australian Airlines. I am delighted, as well, to have this opportunity to indicate that such a joint venture has been undertaken. It was announced this morning by the managing directors of both those bodies. It is particularly important as far as the public sector generally is concerned, because both these government business enterprises have been given a commercial charter with the responsibility of pursuing initiatives of this kind.

We can all feel particularly pleased about the fact that, when corporations of that kind are given the opportunity to pursue commercial imperatives, they willingly undertake that responsibility and, on occasions of this kind, they take advantage as well of the possibility of initiatives being pursued. As honourable members know, and for some particular reasons which the honourable member in his capacity as Chairman of the Government's transport and communications committee brought to my attention, there is a number of important spin-offs from this. I know the honourable member for Burke is delighted to hear that the announcement has been made.

We expect that the joint venture will be undertaken sometime early next year. It will make it possible to bring together all the existing customer contacts that we have been able to develop through Australia Post with all the freight expertise and a lot of the electronic arrangements that have been built into the operations of Australian Airlines. As Australian Airlines is one of those government business enterprises that the Government has been looking at in order to rationalise public sector involvement and public sector ownership, the proposed joint venture is even more relevant.

As far as contact with customers—with the community—is concerned, the joint venture will have access to 1,400 post office outlets in Australia and another 3,100 post office agencies. The joint venture will make it possible for that to spread into rural and remote Australia and to bring together all the existing functions of those two operations. We have the well-developed courier service which is now being operated by Australia Post, together with the well-developed freight service which is operated by Australian Airlines. Each day there would be about 200 separate air movements that would be able to contribute towards the development of that service. Also, a considerable number of separate operations presently being pursued by both of those companies will be brought together.

The whole operation will provide a significant share of domestic air express business among air courier services, both express

parcels and air freight. I know this will be dependent on a decision by government to endorse the joint venture. I do not believe there would be any likelihood of its being delayed.

The proposal certainly has my goodwill and my support. It is an extremely important initiative that has been undertaken by government business enterprises operating under the reforms which have been introduced by the Hawke Labor Government. As a result of that, these government business enterprises are doing a much more effective job for the Australian people through the public sector, and I have no doubt that this will be another outstanding success on the part of two very significant and important government business enterprises.

#### Interest Rates

**Mr REITH**—Does the Treasurer agree with his senior colleague Senator Button, who today in Question Time in the Senate has ruled out a further drop in interest rates of one per cent?

**Mr KERIN**—We have appropriate mechanisms in place for dealing with monetary policy on an ongoing basis. I am not in the business of fattening people's pockets by speculating about interest rates; we will follow due process. The only person who really got the last drop in interest rates completely wrong was the Leader of the Opposition in his totally unprincipled attack on the Governor of the Reserve Bank—

**Dr Hewson**—You have got it wrong.

**Mr KERIN**—The Leader of the Opposition has it completely wrong. His attack on the Governor of the Reserve Bank not only was unprincipled but also probably was actionable. He completely misunderstands the relationship between the Reserve Bank and the Government.

#### Power Stations

**Mr LEE**—My question is directed to the Minister for Resources.

**Mr McGauran**—Here he is, Kerry Packer's little mate.

**Mr LEE**—It concerns the electricity industry and the future of those working at power

stations on the central coast of New South Wales. Is he aware of claims made in yesterday's *Australian Financial Review* that current State Government plans to allow private investment in power stations will not result in significant competition or micro-economic reform of this industry? What steps have been taken to improve the efficiency of the Australian electricity industry?

**Mr GRIFFITHS**—I thank the honourable member for Dobell for his question. It is known to members of the House that in his former role the honourable member for Dobell was regarded as one of the finest electrical engineers since Edison; accordingly, he has an ongoing interest in these matters.

It is clear to members of the House that electricity is a key component in determining costs and competitiveness and, accordingly, the real level of our incomes. This industry is a very significant one. It has capital assets in the order of \$100 billion, and sales in excess of \$10 billion annually. In that context it ought to be put in some perspective, and the perspective is that as an industry in value adding terms and capital terms it is, for example, significantly bigger than our motor vehicle industry and many times larger than our iron and steel industries and, accordingly, a major industry for government attention. It did not have much government attention, I might say, for many decades. Just a few weeks ago when—rhetorically, I admit—I asked members of the Opposition to name but one significant micro-economic reform in their nearly three decades of government, there was a barren silence. This is just a matter for record: the Opposition comes to this issue with not a very good record at all.

If I may go back to the issue, it goes without saying that the supply of reliable, low cost and clean energy is essential to underlie our economic well-being and our future prosperity. That is why the Commonwealth has taken a very significant role in recent developments which, of course, go to the development of a national electricity grid. The catalyst for these very dramatic reforms was the Government's new federalism mechanism which has seen the establishment of a National Electricity Grid Council. To reflect

the Government's views on the importance of that mechanism, it is worth informing the House that the Commonwealth nominee is Mr Geoff Miller, the Secretary to the Department of Primary Industries and Energy. It is a very significant body with significant potential.

In terms of the working together for the national interest—the common good—there will be very major developments arising out of this process. I think the first and most obvious one is prospectively very significant cost reductions in electricity prices but of equal importance is that, to the extent that we can garner greater efficiency at a national level, we of course have less call on our resources and, therefore, we have better environmental outcomes. There will be significant benefits to all Australians.

Just before I conclude, it is worth making this point: in a few short years Australia's electricity has moved from being the seventh cheapest in the OECD to now being, according to the most recent reports, the third least expensive in the OECD. We are getting better fast, but I think the Commonwealth's role in terms of acting as a catalyst to bring about these further and very significant reforms, particularly, as I say, in the context of a national electricity grid, can potentially move us not to third best in the OECD but, even with the challenge of some of our competitors with their hydro-electricity, to a position where we can genuinely, in my view, aim for world's best.

**Mr Lee**—Mr Acting Speaker, I raise a point of order. I am informed by one of my colleagues that the honourable member for Gippsland referred to me as 'Packer's little mate' at the start of the answer to my question. I assume that is a reference to my chairmanship of the print media inquiry. I find that offensive and ask him to withdraw.

**Mr ACTING SPEAKER**—I have to say that the Chair did not hear that interjection. I would only rely upon the judgment of the honourable member for Gippsland as to whether or not he made that remark. If he did so, clearly it is appropriate to withdraw.

**Mr McGauran**—It is not appropriate to withdraw.

**Mr Tuckey**—Mr Acting Speaker, I raise a point of order. Does the honourable member consider being called ‘Packer’s mate’ an insult?

**Mr ACTING SPEAKER**—The honourable member for O’Connor has no point of order.

### Interest Rates

**Mr REITH**—My question is addressed to the Treasurer. Given the Treasurer’s last answer, is he saying that it was inappropriate for Senator Button to make such comments on interest rates?

**Mr Tim Fischer**—Yes or no?

**Mr KERIN**—No.

### Waste Water Treatment

**Mr ALLAN MORRIS**—I direct my question to the Minister for the Arts, Sport, the Environment, Tourism and Territories. Is the Minister aware of an article in today’s *Australian* claiming that the Australian waste water treatment company Memtec is about to move offshore because of a lack of State government support and the absence of national water quality standards? What are the implications for water quality management in Australia? What progress has been made in the development of national standards?

**Mrs KELLY**—I thank the honourable member for his question and for his continuing interest in Australian industry. I am aware and I am very concerned that the Australian company Memtec is considering moving its main base of operations overseas. The Federal Government has been very supportive of Memtec’s research and development program. It has already provided, through the Department of Industry, Technology and Commerce, over \$3.6m to Memtec, with a further \$1.1m committed. So the Government has been very supportive of this new technology.

This technology is important to Australia because it offers the prospect of very high quality waste water treatment for our cities and our country areas. It provides a clean alternative to offshore disposal of inadequately treated sewage. It is important to note that the Memtec technology is not just concepts on the drawing board. Memtec is a substantial company and there is a great deal of interest

in it overseas. It already has a small plant operating out of Blackheath in the Blue Mountains. It is a very good example of the clever country at work.

Unfortunately, the New South Wales Government has promised a great deal to Memtec, and to people in New South Wales, but has not delivered. Last year, on 27 June 1990, at a press conference between the Minister for Environment, Mr Tim Moore; the Premier, Mr Nick Greiner; and also the Water Board a commitment was given that they would be proceeding with a \$20m Memtec filtration plant in Cronulla in Sydney. On that date Mr Greiner said that the Sydney Water Board remained prepared to take responsible risks to seek to provide better than tertiary treatment standards at plants such as Cronulla where this could be achieved by using this radical new Australian technology. But what has happened? Nothing.

**Mr Tuckey**—Mr Acting Speaker, I raise a point of order. Standing order 142 says:

Questions may be put to a Minister relating to public affairs with which he is officially connected, to proceedings pending in the House, or to any matter of administration for which he is responsible.

The Minister is now giving us a case for State government support of an industry, which I find hardly within the parameters of her portfolio responsibility in this House. She could even do as the honourable member for Lalor once used to do and tell us about some new developments, but she is putting a case which is quite commercial and appears to be within the realm of a State government. I think her answer is totally irrelevant.

**Mr ACTING SPEAKER**—The Minister is still within the boundaries of the question that was asked. However, I am listening to the answer of the Minister.

**Mrs KELLY**—That shows how little those opposite know about the priorities of this portfolio, because waste water is a major environmental issue in this country. I wish that it was a priority for the New South Wales Government. Unfortunately, all the New South Wales Government has done is put out a press release about it and given a commitment to a company which has already provid-

ed infrastructure, but it will not sign the contract. What has this company, a very good Australian company, got to do? Now it has got to look overseas. I think that is a great shame for Australian industry and for the environment.

From the Federal Government's point of view—and the Opposition might like to listen to this—it would be very unfortunate, I believe, if Memtec were to be forced offshore. I say that because the Commonwealth, through the recently announced Environment Protection Agency, will be involved in the development of national environmental quality standards, including standards of water quality. This will be done in cooperation with State governments through mechanisms being developed through the inter-governmental agreement on the environment.

There is no doubt that these standards will be extremely rigorous and will require the best available technology to meet them. This is hardly surprising given that clean water is one of Australia's scarcest commodities. It would be crazy to force a home grown company offshore when that company has developed technology which is amongst the most advanced water treatment technologies in the world. Not only would we reduce our options to achieve high water quality but we would lose the opportunity to generate huge export dollars.

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

**Mr Lee**—Mr Acting Speaker, I raise a point of order. I understand that under the Standing Orders it is up to you to decide whether a member should be required to withdraw an allegation against another. I understand that the honourable member for Gippsland, in response to you, said that it is not appropriate that it be withdrawn. I am wondering whether he should be asked whether he made the statement that I am 'Packer's little mate'.

**Mr McGauran**—If the honourable member feels hurt or wounded in any way, I am happy to withdraw. But I do not like the sleazebag Minister for Education prompting him, given his record on Reid and the others in the

1980s. The Minister has been tutoring him for the last five minutes.

**Mr ACTING SPEAKER**—Order! The honourable member for Gippsland will not abuse the privilege of the chamber by speaking in such a manner. Members of the Government did not assist the honourable member for Gippsland in his process of withdrawal. I believe that the matter is now settled.

#### PRESENTATION OF PAPERS

**Mr HUMPHREYS** (Griffiths—Minister for Veterans' Affairs)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in *Hansard* and the *Votes and Proceedings*.

*The schedule read as follows—*

1. WARUMUNGU LAND CLAIM—Report by the Aboriginal Land Commissioner to the Minister for Aboriginal Affairs and to the Administrator of the Northern Territory.
  2. INDUSTRY COMMISSION—Exports of Education Services—Report No. 12—14 August 1991.
  3. VETERANS' REVIEW BOARD—Annual Report 1990-91—section 215 of the Veterans' Entitlements Act 1986.  
(1 October 1991/1 October 1991)
  4. OPERATION OF THE FISHING INDUSTRY RESEARCH ACT 1969—Annual Report 1990-91—section 19 of the Fishing Industry Research Act 1969.  
(16 September 1991/19 September 1991)
  5. INSURANCE AND SUPERANNUATION COMMISSION—Annual Report 1990-91—including the Auditor-General's report—section 125 of the Insurance Act 1973, section 45 of the Insurance (Agents and Brokers) Act 1984, section 21 of the Occupational Superannuation Standards Act 1945 and section 11 of the Life Insurance Act 1945.  
(30 September 1991/1 October 1991)
  6. NATIONAL DEBT COMMISSION—Sixty-eighth Annual Report—including the Auditor-General's report—section 18 of the National Debt Sinking Fund Act 1966.  
(30 August 1991/4 September 1991)
- NATIONAL DEBT COMMISSION**  
**Sixty-eighth Annual Report**  
Motion (by Mr Humphreys) proposed:

That the House take note of the paper.

Debate (on motion by Mr Fife) adjourned.

### **ABORIGINAL LAND COMMISSION Report**

Motion (by Mr Humphreys, for Mr Beazley)—by leave—agreed to:

That this House, in accordance with the provisions of the Parliamentary Papers Act 1908, authorises the publication of the report by the Aboriginal Land Commissioner to the Minister for Aboriginal Affairs and to the Administrator of the Northern Territory—Warumungu Land Claim.

### **PERSONAL EXPLANATIONS**

**Mr HOWARD** (Bennelong)—Mr Acting Speaker, I wish to make a personal explanation.

**Mr ACTING SPEAKER**—Does the honourable member claim to have been misrepresented?

**Mr HOWARD**—Yes.

**Mr ACTING SPEAKER**—The honourable member may proceed.

**Mr HOWARD**—In today's *Australian* there is a report regarding proceedings of the Western Australian Inc. royal commission. In a story under the by-line of Jane Hammond it is said:

The former leader of the Opposition, Mr John Howard, and the former West Australian Liberal senator, Mr Fred Chaney, strongly supported the West Australian government's decision to indemnify a \$150 million line of credit to Rothwell's Bank, the WA royal commission heard yesterday.

Apparently that is a report of some evidence given by the former Deputy Premier of Western Australia, Mr David Parker. The report goes on to say that Mr Tony Oates, who I understand was, is or has been a member of the Liberal Party in Western Australia, was a Bond Corporation director at the time and he allegedly told Parker that he had discussed the matter on the telephone with both me and the honourable member for Pearce.

That report is totally incorrect. At no stage have I voiced to anybody any support for the provision by the Western Australian Government of a line of credit. It is true, as I told the House some weeks ago, that during the weekend of the Rothwells bail out, Mr

Bond telephoned me complaining that Mr Barry MacKinnon, the Leader of the Liberal Party in Western Australia, would not cooperate in giving a political indemnity to the Burke Government in relation to the Government guarantee. That was the first I knew of Mr MacKinnon's role and the first I knew of the bail out. I subsequently spoke to Mr MacKinnon, who explained his position. I then rang Mr Bond back and told him that as far as I was concerned if private sector people wanted to put money in to bail out Rothwells that was fine, I certainly would not offer any criticism of that and I could understand some positive reasons for it occurring.

However, I made it perfectly clear that it was not a case for government involvement and that I totally supported Mr MacKinnon's position. I also understand, in fairness to him, that that was the position consistently taken by the former Senator Chaney and he has issued a press release to that effect today. I categorically deny the allegation that I in any way supported it. I also deny having had any contact with Mr Oates on the matter as alleged. I do not remember having met the man; I may have received a letter from him, but I certainly do not recall any personal approach. So the claim is completely and utterly untrue.

**Mr DUBOIS** (St George)—Mr Acting Speaker, I wish to make a personal explanation.

**Mr ACTING SPEAKER**—Does the honourable member claim to have been misrepresented?

**Mr DUBOIS**—I do.

**Mr ACTING SPEAKER**—The honourable member may proceed.

**Mr Beale**—You are in favour of a third runway.

**Mr DUBOIS**—Just listen. In an article in the *Sunday Telegraph* of 8 September its correspondent Mark McEvoy identified me as one of six Federal members publicly supporting the councils against a third runway proposal. That is not true. I have never supported the councils. I do in fact support the third runway. The article went on to claim that I also endorsed a proposal to impose a \$5 noise

tax plan, whereas I do not. All I know about that plan is that it would generate some income for the councils to distribute as they see fit, and I think it is rather bizarre.

The article went on to say that I was one of the six MPs who opposed a third runway, claiming that it would be cheaper to build a new airport at Badgerys Creek. That is not true. It is clearly cheaper to build a third runway than to build a new airport at Badgerys Creek. I conclude by saying that the long-suffering people of St George are looking forward to some relief from aircraft noise when the third runway is built.

## MATTER OF PUBLIC IMPORTANCE

### Wholesale Sales Tax System

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

The enormous cost to business of the outdated and ramshackle wholesale sales tax system.

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

*More than the number of members required by the Standing Orders having risen in their places—*

**Mr DOWNER** (Mayo) (3.12 p.m.)—The current wholesale sales tax system in Australia, which reaps something like \$9.3 billion a year for the Government, is believed to be the oldest living tax system of a consumption kind left in the world. It is a tax system that was introduced before Winston Churchill became Prime Minister of Great Britain, before the jet engine was invented, when sound was just coming to the movies and when the Prime Minister of Australia (Mr Hawke) was a tiny baby. It is a taxation system which is so old that I believe it has very real tourist potential, for as long as it lasts accountants will swarm to Australia from all over the world to look at this historic taxation system with disbelief that any government in the modern world could retain a tax system so ancient, so decrepit and so crippling to the business community of its country. They will find it indeed unbelievable.

One only needs to begin by looking at the cost of the wholesale sales tax system to business just of administering it, let alone the cost of paying it. I am not talking about the payment of the tax; I am simply talking about the cost of administering it. Accountants in Australia estimate that something like \$400m a year is spent by the business community on salaries alone in employing people to administer the wholesale sales tax system. It spends something like \$100m a year on legal and accountancy fees, \$14m on preparing wholesale sales tax returns and, for those who like detail, \$360,000 a year on posting the returns to the Australian Taxation Office. On top of that the Australian Taxation Office costs something like \$23m worth of taxpayers' money to administer its side of the wholesale sales tax system. So in monetary terms the wholesale sales tax system—just to administer it—is costing the business community in this country something like \$500m per annum.

There are a lot of reasons why it costs the business community so much. One of the main reasons is that it costs so much in trying to establish within the business community how it can and should comply with the wholesale sales tax law. One of the great problems is that goods are taxed at different rates. Some things are not taxed at all, of course. Consequently, there is a whole range of borderline problems.

Let us take the example of books. They are exempt from the wholesale sales tax unless they are books of maps, in which case they are subject to a 10 per cent wholesale sales tax rate, unless those books of maps are marketed exclusively for use in schools, colleges or universities, in which case they revert to being exempt, unless they are of an advertising nature, in which case they are taxable at 20 per cent. Somebody has to work all that out, and that is where the \$500m in administrative costs comes from.

Many people who follow the issue of sales tax will know of the very famous and, admittedly, rather crude example of the difficulty of administering the tax in the edible underwear case. I do not know how many people are aware of this product, edible underwear, but I have checked up and it exists. It is for

sale in novelty shops. The edible underwear case is a cause celebre, let me tell honourable members, in the folklore of the wholesale sales tax system in Australia. What is edible underwear?

**Mr Costello**—No, don't tell us.

**Mr DOWNER**—In terms of taxation—I am not going to tell honourable members in detail what it is; and I have never eaten any, let me hasten to add—edible underwear, if defined as clothes for human wear, is exempt from the wholesale sales tax. If it is defined as food for human consumption it is exempt. But if it is defined as confectionery, as apparently licorice is used in edible underwear, it has a 10 per cent tax. If it is classed as a savoury snack it has a 10 per cent tax. If it is defined as food for birds—and that is something to think about—and if it is for birds which are kept as domestic pets, it has a 20 per cent tax; but if it is for native birds there is no tax at all. So one can see that in the famous edible underwear case, which is a true case, the sales tax office was thrown into a state of confusion.

There are more serious cases. There is the famous example of these so-called health bars, muesli bars and so on where the Tax Office and the manufacturers, and ultimately the wholesalers, have had to try to decide whether they are food or confectionery. But on top of those simple definitional problems there are valuation problems. Generally, the sale value is the equivalent wholesale value of goods. But what if the goods are not in fact sold by a wholesaler? In that case one has an extraordinarily complex problem in trying to work out how one values the product which is taxed at the wholesale level where there is no apparent person who is the wholesaler.

There is the problem which, of course, we allude to continually about the failure to exempt a wide range of business inputs, which creates further borderline problems. For example, manufacturers get an exemption on fork-lift trucks if they are used in manufacturing premises, but they pay tax if they are used in a storage area. Wholesalers and retailers who do not manufacture goods at all end up not getting the exemption. Indeed, the failure

to exempt business inputs gives rise to the worst aspects of the wholesale sales tax—its propensity to impose tax on top of tax over and over again.

Finally, just in terms of the cost of administering the tax to business, the failure of the wholesale sales tax to keep pace with advances in commercial practices and technology has led to an enormous amount of work having to be undertaken by the Tax Office itself in trying to rectify these anomalies and in introducing administrative edicts and, ultimately, in persuading the Government to introduce amendments to the law. For example, in 1985-86 the Government decided that it would tax computer software. By the way, this is part of the Australian Labor Party's endeavour to broaden the scope of the wholesale sales tax system. So in that year it decided to tax computer software, only to find that the administration of that legislation was simply impossible to carry out and subsequently it had to be repealed.

There are examples like that which go on and on and on—some trivial, some serious—but the fact is that, in order to administer this ramshackle, old-fashioned, totally out-of-date and historic taxation system, it is costing business about \$500m a year. But the impact of this old tax, this grandfather of sales taxes, of consumption taxes, on the direct sectors of the community is also absolutely exorbitant. Of course, none of these costs to business—none of these sales taxes on their inputs—is in any way rebatable, as they would be with a goods and services tax.

First of all, there is the cost to exporters. Exporters pay wholesale sales tax on many of their inputs, even though the goods which are actually exported are supposed to be exempt. That adds something like \$1.2 billion to export prices, thereby making Australian exports relatively uncompetitive. This point was made in Helen Hughes's famous report on Australian export industries and the failure of the country to compete in export markets. One of the points that Professor Hughes made was that this country needed a goods and services tax so that it could compete, at least in taxation terms, on an equal footing with

most other countries which have a sales tax system of that kind.

The sales tax effect on the tourism industry is also very great, and it is often unknown. Let us take, for example, the effect of the wholesale sales tax on accommodation alone. In the tourism industry, its cost is something like \$66m a year. Travel agents pay the wholesale sales tax on all of their inputs—to suppliers of services and for entertainment activities, transport and so on. They are all paying wholesale sales tax on their inputs. Hire cars, taxis, trucks, refrigerated vans and so on, all of which are extensively used in the tourism industry, are all subject to the wholesale sales tax—and none of it is rebatable. In other words, it is a very real impost directly on the business community, with no relief through a rebate system.

Telecom, arguably Australia's biggest business, spent something like \$375m last year in wholesale sales tax on its capital equipment purchases. Let us look at the road transport industry. The Road Transport Industry Forum, in a recent article in a magazine called *Truckin' Life*, estimated that something like \$1 billion a year in sales tax was being paid by the transport industry—none of it rebatable; all of it adding to the costs of any goods which are carried by transport to any part of Australia, and sometimes to the wharves of this country, to get those products exported.

People who live in regional and country Australia all have on them a greater sales tax impost because of their greater dependence on transport to get goods to them—none of it rebatable under the Government's system; all of it rebatable under the goods and services tax system. Think of those two or three very major national transport companies. They are spending around \$10m each in sales tax on spare parts, tyres and new transport vehicles. None of that is rebatable, as it would be with a goods and services tax.

Let us look at the impact of the wholesale sales tax on the motor vehicle industry, an industry which is totemic to Australia—it is regarded as the most symbolic of all of our manufacturing industries. It is a savage impost on that industry because the motor vehicle

industry in this country alone bears 30 per cent of the burden of the wholesale sales tax. New car dealers also pay wholesale sales tax on most of their business inputs—that is on top of the 20 or 30 per cent sales tax that is paid on the motor vehicles. For example, the car dealer—whether it is a new car dealer or one who sells second-hand cars, and typically dealers will do both—pays sales tax on office furniture and furnishings; office equipment such as computers, fax machines and photocopies; advertising brochures; price lists; business cards; office, showroom and caryard lighting; servicing equipment; equipment and tools used to carry out warranty repairs; demonstrator vehicles—and so the list goes on. None of it is rebatable, remember; all of it is borne by the dealer himself or herself.

Car manufacturers pay wholesale sales tax on many of their inputs as well, even though their products, once manufactured and wholesaled, have to bear the wholesale sales tax on top of that. They pay wholesale sales tax on goods for general administration of the company, computers, the sales representatives' cars, advertising videos—on a whole list of things that car companies produce and need for efficient manufacture. They are slugged with a wholesale sales tax and again, in contrast with the goods and services tax proposal that we on this side of the House put forward, none of that tax is rebatable; all of it is fully borne by the industry and simply adds to the cost of the industry. That makes it uncompetitive in the face of imports, and uncompetitive in the international marketplace.

I noticed—as other readers of the *Australian Financial Review* today will also have noticed—that some people have been talking about the potential costs to the racing industry of a goods and services tax. This is another of the great scare campaigns that the Labor Party is rushing around mounting, as if there were no wholesale sales tax impact on the racing industry now; as if any impact were rebatable, which it is not.

The fact is that the racing industry—just to take that one admittedly rather emotive industry in this country—is subject to a wholesale sales tax burden of around \$100m

a year. None of this is rebatable. Admission tickets and course entry tokens are hit with a wholesale sales tax. The fertilisers which are used to keep the track in good order are hit with the wholesale sales tax. The hoses used to water the track are hit with a 20 per cent wholesale sales tax. The Minister for Science and Technology (Mr Free), who is at the table, might recall that mobile barriers and motor vehicles used to tow the mobile barriers are subject to a sales tax of 20 per cent.

**Mr Tim Fischer**—The cameras.

**Mr DOWNER**—The lighting for the track, the cameras, as the Leader of the National Party of Australia points out, the electric equipment used by the starter, air conditioning equipment and duct work in the enclosed viewing areas, floor coverings, tables, chairs, cutlery, food preparation and preservation equipment, cash registers, food and drink vending machines and trophies attract a 20 per cent sales tax. Sashes, horse rugs, totalisator machines, totalisator display boards and television monitors are also subject to a 20 per cent wholesale sales tax.

I will not bore everybody by going through every single thing on a racetrack. When one goes to the races on a Saturday or a Wednesday, as one does in Strathalbyn in my electorate, all of those things are subject to a wholesale sales tax and none of them are rebatable. They are simply borne by the racing club; they are borne by the racing industry; they are borne ultimately by the consumers. It is an impost, though, because it is not rebatable. This simply makes business inefficient and uncompetitive.

Let me say in conclusion, Mr Deputy Speaker, that the great difference between the iniquitous and irrational wholesales sales tax system—

**Mr DEPUTY SPEAKER (Hon. G.G.D. Scholes)**—Order! The honourable member's time has expired.

*Mr Downer continuing to address the chair—*

**Mr DEPUTY SPEAKER**—Order! Before I call the Minister, I might remind honourable members that remarks that are made after a

member has been told that his time has expired are not recorded.

**Mr FREE** (Lindsay—Minister for Science and Technology and Minister Assisting the Treasurer) (3.27 p.m.)—Whatever else one can say about the contributions of the honourable member for Mayo (Mr Downer), they seldom fail to amuse. Rarely does one learn very much by listening to him, but today we might in fact have learnt a little more about the continuing mystery and saga of the Opposition's consumption tax.

The honourable member for Mayo was keen to tell us about the longevity of the wholesale sales tax. I would have thought that that was an excellent argument in favour of a tax which has clearly stood the test of time. We learnt of his great interest in edible underwear and other items of entertainment. Regrettably, he did not treat us to quotes from Senator Vanstone's little red book. That was a great pity. We might look forward to his doing that in the future. Towards the end of the speech I thought he was actually speaking about a life after politics operating a lift in a department store.

The honourable member referred to the cost of the wholesale sales tax to exports, the tourism industry, telecommunications, road transport and the motor vehicle industry. He argued that these costs were not rebatable under a wholesale sales tax system. Is he telling us a little more about the Opposition's consumption tax policy? Is he telling us that goods and services in categories related to those areas are likely to be exempt from a GST?

**Mr Downer**—No, they are not rebatable; you don't understand the words.

**Mr DEPUTY SPEAKER**—The honourable member will remain silent.

**Mr FREE**—We need to know a lot more about the Opposition's policy than the Australian people have been told to date.

Let me put the question of wholesale sales tax into the context of Labor's proud record in taxation reform. I remind the House that when this party won office in 1983 it inherited a taxation system which was in disrepair and disrepute. Years of neglect had resulted

in a system which was inequitable, inefficient and complex. The previous coalition Government, led by Mr Fraser and guided by the economic adviser who is currently the Leader of the Opposition (Dr Hewson), simply ignored the basic principles of taxation policy—that is, equity, efficiency and simplicity.

Since 1983 the Labor Party has developed a taxation system which is fairer, more efficient and no longer open to massive abuse. Let me remind the House of some of these reforms. The top personal marginal taxation rate is now 47 per cent; in 1983, it was 60 per cent. The bottom personal marginal tax rate is now 21 per cent; in 1983, it was 30 per cent. The company tax rate is now 39 per cent; in 1983, it was 46 per cent. The effective rate of company taxation in 1983 was an astonishing 78.4 per cent. So much for an Opposition which, when in government, imposed these kinds of burdens on business.

The introduction of the capital gains tax by this Government has meant that the privileged, who take a proportion of their income in capital gains, are now taxed. Before 1983 taxation was an optional extra for the well-heeled. Fringe benefits are now taxed, and this raised over \$1.26 billion in 1990-91. Under previous conservative governments, tax free fringe benefits were substituted, of course, for cash income. The reforms instituted by this Government have ensured fairness in the taxation system. People are now paying their share.

Entertainment expenses are no longer recognised as a tax deduction. As a Party, we abolished the long free lunch previously enjoyed at the expense of the average Australian. By introducing franked dividends, Labor has reduced the effective company tax rate. It has meant that income received from equity investments is no longer double taxed and a longstanding bias against equity investment in favour of debt financing has been corrected—again by Labor. In addition, Labor has ensured that foreign income is properly taxed. The reforms of the Hawke Government have meant that elaborate company structures established in offshore tax havens cannot be used to disguise foreign income. In addition,

the Australian community now receives an appropriate return from the use of its natural resources through the resource rent tax.

The wholesale sales tax system has been changed over those years. The honourable member for Mayo would have one believe that the wholesale sales tax system has been immutable and not subject to change. This, of course, has not been so. It has been altered over the years to reduce compliance costs. As a result of reforms introduced by this Government, wholesale sales tax collections, as a proportion of total taxation revenue, have increased at the rate of only 1.2 per cent since 1983-84. Further, as a result of Labor's tax reforms, the amount of tax paid by individuals as a proportion of total taxation revenue has declined. So much for the alleged burden on business of the wholesale sales tax.

As I indicated earlier, the longevity of the wholesale sales tax is an indication that it has stood the test of time. Let me deal briefly with some of those reforms to which I referred earlier. Reforms of the wholesale sales tax have been directed to improving the efficiency and fairness of the system. I point to changes over the years that have done exactly that; for example, measures introduced in May 1985 to reduce evasion and avoidance, saving the taxpayer \$400m. There were changes introduced in September 1985 to rate classes and applied to base broadening and correction of anomalies and inconsistencies.

Further base broadening and correction of anomalies and introduction of changes in sales tax rates on wine were introduced in 1986-87. In 1987-88, the sales tax exemption for commercial government authorities was removed, a move designed to put these authorities on an equal footing with private sector firms competing for the same resources. In 1988-89, the sales tax exemption was removed from beer. Further adjustments were made in 1990-91, including the extension of exemptions for computer software and a move to provide for quarterly payments for small businesses. All through its period of government, the Government has quite sensibly looked at the wholesale sales tax system and made those adjustments where it has been thought necessary and desirable.

I make the point that the wholesale sales tax system is an established one. It is one that is well understood; it is one that does not impose on business the burden that the Opposition would have the House believe.

In addition, during this debate something has been made of the impact of varying rates of wholesale sales tax on different goods. Far from this being the confusing aspect of the tax that the Opposition would have us believe, this very often gives government the opportunity to use the wholesale sales tax to discriminate in various ways either in favour of groups in the community or in favour of particular products. I give two examples. One of the measures introduced as a result of this year's Budget is the provision of assistance to disabled people in purchasing motor vehicles and equipment associated with the transport of disabled people. As a result, wholesale sales tax has been reduced in that area. A specific measure has been applied to assist disabled people. This is the kind of positive discrimination that would simply not be available under a consumption tax regime.

Before that the Government took a decision—a decision I think supported by the vast majority of the Australian community and, I hope, by a majority of the Opposition—that it would be in our national interest to promote the use of recycled products and, in particular, recycled paper. As a result, the Government decided to remove sales tax on recycled paper—a move which I hoped had the support of the Opposition, but perhaps not the honourable member for Mayo. This is again I think an instance where—

**Mr Downer**—Have you read the Industry Commission report?

**Mr DEPUTY SPEAKER**—The honourable member for Mayo will remain silent. He was heard in silence and he will remain silent or I will warn him.

**Mr FREE**—This is again an instance in which the Government can use the wholesale sales tax system to work towards desirable outcomes in areas of general policy.

I now ask this question: if the Opposition wants to remove the wholesale sales tax, what will it replace it with? Those opposite tell us

that we will have a goods and services tax—a GST, a consumption tax. They have not been terribly good at providing the details of exactly what shape this consumption tax will take, the rates at which it will be applied, and what kinds of attempts might be made to provide compensation. We are told that we will get details at some stage in the future. I know that many members of the press gallery and certainly many people interested in the shape of politics in this country were approaching 25 September with bated breath; the Leader of the Opposition had booked the National Press Club for that day and excitement rose. But unfortunately Dr Hewson squibbed it on that day. Yet again, we have to wait for the details of the consumption tax.

I repeat what my Leader and other government members have said: a consumption tax is simply not on Labor's agenda. We reject it because of the simple fact that a consumption tax represents an attack on individual Australians. Further, it would increase inflation. A major objective of our economic policy is to see further reductions in inflation. By doing so, the Government establishes the basis of sustainable increases in employment. In addition, a permanent reduction in inflation means sustainable wages outcomes, resulting in an automatic advancement in welfare for those on fixed incomes and then further reductions in interest rates. This is a major objective of current economic policy.

What effect would a consumption tax have on inflation? What effect would a consumption tax have on those employment outcomes which I hoped were an objective shared by the Opposition and the Government? Let me give honourable members the evidence from Eric Risstrom of the Australian Taxpayers Association. He argues that a 15 per cent consumption tax would result in an immediate 15 per cent increase in inflation. This is borne out by what happened in New Zealand, where inflation shot to a massive 18.9 per cent after the introduction of a consumption tax at 10 per cent. Only now in New Zealand, after four years of recession, has inflation come down. Imagine what the results would be if a

consumption tax at the rate of 15 per cent were to be introduced in this country.

Let us look at the general effect of a consumption tax should it be introduced. The Australian Catholic Social Welfare Commission summed it up rather well in June this year when it said that shifting from income tax to a goods and services tax would increase tax burdens for low income earners and families, both urban and rural. A consumption tax is clearly regressive. The people it hits hardest are those on the lowest incomes. A consumption tax would also mean that Australia would forgo jobs and forgo growth.

Let us have a look at the impact of a consumption tax on business, the sector currently allegedly suffering such a burden. My colleague the Minister for Small Business and Customs (Mr Beddall) told me that there are 930,000 reasons for rejecting a consumption tax. The introduction of a consumption tax would provide for approximately one million collection points. There are currently 70,000 collection points for the wholesale sales tax. In other words, it would provide for the increase in collection points for tax of 930,000 in this country—hence the 930,000 reasons for rejecting the Opposition's consumption tax.

Small businesses would be forced to account in detail to the Australian Taxation Office for every item purchased and for every transaction made in order to claim rebates on the consumption tax. It would mean that every small business would have to institute new accounting and cash flow procedures. Every small business in Australia would be collecting tax and would be monitoring the activities of its business neighbours. The cost of complying with a consumption tax would fall most heavily on small business. The British experience shows that for every \$100 earned, just in complying with the task of administering a value added tax \$1.20 is paid out by those in small business.

In summary, a consumption tax means reduced profitability and increased administrative burdens for business overall. It is unfortunate that I am running out of time, as I cannot refer in detail to the likely impact of a con-

sumption tax on the racing industry, a subject which apparently interests the honourable member for Mayo. (*Time expired*)

Mrs BAILEY (McEwen) (3.42 p.m.)—I do not believe that there has ever been such widespread and unified condemnation of the wholesale sales tax system. The Minister for Science and Technology (Mr Free) is indeed a rare species in supporting a system of wholesale sales tax that is so iniquitous. The words 'equity', 'simplicity' and 'efficiency' that the Minister used in his speech certainly do not apply to the wholesale sales tax system. In fact, most of what the Minister said did not apply to the wholesale sales tax system or the problems that the honourable member for Mayo (Mr Downer) raised.

We are in the worst economic condition since the 1930s. We have a country riddled with high levels of debt and with unemployment officially hovering around the one million mark. Business bankruptcies increased over 50 per cent compared with the same period last year. The Confederation of Australian Industry's survey of investor confidence showed continuing high levels of business pessimism. In fact, 87.5 per cent of the respondents surveyed described the climate for investment as poor, very poor or deeply depressed. Make no mistake, it is the deliberate policies of this Government that are directly responsible for the very sick state of our economy.

The tragedy is that those on the Government benches have had the opportunities for reform, but they have frittered them away. Never has there been a more critical time for this Government to reform our wholesale sales tax system and provide some much needed relief to business, to remove the heavy imposts of tax on business so that growth can be stimulated and so that employment opportunities can be provided. But this Government lacks the resolve. We have said in this debate today that the wholesale sales tax system is outdated, unfair and ramshackle. The list of business, industry, manufacturing, mining and farming organisations that agree with this statement is growing at a daily rate.

The honourable member for Blaxland was absolutely correct when on 13 June 1985,

while speaking to the *Sydney Morning Herald*, he said:

The existing wholesale sales tax is fraught with anomalies and complexities which render administration and compliance unduly burdensome.

Among its other features which make it an undesirable tax are: its multiple rates and exemptions, which distort both demand and supply decisions; valuation difficulties in determining a wholesale price in a world of widely varying distribution arrangements; the fact that the tax must be carried by retailers when goods sit in stock, with retail margins applied to the tax-inclusive wholesale price; a high proportion of the tax, about a half, is taxed on industry inputs.

These features represented enormous cost to business in 1985. As the former Treasurer widened the wholesale sales tax base to collect more indirect tax to compensate for his lost opportunity for reform, today they represent even greater cost to business.

Professor Cnossen, in the *Australian Tax Forum Journal*, agreed that more than half of the initial incidence of wholesale sales tax is imposed on business inputs. A study prepared for the Business Council of Australia by Monash University in March 1991 also agreed, and it estimated that 49 per cent of the initial incidence of wholesale sales tax is on business purchases of inputs not eligible for exemption as aids to manufacture. A further 14 per cent of wholesale sales tax initially falls on business purchases of investment goods.

It is the very nature of the wholesale sales tax system that makes it unfair, outdated and such a huge cost to business. It is the complexity of the system—with multiple rates, exemptions, anomalies and compliance costs—that is of such enormous cost to business. Multiple rates of 10 per cent, 20 per cent and 30 per cent are applied to different categories of goods, unless those goods are exempt. The rationale used for applying different rates to different categories of items is arbitrary, but the onus of compliance falls on the business taxpayer. It is these multiple rates and exemptions that lead to costly disputes with the Australian Taxation Office.

Even if a business wins a decision against the Tax Office, the Tax Office can appeal to a higher court. While that appeal is pending,

the Tax Office insists that tax is payable in accordance with its interpretation of the law until the dispute finally is resolved by a higher court. This places the business in question in an invidious position. If that business acts on the lower court decision, should that decision ultimately be overturned—often years later—the business taxpayer is unable to recover the tax from customers and so must bear the cost from his or her own resources. On the other hand, should a business charge and return tax to the Tax Office on the basis of the Tax Office's advice, that business may not be able to recover that tax if it becomes overpaid tax on a later decision. It is because of the day-to-day nature of the wholesale sales tax system that businesses are often inhibited from exercising their objections and rights of appeal. Often it is another cost on top of the already high cost of administering the system that business simply cannot afford.

Let me give some concrete examples of some of these day-to-day problems that businesses face in dealing with this outdated system. On the one hand the Prime Minister, in his 12 March industry statement, exhorted business to export more manufactured goods and services and to substitute more quality Australian production for imports. No-one would disagree with that sentiment. But on the other hand, by maintaining the wholesale sales tax system, the Prime Minister is making our export industries uncompetitive to the tune of over \$1 billion per year because of business input costs. But it is even worse than that. The whole question of whether or not particular processes applied to goods constitute manufacture for wholesale sales tax purposes is central to the whole meaning of the system. But, in spite of this crucial importance, the actual definitions of 'manufacture' and 'manufacturer' have been the subject of numerous legal challenges.

For example, the reassembling of motorcycles which previously had been assembled and tested by an overseas supplier and then knocked down into parts for shipping to Australia was not defined as manufacture; yet the assembling for the first time in Australia of a motorcycle or car from completely

knocked-down parts was defined as manufacture. The making up by a florist of wreaths, bouquets, posies, floral baskets and sheaves of flowers constitutes manufacture; yet the assembling of a bunch of flowers does not.

The whole wholesale sales tax system is not only a huge cost to business but also a nightmare for business to administer. Imagine being in the position of a business involved in the building industry. Building materials may be unconditionally exempt, conditionally exempt, taxable at 10 per cent or taxable at 20 per cent. Often the point of distinction is clouded, to say the least. Roller doors which incorporate a built-in motor qualify for exemption as builders' hardware; but if the motor is external to the roller door, the motor is subject to tax.

The question of classification of wardrobes and so-called built-in cupboards, such as broom cupboards, over many years frequently has been subject to different interpretations by the Australian Taxation Office and the trade in different States. At one stage, for example, tests such as the provision of screws to build in a wardrobe or the absence of a back have been used to differentiate exempt built-in joinery from taxable freestanding furniture.

Retail businesses experience cash flow difficulties. The Government's own Beddall report recognised these huge costs. Of the 23 recommendations dealing with tax reform, the recommendation to have further discussions with the Treasurer seems to be the rule of thumb. The meaning of exactly what is manufacture, conditional exemptions, compliance costs, anomalies, cash flow problems and the added costs that make our efforts uncompetitive all add up to these huge costs of this unfair system. (*Time expired*)

**Ms CRAWFORD (Forde) (3.52 p.m.)**—I rise to oppose the matter which the honourable member for Mayo (Mr Downer) has raised. I look at it in terms of the way in which I find people talking about equity. To talk of equity in relation to the Opposition's proposal to change the wholesale tax system to a consumption tax is extraordinary; members of the Opposition are the very group of people who are pursuing inequity in a system

that they propose as a substitute for the wholesale sales tax system.

The wholesale sales tax system enables us as a Government to target areas, and the Government has responded to the Beddall report and to those demands of small business by announcing in the 1990-91 Budget the review that was undertaken by the Australian Taxation Office, the Treasury, industry representatives and other professional bodies. The Government looked at the range of issues within the wholesale sales tax area. That area is efficient in that it allows targeting. We have heard that already from the Minister for Science and Technology (Mr Free), who is at the table. He showed the way in which the Government can show its compassion in this area by addressing issues concerning those people with disabilities. It can also respond to the needs and demands of business in the way that it has by dealing with recycled paper, software and other issues.

The Government has attempted, and pursued, a streamlining of the wholesale sales tax system. But honourable members on the other side, while they talk about a range of figures within a wholesale sales tax system, have failed to look at the one figure which many Australians know and recognise—that is, zero. On many of our services and on necessities of life we pay no sales tax at all. What the Opposition members are endeavouring to change is that zero, which would become something in the region of 15 per cent to 20 per cent.

We find that the kinds of concerns for the tourism industry about which the Opposition bleat are not shared by the Opposition's own partners in the Northern Territory. They have placed a consumption tax and a levy on tourism beds—an attempt to gain more tourists by putting up more fees which has brought about a reverse effect. Indeed, we need only look at that to know that is the kind of direction in which members of the Opposition are leading us, and that the kinds of arguments which we have heard trotted out against the wholesale sales tax are in fact quite spurious. We heard the sleazy story from the honourable member for Mayo about underwear. I listened to that part of his speech

with disgust. His behaviour can only be described as outrageous.

The other term which is bandied around by members of the Opposition is a 'rebatable' consumption tax. Either we pay consumption tax or we do not. What sort of nonsense do we have here? We have an Opposition which is proposing a change in tax policy, a shift in tax policy, but then says, 'Don't worry folks, none of you will have to pay it; it is all rebatable'. We understand that very well because that is what the Opposition's tax policy was right through the 1950s, 1960s and 1970s when paying tax was simply an option for the rich—not, I might add, for the poor. Indeed, the capital gains tax, the fringe benefits tax and the tax file number are all measures of tax reform which have been vigorously opposed by the Opposition. Why? Because everybody would have to pay them.

Now we are presented with some grand scheme of things which says, 'We will all pay'. Those of us who lived through the years of those opposite know that is never the case. We do not all pay. We on this side, who are poorer and less well off, will all pay; we know that very well. The richer and the well-heeled, of course, do not pay and will never pay under the system which the Opposition has proposed. So I find it very interesting now to hear the honourable member for Mayo talking about rateable allowances, and consumption tax which is rebatable. Good heavens, what new jargon is this? What indeed is this going to do? What is it about? We also hear the consumption tax touted as the way in which the black economy will be covered, those dreadful people out there who are operating in an economy in which they do not pay tax.

**Mr Free**—That also applies to SP bookmakers.

**Ms CRAWFORD**—Indeed, SP bookmakers, as the Minister says. But there are very many people who will argue that in fact the consumption tax is just what the doctor ordered for those people wishing to evade tax and join the market economy. There will be those of us who perhaps have a tradesperson come to our house who suggests a price for some work to be done and then says, 'But, of

course, if you pay me in cash and none of us do anything, then neither of us need pay the consumption tax or the income tax'. That is exactly what is going to happen. There are very many tax consultants who see the growth of the black economy, the growth of the black market, as playing a very real part in the way in which the consumption tax will affect our economy.

The other matter which we have heard being bleated about today is the way in which the wholesale sales tax affects business, and small business in particular, but this new and grand scheme will be a panacea for all in business. Those people who have not had the opportunity to travel to Canada or England will be unaware of the vast teams of people, hundreds of thousands of people, who scour the countryside day and night in their role of tax inspectors and value added tax collectors, and of the range of jokes about them. The paperwork, the administration, has been absolutely mammoth.

We heard the Minister for Science and Technology say that not only will we have 930,000 extra people filling in forms—even if they only have to fill in one extra form—but also the administrative charges and the time spent by small business on this will be simply outrageous. Small business now does not pay and has never paid tax on its services—for example, its heating and its lighting.

**Mr Downer**—What about lights? There is a 20 per cent tax on lights.

**Ms CRAWFORD**—It does not pay tax on electricity, or on the service for the lighting. We know that this will come about. Once again, the concern for small business is simply a shield to hide the Opposition's friends, the big business world, because we know, as does Australian society in general, the consumption tax will fall heaviest on people with low incomes and also on the smallest businesses. Those businesses who have fewer customers and employees and lower turnover will spend a disproportionate amount of their time and the time of their staff filling out forms, collecting the material and sending it in.

In Britain, the experience has been that, for every \$100 earned, \$1.20 is paid by small business just to comply with the administration of the VAT. The VAT in Britain is a tax which has a huge number of exemptions, not a tax, as is proposed here for small businesses, which has no exemptions. Both the Leader of the Opposition (Dr Hewson) and the shadow Treasurer, the honourable member for Flinders (Mr Reith) have been at pains to suggest that there is to be no exemption, so that we can have a nice simple method of operation.

We on this side of the House are anxious to see a tax system, a tax reform package, which ensures that all Australians, be they individuals or people in business, are paying fairly and equitably, contributing to the community. The system should be fair—and it is fair. It is constantly being overhauled, as the wholesale sales tax system is. It has stood the test of time, as indeed a consumption tax would not. We on this side of the House reject such nonsense. We believe this system would be absolutely iniquitous on small business in Australia, on Australians in general and on society. We know that Australians everywhere will reject such an iniquitous and blatant tax that will in fact favour the rich and yet again penalise those people who are less well off in our community.

**Mr DEPUTY SPEAKER (Hon. M.J.R. MacKellar)**—Order! The debate is concluded.

### ASSENT TO BILLS

Affirmative vote to the following Bills reported:

Law and Justice Legislation Amendment Bill 1991.

Crimes Amendment Bill 1991.

Crimes (Aviation) Bill 1991.

Senate (Quorum) Bill 1989 [1990].

Freedom of Information Amendment Bill 1991.

### EXPORT FINANCE AND INSURANCE CORPORATION BILL 1991

[COGNATE DEBATE:

EXPORT FINANCE AND INSURANCE CORPORATION (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 1991]

### Second Reading

Debate resumed from 12 September, on motion by Mr Free:

That the Bill be now read a second time.

**Mr DEPUTY SPEAKER (Hon. M.J.R. MacKellar)**—I understand it is the wish of the House to debate the Export Finance and Insurance Corporation Bill 1991 concurrently with the Export Finance and Insurance Corporation (Transitional Provisions and Consequential Amendments) Bill 1991. There being no objection, the chair will allow that course to be followed.

**Mr DOWNER (Mayo)** (4.03 p.m.)—The coalition supports these Bills which the Government has introduced to make some changes to the way that the Export Finance and Insurance Corporation works. The changes are twofold. Firstly, the Export Finance and Insurance Corporation Bill hives off the Export Finance and Insurance Corporation from Austrade and establishes it as a government business enterprise and, secondly, it provides for a \$200m supplement to EFIC's reserves in the form of a callable capital facility. The second Bill, the Export Finance and Insurance Corporation (Transitional Provisions and Consequential Amendments) Bill, is a transitional arrangement to ensure that EFIC can continue to operate during the period of transition.

In supporting this Bill, though, we on this side of the House would like to raise several issues in relation to EFIC and the way that EFIC operates, and we would hope that the Government and EFIC, in particular, will take up some of these points because I think no organisation is perfect and, in the case of EFIC, there are certainly areas where examination could be made into possible improvements and better liaison with the banking sector of the business community in particular.

There is one aspect of this Bill which we would take issue with; that is, the decision by the Government to retain the ministerial responsibility for EFIC with the Minister for Industry, Technology and Commerce (Senator Button) rather than to transfer it to the Ministers responsible for the Department of Foreign

Affairs and Trade. I think that the Government has been correct to transfer Austrade to the Department of Foreign Affairs and Trade. I hope that, under the ministerial responsibility of the Minister for Trade and Overseas Development (Dr Blewett) or the Minister for Foreign Affairs and Trade (Senator Gareth Evans)—whoever is going to have the day to day responsibility for Austrade—that organisation will take the opportunity to become substantially more efficient and responsible than it has been in years gone by.

It is also noteworthy that the Department of Foreign Affairs and Trade is responsible for the operation of ADAB, the Australian Development Assistance Bureau, which has carriage of the development import financing facility which interlinks with the work that EFIC does. By definition, the Department of Foreign Affairs and Trade has responsibility for trade policy matters. I would have thought all would agree that EFIC's work indisputably was trade work.

I think there is almost irrefutable logic for EFIC to be transferred to the Ministers responsible for the Department of Foreign Affairs and Trade. I am disappointed that the Government has decided to leave EFIC with Senator Button, which is effectively what the decision amounts to. His period of administering Austrade-EFIC, as it is until this legislation is enacted, has proved to be casual, to say the least.

He clearly has not shown a great deal of interest in the operation of those organisations or, one could say, that organisation. It is noteworthy that on only one occasion Senator Button, as the Minister responsible for Austrade-EFIC, had a formal meeting with the former managing director of that organisation, Mr Lindsay MacAlister. I do not wish to speculate on what the nature of that meeting was, except to say that it was very close to the end of Mr MacAlister's term as managing director of Austrade-EFIC.

There is no doubt that the functions of EFIC are of some considerable help to Australian exporters. It is no coincidence that something like 10 per cent of all Australian exports are insured or at least dealt with in one form or another by EFIC. Given that it

has the coverage for something like 10 per cent of our exports, we can conclude from that that EFIC in principle has a very important role to play in contributing towards the competitiveness of the Australian economy in the international marketplace.

Basically, EFIC has three functions. Firstly, it insures against the risk of non-payment by overseas buyers. That certainly was its traditional and original role when it was established back in the 1950s. Secondly, it insures offshore investments against non-commercial losses such as war damage and so on. Thirdly, it provides concessional finance for exports of capital goods. In providing those three functions, I do not think it is really in contention that EFIC's assistance does constitute direct assistance to exporters. If one takes the general insurance that EFIC undertakes, it is in many instances insurance that would not naturally be attractive to the commercial market. If it were attractive to that market, it would be undertaken at a very considerable cost, at a very high premium, to Australian exporters. That is not to say that EFIC conducts that insurance business at a loss; it does not. The fact is that, with the benefit of being able to borrow in the marketplace with a government guarantee, it is therefore able to conduct that business at a lower cost than might be the case by the general business sector.

I think it is worth pointing out to the House that, quite legally and consistently with the GATT rules, that does constitute some direct assistance to exporters. There is no doubt, however, that the concessional finance that EFIC provides is direct assistance to exporters; that is certainly not debatable. I thought that this point was made very well in Professor Helen Hughes's excellent report which was produced in July 1989 entitled *Australian Exports—Performance Obstacles and Issues of Assistance*, which I commend to Government members—of course, they would have read it at the time it was produced—to read yet again. Quite apart from its analysis of these issues of direct assistance to exporters, on pages 28, 29 and 30 it has a very useful analysis of the enormous benefits to Australia's balance of payments of introduc-

ing a broadly based goods and services tax. The Minister for Science and Technology and Minister Assisting the Treasurer (Mr Free) might like to read that. I do not think he could have read that part of the report.

A point is made in that report about concessional finance. If the House would bear with me, I would like to read a little of it:

Such concessional finance is seen as a defensive measure to protect the competitive position of Australian exporters in world markets, when facing 'soft' loans of competitors. The exploitation of such official credits by exporters with resulting high budgetary costs led the OECD's *Arrangement on Guidelines for Officially Supported Export Credits* which sets minimum interest rates and maximum credit periods for the financing of capital goods exports. Together with the Berne union, which is a clearing house for official insurers such as EFIC, these arrangements damp down the costs of export finance and insurance subsidies. The participants are fully aware that export finance subsidies are as harmful as any other subsidies to trade. They damage small countries—

which obviously includes a country such as our own—

and developing country exporters which have to draw on limited resources to match industrial country subsidies.

It is worth reflecting on that, and the points that Helen Hughes made in her report, because it raises the question of whether the work of EFIC can be justified at all. I think the defence of EFIC's existence is the common defence that, as long as other countries are doing it, it leaves us in a position where, if we did not provide that concessional finance consistent with the OECD guidelines—the quote from Professor Hughes, which I have just read out, referred to the guidelines—we would lose market share, particularly in terms of exports of capital goods in a range of important markets.

I particularly refer to the south-east and north-east Asian markets. Most of those countries, outside Japan, are defined as developing countries and they are in our region. People like me, you, Mr Deputy Speaker, and some honourable members of the Government, have advocated for a long time that we need to be more effective exporters into those markets and that as an economy we need to integrate more successfully with

the north-east and south-east Asian economies. One of the problems we have in getting into those markets and maintaining market access once we have got into them is that, compared with the amount we devote for these purposes, the European Community, Japan and the United States spend an enormous amount of money on providing so-called mixed credits and other forms of financial assistance for their own capital goods exporters.

We on this side of the House are trying to get some analysis done on the impact on trading opportunities for Australia in that part of the world of the types of financial subsidies that are coming from Europe, the United States and Japan. There is no doubt that if we were to take away the concessional finance for the export of capital goods that EFIC provides we would have less opportunity in those markets than we currently have. I think the purist would argue—everybody must consider this—that the cost of providing that concessional finance needs to be properly understood. We need to understand what the net benefits of providing the concessional finance are, and not take a simplistic view of the gross benefits because the gross benefits are obvious. I think the evidence seems to suggest that the net benefits are there; that it is a cost which is far exceeded in terms of the benefit from those exports to those particular markets.

Given that for the time being the concessional finance function, in particular, but also the other insurance functions undertaken by EFIC are justified, at least for as long as the OECD retains its code to provide for concessional finance, should the OECD take that code away—I would hope it would eventually because I do not think it is in our interests as a smaller country to have that type of code in place—we will probably have to stick with this concessional finance. Once it goes we will be a major beneficiary of the disappearance of that type of concessional finance.

If one is prepared to accept the role of EFIC in performing this function, it begs the question of how successfully EFIC is handling the whole issue of concessional finance. In a

recent Estimates committee hearing my colleague Senator Bishop raised—quite appropriately in the context of this debate—the subject of the concessional finance provided by EFIC for the construction of a boat called *The Other Woman*. This scandal was well and truly exposed by Senator Bishop and has subsequently been reasonably well publicised. When this Bill finally reaches the Senate, Senator Bishop will have more to say on that particular issue. Suffice it for me to say, as the shadow Minister for trade, that this is an issue of some concern to us. In particular, the potential of much of that money is simply being lost. When Senator Bishop talks about the totality of the finance provided for *The Other Woman* she is not just referring to funding that has come from EFIC. A lot of that money has been paid in the form of the shipbuilding bounty. Nevertheless, some of it does come from EFIC. We want more questions answered on that particular issue.

In the same vein, we have been told by a number of contacts in the finance community that EFIC has lost anything up to \$110m in the shipbuilding industry alone. We would like to know more about that. Perhaps when the Minister for Science and Technology and Minister Assisting the Treasurer responds today he might be able to give us some confirmation or otherwise that EFIC has had considerable losses in the shipbuilding industry. While the Minister is about it he might care to let the coalition and the Australian public know—since EFIC is a public institution—what the total value of EFIC's current non-performing loans is and what is the gross value of its losses over the last three or four years. When we have that information we will be able to assess more satisfactorily the strength of EFIC's position, the quality of its management and, flowing naturally from that, the quality of its capacity to handle concessional finance.

We have an organisation which is to some extent picking winners and deciding where money is going to be allocated and where otherwise it might not be allocated. Many of those decisions are supposed to be made with the imprimatur of the Minister. I think we in this Parliament have a right to know the total

value of EFIC's non-performing loans, the total value of any gross losses which have accrued and the nature of those losses.

The coalition has undertaken a rather brief review of EFIC and how it works. We will be doing more work on it in the weeks ahead. In our consideration of the existence of EFIC we have really gone back to the basic point, which I have in a sense briefly touched on already, of whether we need to continue with EFIC at all.

Secondly, given that I have answered that already in my remarks so far, we have looked to see whether it would be possible to transfer an institution such as EFIC to the private sector. It is reasonable that that matter be given some thought. The conclusion that I have reached is that to do that would be very difficult. I suppose international precedent gives us a guide. In the United Kingdom and the United States the equivalent organisations, the Eximbank in the United States and the ECGD in the United Kingdom, have not in general been privatised, although some of the functions of the ECGD were privatised earlier this year.

If we are considering privatising something we have to generate a certain amount of interest in buying the asset within the business community. I do not detect that at this stage. In its present form, EFIC has the advantage of the government guarantee and therefore the capacity to borrow fairly cheaply. If we privatised it without a government guarantee it would lose the commercial edge that it currently has. We could continue to provide the government guarantee but to do that would beg the question of why we would provide a government guarantee to one private company, albeit a specialised banking or non-banking financial institution, and not provide an identical guarantee to another institution. That is not an easy matter.

The third point that we have considered is the relationship between the existing EFIC and the Australian banking system. EFIC offers nearly all of the medium term concessional loans for exports that are provided in Australia. Under the Act in the past commercial banks have been able to lend and get an EFIC subsidy for their lending. In

other words, the concessional loans facility has been able to operate through the private banking sector. Suffice it to say that it is very rare for that to happen. It seems to me that one of the reasons that it has been very rare for that to happen is that it is a lot easier for the business community to go to a single purpose bank to get funding for projects of that kind rather than to shop around at different banks and, in turn, try to persuade banks to apply for the concessions. Maybe the banks would be successful and maybe they would not. Clearly, it is a complicated bureaucratic process when compared with going to a single purpose bank.

Having been rather negative about issues such as the privatisation of EFIC and, as an alternative, the banks simply taking over the functions of EFIC and closing EFIC down, there are things that could be done in order to improve the performance of EFIC and improve its relationship with the general banking community. A number of exporters have complained to me about delays in EFIC giving approval for work that the exporters have wanted done by EFIC. Some have claimed that they have missed contracts as a result of EFIC's delays. Presumably these delays, it would be argued, are caused by a shortage of staff and the only answer would be to increase the overall level of staffing in EFIC. If we were to do that we would reduce its competitiveness by increasing its cost, and one has to make a balanced judgment about that. I point out to the House that that is an issue that has been raised by a number of exporters. It is an issue of some concern. Whether there are ways of eliminating those delays or not, it is certainly something that more work needs to be done on. I will come later to how that possibly could be done.

It has also been said by some that EFIC's lack of a worldwide network, as compared with some of the major international banks, means that as a financial institution assisting exporters EFIC is unable to be as effective as an institution with a more extensive worldwide network. I am not proffering any simple solutions as to how we would achieve that, just as I am not offering simple solutions as

to how we would deal with the delays in EFIC.

I would like to put a proposal to the Government. If it were reasonable about this and took debate in the Parliament on an issue such as this seriously—I think it should because that is what the Parliament is for—it might wish to establish a joint EFIC-banking industry working group to examine whether the commercial banks can play a bigger role in providing some of the services that EFIC is currently providing or assist with the provision of those services.

**Mr Martin**—Or perhaps send them to a committee of the House of Representatives.

**Mr DOWNER**—That is right. As a matter of fact, the honourable member for Macarthur, the Chairman of the House of Representatives Standing Committee on Finance and Public Administration, which is inquiring into the banking industry, would be aware that there has been very little discussion—I accept some responsibility for this—in that Committee on this particular issue. Given that the Committee's work is coming to a rapid conclusion, it may be a little late for it to do much work on that. I accept some responsibility for less work being done on that than could have been. There might be other forums where that could be done more usefully. I suggest that, if we did have a joint working group of EFIC and the banks, we might come up with a more rapid conclusion than we would if we depended on recommendations coming from a parliamentary committee—not to belittle the parliamentary committee.

It is interesting to note that in Britain and the United States the ECGD and the Eximbank both contract out to the banking sector much more of the concessional finance work than is done here in Australia. Comparable organisations in those two countries and their relationship with the banking community might be a good place to start.

The argument goes that if one were able to use the existing commercial banking system, rather than depending entirely on EFIC, one might be able to lower the Government's total borrowing program for EFIC. It might give a greater opportunity for risk sharing between EFIC and the banks themselves, and that

would have an obvious advantage. There might be some capacity to reduce the response time for exporters' inquiries, and I have raised that issue already. It might give a wider based delivery system to provide greater opportunity for new and smaller exporters to take advantage of subsidised export finance. It might help with the promotion of increased export awareness and experience amongst Australian capital goods manufacturers. It would provide the opportunity to have a complete one-stop shop financial packaging service using the commercial banks, rather than going to commercial banks, being shuffled off to EFIC and having to deal both with commercial banks and EFIC. There is, I suppose, the potential for EFIC to achieve cost savings, particularly in the area of marketing and analysis. Finally, the greater interchange of information between banks and EFIC and the improved feedback and advice on changes in market conditions and/or requirements would be another benefit that could flow from that.

I am not being prescriptive about this. I am saying that the Government should consider establishing a working group of EFIC and the banks to see whether more could be done. The Government itself would probably have to participate in the working group, providing a fair bit of guidance and promoting ideas, particularly on the basis of experience in the United Kingdom and the United States.

In conclusion, the coalition supports the Bill. We hope that the Government will examine the feasibility of establishing the working group that I have referred to, and we hope that the Government will decide to change tack on one thing: instead of putting DITAC in the negligent hands of Senator Button, who has administered Austrade and EFIC with a most extraordinary degree of negligence over the last five or so years, it should have EFIC more logically transferred so that it is under the ministerial control of the Department of Foreign Affairs and Trade. I do not say that out of former vested interest, because once I used to be an officer of the Department of Foreign Affairs, but simply because I think there is irrefutable logic in having EFIC, Austrade, AIDAB and the

whole area of trade policy handled by one department rather than being spread throughout the bureaucracy.

**Mr MARTIN (Macarthur) (4.28 p.m.)—** This afternoon I wish to speak in support of the Export Finance and Insurance Corporation Bill 1991 and the Export Finance and Insurance Corporation (Transitional Provisions and Consequential Amendments) Bill 1991 which have been introduced into this place by the Minister for Science and Technology and Minister Assisting the Treasurer (Mr Free). As we have heard, the legislation will re-establish the Export Finance and Insurance Corporation, known as EFIC, and it will do so as an independent statutory corporation offering competitive export credit facilities for Australian exporters.

Like the honourable member for Mayo (Mr Downer), I welcome this initiative. I also support some of the comments that he has made, particularly in respect of looking at ways in which a body such as this, working within the private finance community, can improve the opportunities for Australian exporters. In all sincerity, I say to him that his suggestion about considering some sort of working group made up of EFIC and banks to look at ways to assist in that enhancement of Australian export opportunities and enhance the provision of finance for that is a reasonable suggestion. Despite some of the comments he made about the present inquiry into the Australian banking industry by the Standing Committee on Finance and Public Administration, that could be a possible ongoing reference for a committee of the Parliament in the early parts of the new year if a potential recommendation creating a permanent watchdog on the banking industry was accepted by the Government. That may or may not be one of the Committee's recommendations next month.

In relation to that particular proposal, it is also worth commenting about the role of Australian banks at the present time and what the future actually holds for them in respect of expanding opportunities for Australian exporters to gain finance and assistance so they can get into the markets that exist in

Asia, particularly, and in other parts of the world.

As the Australian financial community changes, as it inevitably will, we will find more and more Australian banks, particularly, becoming globalised. We have seen this in a number of Australian banks taking corporate decisions to locate rather extensive offices in overseas jurisdictions. We have seen the opportunity taken by some of Australia's major banks to acquire the overseas holdings of other banks and therefore establish themselves a real presence in another market. This can only lead to the enhancement of Australia as an exporting nation, particularly in relation to access to finance.

In some way that would complement what is being proposed in the legislation before the House today. For example, the ANZ's recent takeover of Grindlays Bank provides an enormous network, particularly throughout Europe. And the National Australia Bank has taken over a couple of the northern England banks. Again this is an inroad into a part of Europe which is going to become more and more important, particularly as we move to 1993, with virtual elimination of all trade and finance barriers, and perhaps even monetary barriers, between all members of the European Community.

For Australia it is very important not to lose sight of that point, because if we can have already established, through the assistance of EFIC and Austrade, working hand in glove with the private finance community, a ready access into many of those markets, and the provision of finance to assist in that, then the Australian opportunity for export enhancement has to grow. It is quite amazing to think that few people realise that Australia is now running a merchandise trade surplus; in such difficult economic times as we have at the moment, that is probably a point that has been lost.

Any opportunity to enhance our export potential is something which we must grasp with both hands. Last year the actual merchandise trade surplus was something like \$2.5 billion, and that was certainly a turnaround from the \$3.2 billion deficit of the year before. Something must be happening

now; something must be right. As more and more Australian exporters are looking to ways in which they can enhance their opportunities, particularly in the Asian region, which is more and more the market for Australia, we need to provide the financial advice and assistance for those exporters to get into those markets.

EFIC, of course, will be much better equipped to assist in today's competitive export climate, because it must operate in a more commercial, and therefore accountable, way. In the Government's view, of course, this will be best assured by establishing EFIC as a statutory corporation. I have no disagreement with that, because the Corporation will be structured along government business enterprise lines. It will therefore continue to fill the gap that I have identified in what the commercial banks and financial organisations are prepared to do by providing services which are not normally available through the private sector. It will be complementary to that.

I think the honourable member for Mayo raised a very valid point—a joint working arrangement might be established where we can see the best of both worlds. To date EFIC's business has been at no cost to the taxpayer. It undertakes its transactions which the Government considers to be in the national interest. I think that is quite important. It usually involves high risk and very important industry, trade or political considerations. So if there is not a body in place which enables finance to be made available for those export industries, the chances are that industry would fall over. So for those very real industry, trade or political considerations to have a body such as EFIC in place is quite appropriate in my view.

The total exposure on the national interest account is something like \$1.3 billion of which the greater bulk relates to commodity exports, particularly wheat and wool. I do not know whether that will continue in the future; in fact my view is that that might change, particularly in regard to some other commodities which we in this country are able to produce.

I represent a coal producing area of New South Wales. I note in an article in today's *Australian Financial Review* that it might be facing some difficult times in the future. It may well be that EFIC or some other consortium project that might be entered into would need to be looked at to provide assistance to industries such as the coal industry. As I understand it, the coal producing areas of this country will soon be faced with rather competitive forces in respect of the prices they are likely to receive, particularly from Japanese coal buyers, simply because the demand has slackened as a result of the recession not only in this country but right around the world. That cannot mean good things for Australian commodity exporters, particularly of primary produce such as coal. I look forward to seeing continuing reports on that particular matter.

The Government's 12 March statement *Building a More Competitive Australia* recognised the need for Australian exporters to have access to competitive financial facilities and to be effective, especially in the Asia-Pacific markets. I have commented on how significant Asia really is. The Government announced its intention in that statement to re-establish EFIC as a separate entity to Austrade with greater visibility and an extended range of services for exporters. As part of this restructuring, a \$200m callable capital facility is to be provided to supplement EFIC's existing reserves of some \$160m. This, of course, is bound to ensure adequate financial backing for its insurance, guarantee and lending operations.

It is interesting to note that at the moment EFIC covers something like 10 per cent of Australia's trade. As more and more Australian producers look at opportunities to export overseas—hopefully not to export unfinished products or to sell our coal, our wool and our wheat overseas and then buy it back as jumpers or something else—and are moving towards some sort of an exportable product which has been treated in this country before it is exported, perhaps we might see that 10 per cent figure rise as far as EFIC is concerned. I certainly hope that is the case.

In 1990-91 EFIC supported exports totalling some \$4.5 billion. That is not an insignificant

amount and one can, therefore, see how important this organisation is in supporting Australian exporters. It also insures offshore investments by Australian companies against non-commercial loss caused by things such as exchange transfer blockages, expropriation or war damage. We would have seen some of the benefits flowing to Australian exporters because of the recent crises in the world. The cover on these investments totals something like \$490m.

As has been indicated, the legislation does re-establish a body which has been operating for quite some time—some 35 years. It will enhance Australia's export potential. In my view it will certainly supplement export activities and financial activities which are not covered by private banks and by other financial institutions. It will go some way towards supporting Australia's drive to increase the level of exports from this country. Again I come back to the point that it must not simply be primary produce, the stuff that we rip out of the ground and then send away to someone else to manufacture and to sell back to us. Australia must move more and more towards—and the economic climate and government policy must continue to create—an environment whereby Australian exporters will feel safe in the knowledge that they can export finished products which have had some treatment in this country and, therefore, gain a greater advantage for this country. We must move more and more towards that. I suggest that this can only be done through initiatives by the Government in industry policy, starting with the 12 March statement and being carried forward with initiatives such as this but, even more so, by looking at conditions which are created in this country to encourage exporters.

I will make one other comment on Austrade and the role it has played. I was part of a delegation looking at the banking system of the United States and had the opportunity to talk with our representative in the mid-west of the United States. He told me and the Deputy Chairman of the Committee, the honourable member for Sturt (Mr Wilson), that in the last couple of years Austrade representatives and staff at the Austrade office

in the mid-west of the United States—that is, out of Chicago—have decreased from five people to one. Yet this is an absolutely massive market which Australia could, with a bit of work, tap into.

I find it rather extraordinary when I think of some of the initiatives that have been demonstrated through the Austrade office to identify the appropriate markets for Australia. If those people have been taken from the United States and put into Asia because we have identified that Asia offers a better strategy for Australian exporters, that is fine. If we can see that translated into increased exports from Australia into Asia and that this turns around balance of payments difficulties for this country, that is fine, I have no difficulty with that at all. However, if there is—and I believe there is—a massive, lucrative market in the mid-west of the United States for many of the products produced in this country, then perhaps it is a little short-sighted not to have the level of trade representation which we probably need in such a location. There are probably many other parts of the United States we could give the flick to, but I think this is one which should be re-examined. I ask the Minister whether this issue could be taken on board with the representatives of Austrade and in the appropriate department.

In conclusion, I come back to the point I made at the beginning: this is part of an ongoing commitment by this Government to ensure that the appropriate infrastructure is in place for the promotion and export of Australian products. It is aimed essentially at turning around difficult circumstances for the Australian economy in trying to meet our terms of trade and our balance of payments situation. It is to be encouraged. I hope it is one of several steps the Government is looking at to continue that process. I commend the legislation to the House.

**Mr SINCLAIR** (New England) (4.43 p.m.)—The development of an export consciousness and providing the opportunity for small business and, indeed, anybody in business in Australia to export their products is absolutely critical. I have had some years of ministerial experience in this body that is

being discussed today. I want to look at a number of aspects of the Export Finance and Insurance Corporation Bill and the Export Finance and Insurance Corporation (Transitional Provisions and Consequential Amendments) Bill, and express some cynicism about the establishment of yet another corporation.

For many years the Reserve Bank had prime responsibility for our primary export industries, for funding the Wheat Board and so on, and I do not demur from the fact that the Reserve Bank no longer operates there to the same degree. But I am concerned that this legislation really is a product of the Government having made a mess of the whole trade area. At the moment it has three departments. I suppose one would call one a department and a half as it has two Ministers responsible for the field of trade.

We have EFIC, which is a long established body; as has been said, it has been going for about 35 years. It is a body which provides an essential service. I will come back and look at that service and at the legislation and where it is taking us. But what has happened is that Austrade has made an absolute disaster of the responsibilities that have been accorded to it. More and more I am coming back to the position that I adopted initially, when it was established, of saying, ‘The sooner it is scrapped the better’. I will come to Austrade in relation to other matters as I conclude my remarks. EFIC certainly has not worked within Austrade. The reason this legislation is before us is that at long last the Government is realising that.

We have to see whether we are helping the people in Australia who want to export and, for the people who at the moment do not even know about export, whether it will make it easier for them to export. Words are great. I have read the Minister’s second reading speech and I have heard what has been said in the House today. We are all in favour of it; it is like motherhood. But it will not jolly well work unless we have some way of getting that sperm into the mother’s womb to generate the infant. With the way things are going I do not think that this legislation is sufficient to provide that stimulus.

I am concerned that setting up a new corporation will not, of itself, solve the problems. There are aspects of it that I am very pleased to see, but I am worried that we have said, 'It is not working within Austrade, Austrade is not working terribly well, so let us set up another statutory corporation'. It is a great old way to resolve problems. If it is not a committee, it is a corporation. I can tell honourable members that corporations do not have an unblemished record in this nation of ours at the moment. I would rather like to see us provide the facilities to help Australians export. That is really the bottom line as far as I am concerned.

I now come to the second thing that concerns me. I commend the honourable member for Mayo (Mr Downer) and indeed the honourable member for Macarthur (Mr Martin), both of whom picked up the idea of some consultation with banks and so on. But let me tell them that EFIC was really set up in the first place as an insurance corporation. The concept was insurance and reinsurance, and those remain the two main functions, although loans are a third part of EFIC's prime responsibilities. We also have to think of insurance companies.

I know that in the legislation there is provision for entering into negotiations with other financial institutions, but I think I would have preferred, in the first place, that we had gone back to the Reserve Bank and given it this function until we got the thing worked out. I would like to see it operating very much like the Primary Industry Bank, which I legislated for and which was, as much as anything, a product of discussions that I held with the banks. On this basis, we do not have another great bureaucracy.

The first thing that this body has to do is understand that it will not succeed if it is to have a representative in every port and every city. I come back briefly to what the honourable member for Macarthur concluded about our shutting down trade offices. There have been so many disasters from this Government. This morning I read about even closing our diplomatic mission in Switzerland. I can tell the members of the Government that Swiss francs are still a significant part of Australian

overseas reserves. We still borrow significantly in Swiss francs. The Government has never had a forward plan of where to set up offices and why we should have them. Shutting down offices in places such as the western United States, where there is a tremendous market for Australian goods, just does not make sense, any more than it does to shut down offices in Switzerland. We have to work out how to operate them more efficiently, but that is a different story. Indeed, in the Swiss instance, I gather that we will turn to some international representatives that we have in Geneva and say, 'We will not have a post, but you will somehow or other continue the job'. For goodness sake, why can we not keep our posts open and, if need be, appoint some of those who have an international responsibility as our ambassadors? Let us try to keep the posts open, but do it under another name.

The same thing is absolutely essential as far as EFIC is concerned. EFIC should not set up a post in every port. What it has to do is work with existing private sector operations. Indeed, when we see that it covers only around 10 per cent of Australia's trade, we realise that 90 per cent is already covered in other directions. I think we have to draw the line between big business trade and small business trade. One of the concerns that I have long had about our overseas trade arrangements is that we have not done anywhere near enough to encourage the average small to medium sized business to get export oriented. Big business is normally okay. The CRAs, the BHPs, the CSRs and so on of this world have their own access; they do not need to turn to the services of government. They do not need to turn to EFIC or Austrade. They rarely need to turn even to our own Department of Foreign Affairs and Trade. They have their own network. So, when we are looking at that 10 per cent—because much of it may well relate to agricultural commodities, and I believe it does—I am not too sure how much of small business is covered by it.

I should add, though, that I do not agree with the suggestion that this EFIC cover should apply only to value added products. There is a very real reason why we need to

provide continued cover for our commodity exports, and never more so than at a time when we are still beating at the door to get the Uruguay Round of GATT going. We all know of the problems in Europe and of the difficulties of getting some change in the CAP; we know of the difficulties in Europe of providing access to eastern European agricultural goods and of the political requirement that there be access into Europe for those goods. We know the difficulties we have in getting the Americans to move on their export enhancement program. We know of the problems that we have with Japan whereby we cannot even display a grain of rice let alone export Australian rice to Japan for consumption by the Japanese people, even though we produce it more efficiently and more economically and to at least the same quality as Japanese rice.

We have to look at EFIC and see what its task is and how it is going to carry it out. If it is to be set up as a separate corporation, I would rather it be done in such a way that we had these discussions with the banks and insurance companies first, because what I would like to see this body doing is not setting up offices everywhere but essentially stimulating, lending and providing insurance through the private sector. It is for that reason that previously it was largely a government agency handled within the Department. As I have said, I am not sure that, instead of setting up a separate corporation, it could not have been handled, at least at this stage, through the Reserve Bank. But if it is to be a separate organisation, what it has to do is try to stimulate, to provide reinsurance and to provide, if need be, interest subsidies through existing private sector lending institutions and insurance institutions so that they can get on with their business and so that the EFIC purpose is predominantly met.

The role of EFIC is set down in the legislation and, as I have said, it covers three things. It covers insurance, reinsurance and loans. But there is a very important supplement to the normal role. One of the reasons why it is specifically a government agency, and the reason why privatisation will, I think, always be difficult, is that it is absolutely essential

for there to be a capacity for a national interest cover. Of course, ministerial directions and the way they are to be undertaken are set down in clause 9, and clause 10 provides for the way they are to be financed and so on.

There are a couple of difficulties that I see in this. What normally happens is that in markets that are considered to be a good risk, under the normal basis EFIC cover is taken up to a certain percentage of the loan; so that for a very good risk market EFIC might be prepared to advance on a 90 per cent insurance basis, whereas if it is a poor risk market it will cut that down to 80 per cent or 70 per cent, perhaps even lower. The difficulty is to make sure, if we can, that markets that are important to us are in some way hedged when there are political difficulties. We know that there have been enormous problems in the Middle East. There are problems at the moment in eastern Europe with what was Yugoslavia, for example. We need to have a way by which we can continue our exports into markets of that ilk. Indeed, there has been no better example than that given in the Minister's speech when he referred to losses resulting from the war in Iraq and the problems there. There are enormous problems if we do not have this capacity to provide national interest cover.

One of the reasons why I disagree with the honourable member for Macarthur, for example, in talking about the absolute necessity to maintain cover on our commodity exports is that we are able to gain advantages from providing some funding guarantees to the Soviet Union as far as wool and wheat are concerned. The Soviet Union does have a political element of risk. One will not find a normal commercial lender accepting the risk of funding exports to the Soviet Union to the degree that one might like. In the last few days there have been comments about the Belarus tractor group apparently seeking to acquire 50 per cent of the Australian wool stockpile. Whatever the proposition, such propositions will not succeed in the light of the political risk factor, unless we have some type of national risk area where directions can be given and where a supplemental insurance

can be given through EFIC to cover what is an extraordinary risk.

To my mind, that is a critical role of EFIC. It is one of the reasons that we must retain the separate identity of EFIC outside the private sector. There needs to be a capacity to provide reinsurance for such a lending risk. I might add that I think the assistance provided in recent years by AIDAB in the lending area has been excellent. This has been a very important role of EFIC.

The legislation provides for a couple of other obligations in respect of the national interest cover. I am pleased to see the requirement for a corporate plan of this new—although I have reservations about this—statutory corporation. This is, of course, to be discussed predominantly with the Minister, although there is a capacity to report. I hope that there will be some details of the corporate plan in the reporting requirements under the legislation. This is hedged in typical ambivalence in clause 85(2) of the legislation, which states:

Subject to subsection (3), EFIC must include in each annual report:

(a) particulars of every direction—

this is in respect of national interest cover—

(b) a statement of the principal objectives of EFIC . . .

(c) an assessment of the extent to which EFIC has achieved its principal objectives. . . .

I trust that clause 85(2)(b), which refers to a statement of the principal objectives, will ensure that we will see elements of the corporate plan that is referred to earlier in the legislation. I think it is essential that the report should not only deal with the national interest cover. I am pleased to see that there is a requirement for national interest contracts to be gazetted. There will be a capacity for people to see what national interest directions have been given and what cover is provided. As far as the corporate plan is concerned, I suggest that there is a requirement that an exposure should be made to the public and that, of course, can only be done through the annual report. I trust that the Minister, in his response, might refer to this aspect.

I would like to make a couple of remarks about the constitution of the EFIC board. First of all, I was delighted to read in the Minister's second reading speech that Reg Nicolson, the recently retired Deputy Managing Director of the ANZ Bank, is to head up the new board. There is no reference at this stage to other officers or the Managing Director. But I think it is important that there should be, to the maximum extent possible, a link with the existing private financial sector in Australia. We do not want as members of the board just those people who are involved in normal trade and commerce. We also want people who have financial and, I would suggest, insurance links. Through them I think there will be a better chance of liaison and of achieving the link with the banking sector and the insurance sector to which both the honourable member for Mayo and the honourable member for Macarthur referred. The whole character and nature of EFIC will be retained only if EFIC is supplemental to the financing provisions that are made available to the 90 per cent of exports that it does not now cover.

The concept of EFIC is important. As I have said, I think it might well have been better if EFIC had been under the Reserve Bank for a while. We would then not have needed another statutory corporation. The legislation might have evolved in a different way if discussions had been held with banks and insurance houses.

Like the honourable member for Mayo, I have real reservations about the whole structure of the administration of trade. As I have said, DITAC is responsible for one area of trade, particularly Austrade. We have a Minister for Foreign Affairs and Trade and a Minister for Trade and Overseas Development. We had three Ministers. But divided responsibility is no way in which to maximise output at this time.

If it were not for a fourth Minister, there would be virtually no dealing in what is the principal area of Australian exports. I refer, of course, to the Minister for Primary Industries and Energy. So we really have four Ministers involved. That fourth Minister's portfolio covers oil, gas and all the minerals, including coal, to which the honourable member for

Macarthur referred. He is also responsible for wheat, wool and all of our other agricultural exports. I do not find that division very satisfactory.

I know that there are problems in trying to achieve total coordination. But I think it is critical that, within an area where there is also an association with Finance and Treasury, we do not have too many people trying to administer. For that reason, I would be inclined to accept the suggestion of the honourable member for Mayo that it would be far better if EFIC were at least to be responsible to the Minister for Foreign Affairs and Trade for as long as he retains a trade responsibility. I might say that for my money I would far prefer to see a separate department of trade, perhaps linked with one of the major departments in the way that was done in previous coalition governments.

In opening, I said that I wanted to address briefly some of the problems that will emerge from the severance of this responsibility from Austrade. It is difficult in this day and age to know just how one can best provide the sort of service that exporters require. The McKinsey report certainly identified administrative problems in Austrade. There are real difficulties. The honourable member for Macarthur suggested where, how and to what degree Austrade provides its present services. Even this morning I read about a small exporter who said that Austrade services did not relate to the assistance he was seeking. This exporter was told, 'They did not really know anything about it but they were going to charge an exorbitant rate of something like \$100 an hour in order to provide the cover'.

Austrade does not have a good record. One would hope that it can do better under its new management. But it is certainly important that Austrade, EFIC, under its new corporate label, and government departmental officers link to provide a better service to those who need to be encouraged to export.

Australia has a great capacity to compete. We have a wonderful work force. In spite of all of our industrial difficulties, in my view we can produce the quality and the range of goods. We can provide the service. We can also provide what the customer wants. But

this cannot be done on just an occasional visit to an overseas country. It is done by consistently attacking a particular market, identifying and working with the customer and, to the maximum, coordinating efforts between the departmental agencies that provide the service.

EFIC has done that, although it has had its ups and downs over the years. One would hope that in its new corporate form it can meet that export demand to a greater degree. But it should not forgo its traditional role in regard to commodities which perhaps today require greater access than they ever have, bearing in mind the variation of commercial restraints in the form of tariff and non-tariff barriers that apply in so many of our markets. By all means, let EFIC extend, where it can, its activities into the field of processed goods. But let it also direct a lot of its attention to small business where there is a requirement and where there is an opportunity.

**Mr FREE** (Lindsay—Minister for Science and Technology and Minister Assisting the Treasurer) (5.03 p.m.)—in reply—First of all, I thank the honourable member for Mayo (Mr Downer), the honourable member for Macarthur (Mr Martin) and the right honourable member for New England (Mr Sinclair) for their contributions during this debate. I welcome particularly the expression by the honourable member for Mayo of the Opposition's support for the Export Finance and Insurance Corporation Bill and the Export Finance and Insurance Corporation (Transitional Provisions and Consequential Amendments) Bill. I think that is a recognition of the important role that EFIC has to play.

I would like to deal briefly with some of the specific issues raised during the debate. The honourable member for Mayo expressed some concern about the decision taken to retain EFIC within the Department of Industry, Technology and Commerce. I guess there are two issues here: first of all, the relationship between EFIC and the Department; and, secondly, the question of its separation from Austrade. The decision to move Austrade to the Foreign Affairs and Trade portfolio was taken to achieve a closer integration of our

trade promotion activities within the Australian overseas diplomatic network.

EFIC, on the other hand, provides insurance guarantees and loans in support of the export of goods and services from all industry sectors, namely, commodities, manufactures and services. I should point out, however, that the majority of its support in terms of individual transactions relates to manufactured exports which fall, of course, within the scope of the industry portfolio. Also, the financing of capital projects overseas has become an increasingly important aspect of EFIC's business. Unlike Austrade, the provision of EFIC's services is not reliant on a presence in foreign countries—a point which seems to have escaped some speakers during this debate.

Any concern about the separation of EFIC and Austrade and their location in different portfolios is also a little misplaced. They will continue to work closely together to maximise the prospects of success for Australian exporters and this will be reinforced in a structural sense by the cross-representation of each of the managing directors on the boards of EFIC and Austrade.

I was pleased to hear that the shadow Minister had largely rejected the idea of privatisation. That question has been examined on a number of occasions but was found to be impractical. The shadow Minister referred to the environment in the United Kingdom. The changes there were largely driven by the prospect of integration into Europe in 1992 where it will be essential for credit insurers, if they are able to compete, to be in a position to insure both offshore and domestic business. Of course, that situation is not faced by Australia.

The honourable member for Mayo raised a number of questions concerning EFIC's losses in shipbuilding. He asked for a response on the total value of losses and non-performing loans held by EFIC. I am informed that there have been some losses in shipbuilding, but nothing like the \$110m suggested by the honourable member.

I make two general points. These matters of detail should be properly addressed, as the honourable member for Mayo well knows,

through the devices of placing questions on notice or pursuing them through Senate Estimates committees. Also, of course, as I am anxious to assist him further, figures on total claims and recoveries are set out in EFIC's annual reports.

The proposal of the honourable member for Mayo for a joint working group to examine the possibility of contracting business out to the commercial banking sector is an interesting one. In response, I should point out to him that that option is available now. Experience has shown that, of course, it is more expensive because banks require a margin over and above the interest subsidy provided. I have been able to obtain no information to assist him on his claims that EFIC may have been responsible for delays which have cost exporters contracts. There is no evidence available to me at this stage about such delays. If he has such evidence, again I know that that would be welcome. It would be offered in a sense of constructive criticism, for which the honourable member for Mayo is so well known.

I have additional comments concerning the remarks of the honourable member for Macarthur. I take on board what he had to say about the need for representation in the American mid-west but, more particularly, I endorse his remarks about the need that we have to export finished products. It underlines the importance and the correctness of the Government's decision to retain EFIC in the industry portfolio.

I also thank the right honourable member for New England (Mr Sinclair) for his contribution and for his reference to the role in previous years of the Primary Industry Bank and the Reserve Bank. In the current environment, EFIC provides a great deal more than assistance for commodity exporters. Increasingly, the direction for the future, while not neglecting the primary industry sector, will be to provide what additional support can be provided to aid growth in manufactured exports. Of course, the skills required in that kind of field are much more highly specialised than those that are available in the Reserve Bank. As I mentioned earlier, the prospect of EFIC having a post in every port

overseas really does not arise because EFIC does not have or need overseas posts.

Almost finally, I am assured that consultation has occurred regularly and will continue to occur between the banks and the insurance industry. I am assured that they are fully supportive of the continuing importance and role of EFIC. I am also advised that the reporting process will be a full and a frank one.

Finally, in response to the criticism during the debate about a number of Ministers having an interest in the trade area—including the Minister for Industry, Technology and Commerce (Senator Button), the Minister for Primary Industries and Energy (Mr Crean) and the Minister for Trade and Overseas Development (Dr Blewett)—I would rather take it as evidence of the importance that the Government attaches to trade promotion that a number of senior Ministers should be involved, because there are many aspects to the important question of improving our trade performance. I guess that, if we were here in another time and there were simply one Minister responsible for trade, then an opposition of another time might equally be criticising a government for having only one Minister involved in such an important area. I thank those who have taken part in the debate.

Question resolved in the affirmative.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

### **Third Reading**

Leave granted for third reading to be moved forthwith.

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

## **EXPORT FINANCE AND INSURANCE CORPORATION (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 1991**

### **Second Reading**

Consideration resumed from 12 September, on motion by Mr Free:

That the Bill be now read a second time.

Question resolved in the affirmative.

Bill read a second time.

### **Third Reading**

Leave granted for third reading to be moved forthwith.

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

## **BROADCASTING AMENDMENT BILL 1991**

### **Second Reading**

Debate resumed from 12 September, on motion by Mr Beazley:

That the Bill be now read a second time.

**Mr SMITH (Bass)**(5.13 p.m.)—This Bill, being an amendment to the Broadcasting Act, comes at a very difficult time for the Government. I will relate some of the high drama that took place this morning later on during my remarks. In any event, this Bill is one of a series made to the Broadcasting Act which now marks it as probably the most complicated piece of legislation in this country. There would be very few who would understand fully its reach or its ramifications. Interestingly, at the time of the last election there were considerable moves and comments made by the Prime Minister (Mr Hawke) to have this piece of legislation subject to review—to have a rewrite. We are still waiting to see that take place.

This Bill clearly demonstrates yet again a need for an urgent overview of the broadcasting legislation. It would be hoped that the sooner that is undertaken by the Government, the sooner we might get to a very sensible position in broadcasting in this country. This Bill demonstrates so clearly the total confusion that is afoot within the Government. Indeed, it is causing great confusion within the industry.

This Bill comes at a time of great significance in that the Fairfax assets that are now held by a receiver effectively—being the second and third most profitable newspapers in the world, not just in the country—that is, the *Sydney Morning Herald*, the *Age* and the other newspapers that are in that group, notably the *Australian Financial Review* and others, are about to be sold and bidders are asked to come to the receiver, I believe on 15

October, next Tuesday, to put their bids on the table.

What this Bill seeks to do is largely as a result of the proposed sale of those interests formerly held by the Fairfax group, which went into receivership, as so many of us know, because of the aborted privatisation of that group by the inheritor of the Fairfax dynasty, Mr Warwick Fairfax.

The Commonwealth has no direct power over newspapers. However, cross-media ownership rules limit an owner with a prescribed interest in a commercial television licence to under 15 per cent ownership of a newspaper which is associated with a service area of the television licence or where the owner is in a position to control more than 15 per cent of votes at a general meeting.

The Bill requires people who propose to acquire an interest that is controlled under the Broadcasting Act in relation to cross-media ownership and foreign control rules to notify the Australian Broadcasting Tribunal of their intention. This prior notification will act as a trigger and is a less formal inquiry system than a full pre-vetting investigation.

Before going into some of the more detailed aspects of the legislation, I think it is important to note that what the Bill does in effect is to create even more regulation in this area. It is not something that we welcome. In the broad we reject it as not being in the best interests of the smooth administration of the Commonwealth's law in this area. It has created a great deal of confusion in the impact it will have in the technical application of its provisions. There is a great deal of concern, which I will refer to later, as to whether or not the legislation will actually achieve the greater scrutiny of the public interest tests that it purports to put in place.

To understand this legislation, one has to go back a little while and look at what the administrator of the cross-media ownership rules and the foreign control elements of the Broadcasting Act had to say about it. The administrator is a separate tribunal, the Australian Broadcasting Tribunal. In a very significant press release of 19 July 1991, the then Acting Chairman, now Chairman, Mr Westerway—I might add that he is probably

one of those few people in the country who understands the whole range and reach of the Broadcasting Act, having been a senior member of the bureaucracy in the department administering this area for a number of years—detailed all the communications he had had with the Government. He set out his concerns about the activities of proponents for purchase of media assets and how the reach of the ABT was in part frustrated.

In a letter to the Minister for Transport and Communications (Mr Beazley) some considerable time ago, Mr Westerway had pointed out that the processes involved a broad consideration of many issues relating to media ownership, including a particular case referred to as the Kimshaw 2UE transaction, as well as the licence renewal inquiries for the Seven and Ten networks. In his letter to the Minister, he covered three main points and pointed out the deficiencies in the law. He said that there were deficiencies related to the process of approving share transactions, both the notifications of transactions and deemed control provisions. Secondly, he said that the sanctions were often inappropriate or ineffective and that there was a need to focus on sanctions relevant to the breach rather than approach them through the licensing process. Thirdly, he pointed out that the current informal arrangements for cooperation between the Trade Practices Commission and the ABT needed strengthening and he recommended cross-membership—which, I add in passing, I thought was a commendable initiative. In fact, under this legislation there is sharing of information not only with the TPC but also with the FIRB, a matter which I will come to later.

He then detailed a long series of flagging his concern with the Minister and came to the nub of the issue, which was the release on 18 June 1991 of the ABT decision on the application by Kimshaw Pty Ltd to acquire control of a Sydney radio station 2UE. Kimshaw is the name of a company which is effectively a shelf company; it held the interests on behalf of someone else—and the someone else in this case was Mr Packer. I want to read into *Hansard* what the ABT said in its

decision because it is the basis from which this legislation springs:

The ownership structure of Kimshaw was devised to serve one purpose: to preclude a breach of the ownership and control provisions of the Broadcasting Act without affecting the actual ownership of interests in the 2UE licence.

. . .

In the event that such structures are employed, there appears to be no quick, cheap way of testing for actual control. This may be an area for consideration in any review of broadcasting legislation.

Some form of prior provisional clearance . . . might be used to prevent the architects of avoidance schemes from enjoying their benefits for months or years until the Tribunal is in a position to conclude its inquiries into them.

What it is saying there is that the Act, in effect, is not working and is not addressing the mischief that was outlined in the Kimshaw case in particular. Mr Westerway had been saying this for some considerable time and the Government had taken no action. Finally it came to the Parliament with this Bill. But, interestingly, the ABT was arguing for more than what this Bill gives. It was arguing for a mandatory prenotification procedure. This Bill puts in place a voluntary prenotification procedure—for want of a better term—which has to be complied with by companies that might be acquiring interests. It also broadens the requirement to incorporate associates. Associates are defined as individuals, in the same terms as the income tax Act, who may have a personal interest in or a pre-existing interest in a proponent for acquisition and someone who might contravene the cross-media ownership rules. If someone is in a position to know that he may contravene, or have an association with someone who may contravene, he is required to notify.

At the time, I pointed out in a press release that the Minister was of a slightly different view. Back in August at the National Press Club he said in his address that he would consider whether the ABT needed a trip-wire inserted in the Broadcasting Act which would be a list of situations which would lead to possible breaches of ownership and control laws through the use of people or companies as associates. Yet on 27 August he said that

he would not push to give the ABT that power.

On 29 August, the retiring Chairman of the TPC, Professor Baxt, said that the Minister's latest comments left him with 'concern about whether the Government is providing the ABT with the necessary power to evaluate all the bids'. Then on 3 September there was yet another report about a new view being proposed by the Minister to the Cabinet. I asked the question then and I still have to ask the question after the events of today: what exactly is the Minister's view and what exactly is the Government's view? There is a great deal of confusion.

Then the Government came to the Parliament with this Bill, which did not meet the ABT's advice. I have to say that I do not agree with the full advice of the ABT. I think a full mandatory prenotification procedure would not be of assistance to the development of this industry. This is a halfway house. It goes halfway to meeting those concerns and tries to balance off the public interest, that is, maintaining the integrity of the cross-media ownership rules but at the same time allowing for there to be a reasonable operation of the marketplace in terms of commerciality requirements.

So that is what the legislation tries to do. The view that we take about this matter is that, if one accepts that there should be cross-media ownership rules, which are designed in this country to limit concentration to try to underpin the principle of diversity in the media industry, one would have to say that, where one has been advised by one's regulator that there is a mischief that has to be addressed—and this is a proposal that has been put forward—anything that tries to go down that path to address that concern in the broad principle probably should be supported. In that sense we will allow the legislation to pass. However, I have to say that I do not preclude the possibility of possible amendments being dealt with in the Senate, should they come forward after further study of this matter given the somewhat confusing and contrary views that are put about the reach of some of the sections. I also add that that matter is further clouded by virtue of the fact

that only today have the Australian Democrats announced who their spokespersons are. As far as I can see from the list, they have changed their spokesperson in this area and it is now Senator Powell, the former Leader of the Australian Democrats. So that matter remains to be dealt with. But on this occasion we flag our deep concern about the confusing aspects of much of this legislation.

Effectively, these amendments put in place a prior provisional clearance. So someone who wants to acquire an asset, or that someone's associate, can say to the ABT, 'This is what we are intending to do. If you think it will contravene the cross-media ownership rules or the foreign control matters that are in the Act, you should hear what we have to say'. If the ABT is concerned that a proposed transaction will breach those rules, under this Bill it has the right to go to the Federal Court and seek an interim order or an injunction accordingly to forestall the transaction or to provide it with sufficient time to address the matter. It is provided with only 10 days to gather this information and to become aware. Many would argue—and I would be one of those—that in the circumstances 10 days might be somewhat short. It seems to be a period that has been arbitrarily put into the Bill. In the United States, I understand, it is 21 days, and under the Trade Practices Act the period is longer as well. So there may be an argument that can be dealt with later in the Senate about whether or not that period ought to be extended.

The question is: do the changes to the Tribunal's powers, as proposed by the Minister, address the mischief that Kimshaw and the renewal of Channel 7 and Channel 10 showed us existed? There is some doubt about that. That is the issue of deep concern to us, because if this proposed change is nothing more than a facade to address the concerns in the broader community about the prospect of the change in the ownership of Fairfax, one would have to say that, although the second reading speech of the Minister and some sections of the legislation contemplate addressing the mischief, really the Bill is only dressing up the matter.

I will indicate some of the concerns which have been expressed. On Wednesday, 18 September there was an article in the business section of the *Australian* by a well-respected commentator of long standing, Bryan Frith. The headline reads, 'Government's moves on Fairfax bids are just for show'. This headline and the long article under it relate to a matter which has to be addressed by the Government. The article reads:

A move designed to make the bidding easier for the foreign syndicates, coupled with action which might hinder the Packer-Black syndicate, could be seen as a shrewd method of favouring the O'Reilly syndicate. . . In practice the derisory 10-day period provided would mean that the ABT would be unable to collect evidence to the degree of sophistication required to convince the court of associations which result in a breach of the cross-ownership limits.

That issue remains to be answered. In evidence to the print media inquiry last week, a range of concerns were raised about this matter. I think these need to be answered.

I must point out—and I will be concise about it—that it is the Opposition's view that this process should be as transparent as possible. I have heard Government members say this as well, and I welcome hearing it. It is most important that there be no possibility of any arguments or special deals that could be entered into by any of the proposed bidders. All bidders must be able to be dealt with openly. One would hope that that is the case. The Minister has said that, but when we read articles such as the one from which I have quoted and we hear comments put on the public record that raise the contrary view, it is incumbent on the Government and its spokesmen to answer those charges.

Some concern also has been raised about the foreign investment levels that would be acceptable to the Government under the bid. Honourable members would have heard that the 20 per cent figure has been subject to great debate. Several weeks ago the Government announced that the 20 per cent, on its strict interpretation, was to be varied. A Caucus meeting indicated that the 20 per cent was to be varied to allow additional foreign equity to be engaged in support of bids, and that it carried with it a non-voting

element. The question of whether or not one can structure a bid to meet that requirement also remains to be answered. Many people raised doubts about that in giving evidence to the print media inquiry last week. That issue is presently causing concern for Caucus.

We understand from the AAP report that this morning Caucus took that matter back for consideration. The vote was taken about whether or not there ought to be a strict interpretation of the 20 per cent as it relates to newspaper investments—and, of course, it impacts on the bids. I reiterate that these bids have to be on the table next Tuesday. In a remarkable result, the Left and the Centre Left combined to have 42 votes, and the Right had 41 votes. The Left and the Centre Left were supporting a strict 20 per cent interpretation. A Minister—and I do not know which one; I understand that the Minister for Transport and Communications has lost his voice, so I assume it was not him—moved that the matter should be suspended because standing orders were offended. She needed an absolute majority to have a motion such as this passed. Then Senator McMullan moved that there be a special Caucus meeting on Thursday to consider the matter. In the interim, the transport and communications backbench committee and the economic backbench committee would meet on Wednesday night to prepare a report for Thursday's meeting. So I think it would be fair from any objective observer's point of view to say that there is a great deal of confusion over the Government's position.

I can only say that, if people are in the marketplace, wanting to bid and wanting to know what the rules of the game are, and they see that being debated in the Parliament today is an Act to change the Broadcasting Act while at the same time there is confusion about the limits of foreign ownership with regard to the newspaper industry, they would have to be very confused and disturbed about the ability of the Government to provide some clear rules.

It is most important in this whole process, when the pre-eminent media assets in this country are for sale, that we note the level of confusion and the changing of the rules taking

place at the same time. That must give great cause for concern. The Broadcasting Bill compounds the problem. One has to be careful because, in dealing with the bids, they are all talking their own book—and we would expect them to do so—and so one will not necessarily embrace one set of issues over another. The Opposition thinks the market-place ought to make this judgment, but it ought to be making it in the certainty of what the rules are. If this matter now is uncertain—as it clearly is—I think it requires urgent explanation.

The amazing thing is that all of this is happening in one week. We have this Bill before us now, and at the beginning of my remarks I said that the ABT had been pointing out problems in the administration of the Act. This is virtually the first piece of legislation to be dealt with today. The Caucus meeting was held this morning, and no decision could be made. There was a clear split. That runs in tandem with the problems that the Government is experiencing with its policy on interest rates.

Last week we had a full week of the print media inquiry, which saw all the bidders come before it to put their cases. One witness even went in camera to give evidence to us. It would be broad knowledge now that much of the matter he raised related to concerns about this particular Bill. If that is the case, I think we have reached a fairly sorry state with the Government. Tonight the Select Committee on the Print Media meets again, under the chairmanship of the honourable member for Dobell (Mr Lee)—an able chairman who has exhibited a great deal of forbearance and is conducting the inquiry as well as could be expected in the circumstances, considering the pressure and the enormity of the issues which he is charged to administer. But tonight we deal with further matters. I see that on the agenda there are further questions that Government members want to ask a particular bidder. Those questions certainly raise again the impact of this Bill and, more particularly, the non-decision of the Caucus meeting this morning.

I do not know how the Government is going to respond to this, but certainly by the

time this Bill gets to the Senate we could be dealing with a slightly different situation. I therefore reserve the position of the Opposition in that we might well deal with further amendments, given that the Australian Democrats have yet to formally take up their positions in their shadow Ministry. There are some amendments that the Government itself is proposing, with which, as I have indicated to the Parliamentary Secretary to the Minister for Transport and Communications (Mr Snowdon), who is at the table, we have no difficulty, at least at this point, because they deal with a technical matter. But there are several other matters, and perhaps I ought to refer to some of those which I think are of concern.

The suggestion is that section 89K(1)(a) might be able to be integrated with other tracing rules so that the control of a company will be treated as control of the operations of its subsidiaries and control under section 89K(1)(a) can be imputed back through corporate structures to the ultimate owner. There are also matters regarding the revision of the language of section 89K(1)(a), such as 'in a position to exercise control'. The whole test of the ABT is: where does actual control lie, whether or not that position to exercise control includes potential control as well as present control? Of course, it is extremely important that the potential control question is able to be picked up as well. Of course, we should include 'de facto' control in section 89K(1)(a) and require notification for those who acquire less than a prescribed interest and whose associates do not acquire any shareholding or voting interest. The extension of the notification requirement is so that prior notification is required if a person with a prescribed interest in a television licence has any interest in a proposed acquisition of a newspaper, disregarding nominal shareholdings in listed companies, and so that full details of all circumstances surrounding that interest must be disclosed.

We also need to be looking more closely at imputing the rights of associates to each other not only for the purposes of notification of transactions but also for the purposes of substantive rules, so that the difficulty of

proving breaches under the current rules is reduced. I might say that I am advised by the ABT that, with the prospect of this Bill becoming law, members of either one or two of the consortia that are seeking to place a bid before the receiver have been to the ABT to disclose in the voluntary manner that is required—that is, relying on the candour of the parties to put information before the ABT. So this proposed law may be having an effect.

But I come back again to the argument that was put by Bryan Frith and others on the public record about whether or not this is a facade and whether or not the fears held by some that the provisions in this Bill can be got around is not a reality. I guess that is the point: many are concerned that, if this is a facade, they would want to have from the Government a guarantee that, should the matter manifest itself at some future time, it would address that matter by way of legislation or other manner immediately. If it did not do so, we would have to question the bona fides with which the Government comes to the Parliament with this Bill. The gravity of that charge, I am sure, is not lost on the Parliamentary Secretary at the table. But certainly the level of confusion and uncertainty in the Government's handling of this whole matter of the acquisition of the Fairfax assets ought to give pause to all in the business community.

This Bill, as I said, is undesirable. It is adding to the great confusion and mishmash. It makes the lawyers' picnic a grand affair because they are the only ones—and I am a lawyer—who are going to be able to sort this matter out. But what we want to see in this matter is clarity of policy, certainty of policy and a clear understanding of that policy by all potential players in the marketplace. The marketplace should determine who is going to be the owner of the Fairfax assets. It is not an easy issue for the receiver. It is not an easy issue for those who are seeking to put bids before the receiver. It is clearly a difficult issue for the Government. But if the fundamental principles are adhered to—that is, making sure existing law is well understood and well supported—I think we are halfway towards addressing the matter in a proper

fashion and in a manner in which the Australian public would desire it to be addressed.

This is not the debate nor the time to make comments about the broader issues involved, but there is one other point that I would make before resuming my seat. These matters cannot be dealt with in isolation for a consideration of the Trade Practices Commission principles or the principles that underpin the Trade Practices Act. There is a current argument taking place in the community about whether or not that Act ought to be changed. It is a very significant argument, it is a very serious argument and it ought to be dealt with—and it is being dealt with, in my view, properly—before the print media inquiry. But it does have an impact on this matter.

One of the important points that this Bill does bring forward is the talking about the sharing of information and the cross-membership between the ABT, the TPC and, indeed, the Foreign Investment Review Board. That would seem to me to be a very sensible proposal and one that I would certainly welcome, because that would help to make sure that there is some certainty as to how these matters are addressed. I have not talked about the desirability or otherwise of the existing cross-media ownership regime. That is a debate for another time because this Bill does not affect that regime. But there are concerns that are held by us and, I know, by honourable members on the Government side. The expert on media law over there, the honourable member for Burke (Mr O'Keefe), apparently has some concerns. I think he is misnamed as an expert. I can think of many on the other side who are far more expert than he. But certainly there are concerns about those issues. They will be dealt with in time.

Let me reiterate again: the Opposition does not like this Bill. It is the Government's Bill. We are not going to try to go through and change and make effective a piece of legislation that on the face of it looks somewhat defective. But we reserve our right, of course, to deal with the matter in the Senate. This matter is in a totally confused state. We are waiting until 15 October for the bids to be

placed. The Government still has not made a decision after the drama of this morning when there was a 42 to 41 vote on foreign ownership limits—a most extraordinary situation. We have a print media inquiry and uncertainty in the Caucus. No wonder Government members were so quiet at Question Time today. But all of those issues were certainly—*(Time expired)*

**Mr LEE (Dobell) (5.42 p.m.)**—It is certainly a pleasure to follow my friend the honourable member for Bass (Mr Smith) in this debate on the Broadcasting Amendment Bill, and perhaps I can clear up a few errors of fact which he has put to the House. Perhaps I could start by dealing with the debate which is taking place in the Government at the moment on what should be the appropriate limit on foreign investment in Australia's newspapers. I think the honourable member for Bass might have been accurate when he described what happened in this morning's Caucus, but perhaps I could just correct an error he made when he built up a head of steam and suggested that the vote in the Caucus this morning of 42 to 41 was on a particular foreign investment limit.

The vote this morning was whether there should be a suspension of standing orders to allow that debate to take place and, for quite a proper reason, the Caucus believes that later this week there will be meetings of several Caucus committees which will allow a proper analysis and a thorough discussion of these issues before a final decision is made by the Caucus. But, of course, just as the members of the Liberal Party of Australia in the party room have debates on consumption taxes, cross-media ownership rules and other things—

**Mr Smith**—We never have votes, though.

**Mr LEE**—They have votes as well?

**Mr Smith**—No, we are not allowed to have votes.

**Mr LEE**—They are not allowed to have votes; I am glad the honourable member for Bass has clarified that. They have lots of discussions but, in the end, it is their Leader whose vote counts for more than all the other members of the Opposition—which perhaps

is something for which Mikhail Gorbachev would envy him.

It is very clear that in the end it is up to the Government, not the Labor Caucus or a group of Labor backbenchers, to make a final decision as to what the Government's policy should be. I should advise the House that my position is that there should be a 20 per cent limit on foreign control of Australian newspapers, and today I will not go into my reasons for believing that.

There are other members of my Party who believe we should define a limit on influence or a limit on ownership. This is a very technical matter and something which I know may be sorted out in the very near future. But the honourable member for Bass alleges that the Government, by having this discussion, is creating confusion in the community. I ask the House to reflect on what would be the case if this debate were not taking place, if the Labor Caucus were not suggesting to the Government that we should set a very strict limit of 20 per cent for foreign investment in newspapers.

What would be the position if the Government did not take a strong position? The Government would not be making a decision on whether a particular bid should proceed or not, because of the amount of foreign investment involved, until the receiver chose the successful bidder. The Government would not be seeking information from the Foreign Investment Review Board to make a final decision until the receiver, Mr Nichol, chose one of the three bidders. Then I assume that the Government would consider the advice from the Foreign Investment Review Board and then the Treasurer (Mr Kerin), after perhaps a discussion in the Cabinet, would make the final decision.

That would be the case if the Government did not set a very firm limit on foreign investment in newspapers. No decision would be made by the Government until Mr Nichol made a final decision, the Foreign Investment Review Board made a decision and the Cabinet made a decision. It would be months and months before the successful bidder would know for sure whether it would be able to proceed. That is the Opposition's position,

if I understand what the honourable member for Bass has been saying at some of our hearings. He has argued that the Government should make a decision on a case by case basis as to whether a particular level of foreign investment should be allowed in a bid for a newspaper, a radio station or a television station—

**Mr Elliott**—That creates more confusion.

**Mr LEE**—As the honourable member for Parramatta interjects, that is a recipe for greater confusion than we have now. At least those of us in the Labor Caucus who believe that there should be a limit on overseas ownership in newspapers are trying to give some advice to the market so that people know how much foreign investment there should be in the bids. By contrast, the Opposition is saying that it should not set a limit, that if a bidder wants to have 100 per cent foreign ownership then that should be a matter which is considered by the Government on a case by case basis. Surely that is a recipe for greater confusion, not less. The honourable member quoted Mr Bryan Frith as an expert adviser.

**Mr Smith**—A commentator.

**Mr LEE**—A commentator, someone who has labelled this legislation as a facade. Mr Frith believes that this legislation will not achieve anything. The honourable member for Bass has said that that is a factor which may be alleged by some people. If, as the honourable member for Bass pointed out, it is a facade, why is at least one of the bidders complying with the intent of the legislation before it passes through this Parliament? At the public hearings last week we had Mr Trevor Kennedy advise the Select Committee on the Print Media that he has already started negotiations with the Australian Broadcasting Tribunal, in accordance with this proposed legislation. He is certainly not treating this legislation as a facade. He is certainly not following the advice given to him by the expert commentator, Mr Frith. The legislation which those on this side of the House hope will be passed in the very near future will have a very strong impact on what happens with the bidders for Fairfax.

I wish to make a few comments on the background to the legislation before the House. As the honourable member for Bass pointed out, the cross-media ownership rules are a result of this Government's determination to try to ensure greater diversity in Australia's media. The honourable member for Blaxland (Mr Keating), the former Treasurer, can rightly claim authorship for the cross-media ownership rules, rules which I think have made a contribution to ensuring that some of the multi-media conglomerates that we used to have in Australia have had to be restructured.

For someone living in Sydney before 1986, it was very difficult to get a point of view which did not come from either the Fairfax, News Ltd or Packer syndicates. For example, the Fairfax Group owned Channel 7 in Sydney, radio station 2GB through the Macquarie operation, the *Sydney Morning Herald*, the *Sun* and the *Australian Financial Review*. News Ltd owned Channel 10, the *Australian*, the *Daily Telegraph* and the *Daily Mirror*. Kerry Packer's Consolidated Press owned Channel 9 in Sydney and very extensive magazine interests.

In Melbourne, your constituents, Mr Deputy Speaker, before 1986 had the same domination by News Ltd and Kerry Packer. The Herald and Weekly Times conglomerate owned Channel 7, radio station 3DB, the *Sun Pictorial* and the *Melbourne Herald*. Again we have three multi-media conglomerates occupying very strategic positions.

What is the position today? In Sydney we have different owners for channels 10, 7 and 9, not to mention the ABC and SBS. We have organisations such as Hoyts and other radio corporations which have decided to put syndicates together in the radio industry. Of course, we have News Ltd and Fairfax dominating newspapers, which was the case before 1986.

I admit that there are some people who believe that News Ltd has too high an ownership of newspapers in Australia. That is one of the crucial issues which the print media inquiry will address. Honourable members would not expect me to indicate here what my views might be on those issues, which will be

addressed in our report. I think it is very important, however, that we at least acknowledge the fact that the cross-media ownership rules have meant that those multi-media conglomerates have been broken up.

Yes, it did not go well for Fairfax. It did not go well for young Warwick—I am not referring to the honourable member for Bass opposite—Fairfax in his attempt to privatise the John Fairfax Group. But I am not sure the Labor Government can be blamed for the fact that Mr Fairfax bid a silly price at a silly time for the Fairfax Group, just as the Federal Government cannot be blamed for the fact that Alan Bond, Frank Lowy and Christopher Skase bid silly prices at the wrong time for the television networks, or for the fact that some radio station operators bid too high a price for FM licences in the recent auctions.

It is pretty hard to argue—as the Opposition does—that there should be more market forces, that we should let the market reign supreme. But then when entrepreneurs in the market make silly decisions it is a bit silly to say that they should not bear the consequences of their decisions.

**Mr Smith**—Bring Christopher Skase back.

**Mr LEE**—That is what has happened. The honourable member for Bass says that Christopher Skase should be brought back; I agree completely. I believe Mr Skase should be forced to return to Australia to answer the charges that are pending against him in a number of areas. I was very interested to read of his activities in Spain these days. I think his time could be more productively spent here in Australia answering a few questions rather than gardening in his villa in Majorca.

Having given the Government credit for introducing the cross-media ownership rules, this is one point where I can compliment the honourable member for Bass. In one recent article it was said that one of his great achievements to date has been that he has been able to persuade the Opposition to support the cross-media ownership rules. Given the fact that the past history of the Opposition's position on this has been complex, to say the least, I think that is a credit to the honourable member.

If we go back through *Hansard* reports in the period that covered the debate on the introduction of the cross-media ownership rules, we find that the Liberal Party argued that it should be the Trade Practices Commission, and not the ABT, that should be involved in this. The National Party, through Charles Blunt, the former member for Richmond, and others argued that they were very concerned that the cross-media ownership rules could have a bad effect in rural areas. The honourable member for Bass deserves credit for the fact that the Opposition now looks like supporting the cross-media ownership rules and ensuring that they are obeyed in the spirit of the law as well as the letter of the law, which is the position that the current Minister for Transport and Communications (Mr Beazley) has taken.

What are those limits? They mean that no newspaper or radio station can own more than 5 per cent of a television station which covers the same service area. In return, no television station can own more than 15 per cent of any newspaper that circulates to more than 50 per cent of the service area. I know that the honourable member for Burke and perhaps a few other people have been arguing that there is an inconsistency and that we need to look at a 5 per cent limit on all directions instead of allowing a differential between newspaper investment in television and television investment in newspapers. However, that is something that certainly will not be settled before the Fairfax bid is closed or before the ownership of the John Fairfax group is finalised.

As far as this Government is concerned, there is no problem in continuing to look at the cross-media ownership rules because there is a real commitment on this side of the House to ensure that the cross-media ownership rules apply and that we have that diversity of points of view.

I confess that I got a bit confused when the honourable member for Bass started his speech and said that this Bill creates even more regulation, which tended to be something that those on his side of politics rejected, and that the legislation created confusion on the technical effects of the amendments. He said that at the end of the day the Opposi-

tion would allow the legislation to pass and that any problems with the legislation should be addressed by the Government in particular and not by the Opposition. We are grateful that there will be no division in this House on this matter. Members of the Opposition may think that there are some defects in the legislation. It is disappointing that they were not able to move amendments here today, but they will live to fight another day in the other House.

It is very clear that the Government is introducing this legislation as a result of suggestions and recommendations from the Australian Broadcasting Tribunal. I personally think that the Government has done the right thing to require notification in examples where there could be difficulties for people bidding for media operations. We all know that at the moment most of the attention is focused on the Tourang bid for the John Fairfax group.

This legislation provides for the Tourang group—the people who are deemed to be associates under the definition of this legislation—to notify the Australian Broadcasting Tribunal and provide certain information to the Tribunal so that it is as informed as possible. The Minister for Transport and Communications is to be commended for the fact that this legislation has been brought in at quite short notice to ensure that the Broadcasting Tribunal has those extra powers so that it is fully informed, can go to the Federal Court if it believes there is a breach of the Act, and can take action to ensure that certain breaches are rectified. It is a very clear demonstration that the Government is not prepared to stand by and allow the Act to be ignored or circumvented. That is something which we support.

A lot of the people who are opposed to the Tourang bid for the John Fairfax group have argued that Trevor Kennedy and Malcolm Turnbull as individuals, because they have been associated with Mr Packer or Consolidated Press in the past, should be defined as associates and any influence which they may have should be considered to be Kerry Packer's influence. For the record, the House should be aware that in evidence to the print

media inquiry last Tuesday Mr Kennedy denied that there would be such influence and made it clear that, while the Tourang group has notified the Australian Broadcasting Tribunal, it objected to any claims by people who would argue that Mr Packer, through Mr Kennedy or Mr Turnbull, would be exercising control or influence. As to whether the Australian Broadcasting Tribunal will accept that information or whether the Tribunal will require greater information, that is a decision that we have to leave to the Tribunal. It is a responsibility which, I am sure, it will discharge with proper regard to the legislation.

In conclusion, I wish to reaffirm my strong support for the cross-media ownership rules. I believe that they have had a positive influence on diversity in the Australian media. Some people are unhappy with the extent of the diversity in the print media. That is an issue which is being addressed by the House of Representatives Select Committee on the Print Media. Any suggestion that the debate which is now taking place within the Government on foreign investment limits is creating confusion is made by people who ignore the fact that the alternative which currently exists provides a recipe for even greater confusion.

**Mr SINCLAIR** (New England) (6.00 p.m.)—Like the honourable member for Bass (Mr Smith), I confess that I have some trouble with the timing and the nature of the Broadcasting Amendment Bill. I respect the honourable member for Dobell (Mr Lee) and his sincerity. I can assure him that there are a number of aspects about the timing of this legislation that are far too reminiscent of the way in which the Government dealt with the Wesley Vale application. We cannot change the rules in the middle of a game and we certainly cannot create a climate where nobody knows what the rules are. I have no worry about the Government setting the rules. I might not like the rules; I might not agree with aspects of them, but I am most concerned about the whole approach to the establishment of the House of Representatives Select Committee on the Print Media, the introduction and the debate of the Broadcasting Amendment Bill and the way in which the

Fairfax bids are being elevated to be something that is being dealt with in the particular instead of the general.

The first rule as a parliamentarian, and certainly the first rule in government, is that one never legislates subjectively. If one is going to legislate one should make up one's mind on the general principle and should introduce whatever the particular measure might be to cover the generality of the field. As soon as one legislates subjectively one creates problems and anomalies, distorts the pattern and certainly generates consequences that I do not think are desirable and in this instance, I would suggest, are commercially reprehensible.

The first thing that people should understand is that the debate within Labor Caucus and the vacillation about the percentage of overseas ownership seriously prejudice the price that the three potential bidders will make for the Fairfax assets. We have to understand that, quite unrelated to anything the Government is doing, the receivers are properly saying, 'We want bids by a certain date'. They have set down the date. The date is next week. That is something that is being done in the commercial market outside politics. It is being done because the receivers have a responsibility to the creditors. Were they not to set a date and wait while the Government and the Labor Party made up its mind, they would be acting irresponsibly. To satisfy the cries of the creditors, the receivers need to make sure that they get the best possible bid for the assets.

The honourable member for Dobell, as Chairman of the Media Committee, has referred to evidence submitted to that Committee. It is public evidence and it is quite proper that he should do so. It has been suggested in evidence given to the Committee that there is a variation in the price that we can pay according to the extent to which there are going to be components of overseas funds or domestic funds, the price we have to pay for the money, the extent to which there are associates or non-associates, the extent to which the junk bond holders have some sort of preferential arrangement through Tourang or not, and the extent to which one of the

associates—he may or may not be an associate—involved can determine the extent to which others may or may not deal with those junk bond holders.

I have no complaint about the Government introducing legislation on overseas ownership, the way in which particular interests can be determined—I will address this in a moment—or the way in which the Broadcasting Tribunal can run its eye over forward bids and determine in advance of circumstances, particularly bearing in mind the bid for 2UE that the honourable member for Bass referred to, to ensure that there is not a circumstance created which might breach the intent of the legislation before the actual bid takes place.

I do have a concern when commercial market forces are disrupted. In the present instance it would be my strong recommendation to the Government that we should not proceed with this legislation because on Monday, 15 October, the receivers have said, they will receive the bids. I believe—the honourable member for Bass has already said it—that there are defects in the present law. I do not think that we will be able to give sufficient precision to the marketplace between now and the time those liquidators take those bids to be able to clear the position to the certain knowledge of the participants.

For that reason it would be far better if we adjourned the debate and looked at this Bill on its merits after next Monday. Equally, I would suggest to Caucus members that even though I know of their emotions and concerns about overseas ownership—and I can assure them, they are not unique; there are a lot of Australians out there who worry about not only the percentage of overseas ownership but also the source of the money—it would be far better if we set aside this legislation and if Caucus set aside its debate and said, ‘We have got a real worry about the percentage of overseas ownership but we are not going to interfere in the process of the marketplace before the liquidators receive their bids’.

It could be that after next Monday they have their debate and they introduce legislation. It really concerns me that the honourable member for Dobell has suggested that it is rather strange that Mr Kennedy should seek

to comply with this legislation. Everybody accepts that the Government has the capacity to pass legislation, at least through this chamber, and if he sees this legislation and thinks, ‘Well, you are going to introduce it’, of course he is going to try to comply with it. That should not be the basis for either Mr Kennedy or any other of the participants in the bid making a judgment about what they are going to do. On the basis of the information and the law as it now exists and their interpretation of it, and the apprehension that there might be some changes, they have to make their judgment and they ought to be able to do that between now and next Monday. I believe that would be the right way for this House to deal with this legislation.

We should set aside this debate and not pass this legislation today; Caucus ought to defer its debate till after next Monday and then we can come back to it. We could then deal with the legislation next Tuesday or the day after the liquidators have received the bids. We would be in a position to make our judgment not partially, not subjectively, not specifically in relation to the Fairfax circumstances, but a bit more generally. The bidders are going to have to make their judgment on the basis of the law as it is today, knowing that there has been public debate, knowing that there is a committee which is going to make a recommendation sometime before the end of the year and that the laws might change before their bids come into place.

That is the opening position which I believe is fairly important. We have had far too much Government prevarication, far too much Government emotional reaction and far too much uncertainty in the marketplace—and, above all, we cannot afford it at the moment. Australia is not in the brightest of economic conditions. We do have real difficulties in trying to promote the sort of new investment that is needed and, whatever our individual views might be, the people who are putting up their bids for John Fairfax ought to be able to compete in a way which ensures that they are all on even ground, that they are all competing under the law as it is now and not as it might be. So, beginning from there, I am

concerned that there seems to be a shifting of the sands of government policy, which are indeterminate, imprecise and really quite disruptive to the liquidator, or the receivers as they are in this instance, receiving the best bids on commercial grounds for the assets of John Fairfax.

The second thing I want to say is that if this legislation is to be dealt with I would have preferred that at the same time we had a little more precision about where the trade practices legislation is going. Again before the Committee, and it is public knowledge, there has been debate between the Attorney-General's Department and the Trade Practices Commission—its Chairman, its Deputy Chairman and its members—as to what sort of role the trade practices legislation should play regarding the media. We have been talking about market dominance and, before one gets to that, one has to determine what is the market. Is the market print media? Is the market media in general? What is the market and how is one going to determine the role of the Trade Practices Commission?

I share the view of the honourable member for Bass that one commendable feature about this legislation is that there is going to be some cross-membership. That is great, but it does not really satisfy us. One of my bugs is that we seem to keep on proliferating bodies. I spoke a few moments ago about my concern in relation to EFIC. It might well be that setting up EFIC as a separate statutory corporation is the way to go, it might well be that giving the Broadcasting Tribunal additional power is the way to go, but I want to know what is going to be done about the trade practices legislation. I would like to know what role the commission is going to play. I am equally concerned about the FIRB role. I do not agree with the present Treasurer (Mr Kerin) on many things, but I was interested to see his comment about the way in which the FIRB role is exercised. It is quite a correct exposition. The FIRB receives the application, then there is a discussion on the basis of the foreign content as to whether or not there needs to be an acceptance or rejection of the bids and the particular foreign content that is there and whether or not it is

going to be rejected or accepted. It does not really matter whether Caucus says it is an arbitrary 20 per cent and how the 20 per cent is defined and whether it is equity or non-equity or quasi-equity; it is essentially a matter which the FIRB and Treasury look at in relation to what they see as being in the public interest.

Having said all that, there is a problem in giving to the present Broadcasting Tribunal, in my view, any more power. I am very unhappy with the way the Australian Broadcasting Tribunal has been functioning since David Jones departed. David Jones was exemplary in the way in which he functioned as the Chairman of the Broadcasting Tribunal, and since then the body has become far too legalistic. The extent to which a bevy of silks has to be employed in order to explain even the very humblest of licence applications is a disgrace. We have set up this great bureaucracy, in the legal sense, in order to look at what should be virtually routine licence renewal applications. The powers of the ABT, to my mind, have moved way beyond the intention of the Parliament when the ABT was set up. I am worried that the ABT still has not enough participation from people who are out there in the broadcasting world, not just people who have run radio stations or who have been involved in electronic media, but people who have a bit of interest perhaps in music, drama and some of the other participatory areas.

I would prefer to see the Broadcasting Tribunal as more of a body looking at the public interest and less of what it sees itself as—a legal tribunal trying to adjudicate on the interpretation of aspects within the legislation. While I would accept that the Federal Court is going to have some powers as a result of this legislation—and section 9 of the Bill refers to that—it should not only be a matter of legalities; it ought to be more a matter of looking at what is in the public interest and how we can best serve the community.

I am worried about giving additional powers to the Broadcasting Tribunal. I would like to know a little more about its relationship with the Trade Practices Commission,

and I would like to see a resolution of who is going to have what powers. As the honourable member for Bass said, the Commonwealth at the moment does not have power in the print media. It does have power with respect to market dominance. This intrudes and makes the whole thing a bit of a hotchpotch.

I want to refer to a couple of other aspects of the debate. There is a worry about the narrowness of the media in Australia, with the smallness of our population and the concentration of ownership. I have no doubts about that. Indeed, some have pointed with concern—indeed quite properly—to the way in which chequebook journalism seeks to influence individuals. There is a whole range of instances where, as politicians from both sides of politics, we can look with apprehension at the way in which the media has influenced election results. Without wishing to go into it to any great degree, there is no doubt in my mind that one of the reasons the late Bill McMahon lost the 1972 election was the change in ownership of the Sydney *Daily Telegraph*. That is an historical fact. It can be demonstrated in relation to the presentation of that consumer-type news in the *Daily Telegraph* that the change in emphasis from one side of politics to the other influenced the result.

Talking about chequebook journalism, I am one of those who have been most concerned about the way in which the former wife of the Leader of the Opposition (Dr Hewson) has been given a great deal of publicity in what I see as a distorted presentation of what are very personal matters, distorted because they have been given a prominence which I do not think is justified merely because it involves the personal life of a politician.

It has been suggested to me, quite seriously, that it is all a matter of a particular media proprietor saying, 'Look, no matter who you are or where you are, we are able to assert authority over you. We are able to throw up details of your personal life and, by throwing up details of your personal life, we are able to call on you to act in a certain way'. It has been suggested to me that in this instance the whole emphasis, the real target, was the Prime Minister (Mr Hawke) as this particular media

proprietor is supposed to be a supporter of the honourable member for Blaxland (Mr Keating).

Whether that is so or not, that is the implication in our society. Our media is a very small, restricted one, and the dominance of one or two proprietors is such that people are apprehensive. That tends to taint the extent to which one can make a dispassionate judgment on matters of profound public policy and importance. It concerns me that there should be suggestions that, through chequebook journalism, undue influence can be asserted. It is, therefore, much more difficult for us in Parliament to determine the best way to ensure the distribution of competition, and fair and open competition, amongst different segments of the media.

I happen to be a person who is against cross-media ownership restraints. I recognise the problems with that. I am not going to argue the case now, but I am concerned that in the present circumstances there are three prime bidders for Fairfax. That is the most significant matter in the media area at the moment. We have had problems with takeovers of television stations by entrepreneurs. There are enormous financial difficulties still in the television and radio worlds. The fact that the receivers have moved into Fairfax demonstrates that in spite of the very profitable state of the Fairfax group, there are still difficulties in the print media too.

I am concerned that the Parliament not generate a climate of uncertainty. I strongly put it to the House that it would be far better for us to defer this legislation. In that climate, each of those bidders can put in their bids before the event. They can take note of the fact that there is a debate in the Labor Caucus and that the Parliament will be dealing with legislation, although they will not know what it will be. Acting under the law that now exists, they should put their bids in. Indeed, for my money, I would prefer not only that they put their bids in, but also that the receivers be able to make their judgment on who is the preferred bidder under the law as it is now and not face interference and intervention, as

I see it, in an arbitrary way as a result of the legislation this House is now debating.

**Sitting suspended from 6.18 to 8 p.m.**

**Mr ELLIOTT** (Parramatta) (8.00 p.m.)—In speaking to the Broadcasting Amendment Bill 1991, I would like at the outset to say what this Bill does cover rather than deal with some of the comments made previously which related to things that the Bill does not cover. I think it may be worth while restating the key provisions of the Bill. The Bill will amend the Broadcasting Act to:

(a) require that the Australian Broadcasting Tribunal be given prior written notice of acquisitions of interests which could contravene that Act, including a contravention that would arise if the interests of associates were aggregated;

(b) increase the ABT's powers to gather information on the ownership and control arrangements for media outlets to assist the Tribunal in determining whether the ownership and control rules of the Act have been, or are likely to be, contravened; and

(c) strengthen the powers of the Federal Court to protect licensees and other companies and to prevent, or prevent the continuation of, contraventions of the ownership and control rules, either on an interim basis to enable proposed acquisitions of interests to be appropriately investigated or on a more permanent basis.

It is difficult to conduct the debate on this amendment Bill without reference to contemporary affairs, particularly the Fairfax bid and so forth. But it is important to say at the outset that this particular provision has relevance to the range of cross-media ownership requirements that have been introduced by the Government as part of its broadcasting policy. Those cross-media ownership rules are clear and well established. What these amendments do, fundamentally, is make sure that the spirit and principles that everyone understood applied to the Broadcasting Act as far as cross-media ownership rules are concerned are adhered to.

In all the discussion that has been going on in recent weeks and months about what would happen to Fairfax, the Minister for Transport and Communications (Mr Beazley) has made it abundantly clear at all times that the Government would require that the cross-media ownership rules, as outlined in the Broadcasting Act, were adhered to by all the

respective bidders for the Fairfax organisation. It is with that in mind that this particular provision has been introduced, because it gives the proactive role to the ABT, which is important in this area. It recognises the legal cases that have been referred to. Particularly, it recognises the experiences of the 2UE discussion, where it proved difficult to establish just who had effective ownership and control of that particular organisation. Above all else, it says that the Government has the cross-media ownership rules, that they are there for a reason and are there to be applied, and that it will not be possible for anyone, by a device or mechanism, to subvert the intent of those rules.

So it is wrong to suggest, as did the right honourable member for New England (Mr Sinclair) and the honourable member for Bass (Mr Smith), that some confusion is somehow involved in this process. There is not any confusion about the 15 per cent requirement under the cross-media ownership rules. What there may have been was some people seeking to extend beyond the spirit of that legal requirement. I do not know whether anyone was trying to do that when the respective people appeared before the Select Committee on the Print Media. They said that they understood those rules and accepted them. They, like some members of the Opposition, do not necessarily agree with aspects of the cross-media ownership rules. Nevertheless, they have accepted the importance and relevance of them in their consideration of bids for Fairfax.

With that in mind, I think it is right that the Government has taken up the suggestion—which has come from a number of quarters, including the Tribunal itself—that it needed to have the proactive investigative power to ensure that it could properly analyse ownership and control bids for media outlets in a prospective transaction. It is fair to say that it is important that the Tribunal have that right. Historically, some matters relating to media ownership in Australia have been very difficult in terms of defining exactly who has ownership. I recall particularly the recent experience with television. The tracing provisions for television under the Broadcasting

Act do make it difficult for people to establish precisely who has ownership of all the various direct interests and who has control of those particular establishments.

This Bill, I think, clears up a lot of that ambiguity. It gives a definition of 'associates'. At the print media inquiry Mr Trevor Kennedy did express some criticism of this; nevertheless the Bill has cleared up the uncertainty as to what 'associate' means. It gives a precise definition, which I will not read out tonight, but it does make very clear that where people have a direct interest the Tribunal will have the power to go to the nub of the matter to establish what that really means in respect of the prospective purchase, share transaction or the like.

There is no doubt that there is a very strong argument that the media, because of its influence and its fundamental role in democracy, should be treated as a special category in terms of our industry policy. That is why it is important that the Tribunal have its proactive powers. It is important that there be an overlap, as there is, between the role of the Broadcasting Tribunal and that of the Trade Practices Commission. The cross-relationship that they have is important in establishing the links between broadcasting and the print media particularly.

It is very pleasing to note that one of the initiatives that have been taken is to ensure that the Deputy President of the Trade Practices Commission will sit as a member of the Broadcasting Tribunal in these sorts of cases. That provides the sort of experience and expertise that is useful in getting the discussion on the respective forms of media on a coherent basis. In a democracy one can only cherish and treat very seriously the needs and concerns that we all have for information. We need to make sure that the range of ownership of information is diverse so as to ensure that the community's access to information sources is taken very seriously indeed.

It is with those sorts of provisions in mind that these amendments are brought forward, as has been the case with other amendments to the Broadcasting Act in recent times. I would be the first to say that some of them are fairly complex. But it is difficult, when

one is dealing with transactions such as the receivership of Channel 7, to have other than complex tracing provisions. We need such provisions to ensure that we can get a full understanding of who has control, who has real interest, who has real equity, and who has real influence in terms of the particular media establishment.

I believe that if, as the Tribunal itself has sought in the past, the Tribunal is given the opportunity to investigate prior to the final decisions being made in these matters, it will be better placed to ensure that the coherent spirit of the Broadcasting Act is complied with by all players.

The licensing arrangements under the ABT have highlighted the capacity of some media players to thwart or tie up that process in unnecessary litigation. Earlier this evening the right honourable member for New England suggested that the Broadcasting Tribunal's actions in recent times had not been effective because the Broadcasting Tribunal had resorted too much to legalism. I think that in some of the most notable licence hearings involving the Broadcasting Tribunal it was anything but the Broadcasting Tribunal that actually sought to tie up those matters. Rather it was some of the major players themselves who had used legal mechanisms to thwart the clear spirit of the Broadcasting Act at the time and had used the processes of the courts as a means of delaying and diverting the true spirit and intent of the Broadcasting Act in a number of important ways.

The provisions in this Bill give the Tribunal that proactive role. They will ensure that prior written notification of acquisitions of interests is clearly established for all to see. As we have heard, the Tourang people have already, on the basis of the foreshadowed legislation, taken the step of referring their particular matters to the Tribunal for scrutiny in the first place. That is as it should be. I think it is important that this application to interest, which could give rise to contravention of the ownership and control rules, is clearly understood as something that each of the respective players has to follow through.

Again, the range of consortia and interests which play a role in the various aspects of the

Australian community really highlight why there is a significant concern in this regard. Clearly, all aspects of our media are very powerful weapons. It is important that if we are going to be serious about trying to get diversity, we should ensure that, first of all, the cross-media ownership rules apply and, secondly, that the foreign ownership requirements which help ensure the Australian culture and identity that we seek from our media and which, just as importantly, I think the Australian public are concerned about, are carried through as well.

The impact of the notification requirements will not remove the fundamental duty of the Tribunal to establish that a contravention of the Act has occurred. The various bidders that are involved are required to give prior notification. It is still up to the Tribunal to establish that it has the grounds on which to take the matter to the Federal Court if it believes that a contravention has occurred.

Some have said—and the honourable member for Bass referred to this criticism—that this provision does not go far enough. I believe, from what has been explained so far, that the Tribunal regards itself as being much better placed to be able to make judgments about these matters by having the prior notification power that this amendment provides. Admittedly, there is a tight time frame but that is there for quite obvious reasons. The amendment will ensure that it has the scope to be able to go to the Federal Court if it believes that a contravention of the Act has occurred. So the onus of proof—the presumption of innocence—that one would say applies to many Acts, will still apply to the Broadcasting Act after this change. Nevertheless, the legislation facilitates the Tribunal being in a position to ensure that adherence to the spirit of the law is applied all the way through the process.

The intention of the Bill is not to be unnecessarily intrusive as far as arrangements for the ABT are concerned. Clearly, certain classes of people might be affected in some way by an associate provision that the Bill is not meant to apply to. The Tribunal can make a judgment about those matters. If it determines that further action is not required in

respect of certain classes of people as far as an associate notification is concerned, that is a matter that the Tribunal can bring to the attention of the Parliament. The matter can be laid on the table and if the regulation that is attached is deemed to be not agreed with by the Parliament, it can be disallowed.

The determination process gives the Tribunal the power to exercise its functions properly. At the same time, it ultimately gives the Parliament the sanction over those matters relating to the Broadcasting Act. So to suggest in any sense that this does not achieve the sort of objective that most people would be seeking as far as compliance with cross-media ownership rules is concerned, that it does not go far enough, suggests that those people have not fully understood the provisions of the Bill.

The next matter that is important to refer to in respect of these issues obviously comes to the questions relating to the impact on the Fairfax bid. As various speakers have said in the debate, the intention is to receive the bids on 15 October. A number of things have been raised already in this discussion. People have said, ‘Well, the Parliament should not be getting involved in this—it should be left to the marketplace to determine the whole issue. It is not a matter for the Parliament until after the bids are in’. I think the right honourable member for New England referred to that earlier this evening. There are a few key points to be made on that issue.

First of all, the cross-media ownership rule has been there all the way through the process. That is not new. It is not changing the rules, as some people have suggested. The cross-media ownership rule, the 15 per cent limit on newspaper ownership that is placed on a television proprietor in a major area applied well in advance of the Fairfax consideration. But it has been said quite clearly that we are going to make sure that the law—and the Minister has made this abundantly clear—that applies in relation to that issue is going to be the subject of very strict and total compliance by the Government. The amendment before us is nothing more than ensuring that that rule, that law, that we understood was the way the process was to work is

actually going to be strictly complied with. It is completely without foundation to suggest that that is somehow shifting the goal post, shifting the sands, or whatever other expression is used.

As a result of the experiences that we have had already with other cases, it is clear that the will of the Parliament in relation to the cross-media ownership rules should be upheld. I do not suggest that any of the particular bidders in relation to Fairfax were not going to do that. I am saying to the House that to give the Tribunal the power to ensure that those rules are adhered to at the outset appears to me to be pretty fundamental to a discussion about real cross-media ownership. If the Opposition, as the honourable member for Bass said earlier today in the debate, was basically supportive of cross-media ownership, surely it would want to ensure that cross-media ownership rules are applied effectively.

That brings me to the next point: what do we want to try to achieve with our media ownership? Surely there are important things that we try to achieve. We try to ensure that there is a real diversity of ownership of Australian media. We try to ensure that a range of opinion is expressed in all the major markets and, hopefully, in the provincial, rural and regional areas as well. Clearly, part of the process of that is ensuring that there are rules relating to fair competition. The tests about what is competitiveness as far as media is concerned may well have to be different to what applies in other areas of what would normally come under the trade practice law.

That leads me to the issue that was before the print media inquiry last week. The Trade Practices Commission suggested that one of the things that it believes is important for the future is to ensure that the test relating to competition be changed from one of market dominance to one based on the issue of substantial lessening of competition. There is a fundamental difference between those two approaches in terms of how one determines this area of ownership and control. Clearly, if the Trade Practices Commission applied as its major test the substantial lessening of competition, we would ensure that we would get

less concentration of ownership. It is my view that one of the issues that the print media inquiry and, ultimately, the Government need to look at is a change in that direction that would give the Trade Practices Commission's submission that was made at last week's hearing real legal weight. Clearly, unless we do that, unless we change the basic philosophy to one of a substantial lessening of competition, we will really not get to the fundamental problem of how to achieve more diversity and a greater range of ownership of Australian media. That is something that I believe most people in the community would regard as significant.

Concentration is one of the fundamental problems that we have had to encounter in Australia—much more so than in many other countries. It was at least in part because of the current requirement about market dominance that Professor Fels said to us last week that the Trade Practices Commission would like to be more assertive and vigorous in its approach to this issue but is constrained by current legal requirements. I believe that in terms of media ownership, a strong case can be argued that substantial lessening of competition should be the test applied to media rather than the one that relates to market dominance.

In the remaining time that is available to me, I want to refer to a couple of other issues. As one of his other contributions to the debate, the right honourable member for New England suggested that it was not proper for the Government to be changing the rules in mid-stream. He asserted that this was happening with this Bill. Before I came into this place I recall the Murdoch Bill which was introduced by the Fraser Government. It is worth noting that that change broke all the rules. As the Minister of the day at that time, I think the right honourable member for New England probably had some part in that. Those sorts of changes are not terribly desirable.

In this particular amendment, we are suggesting that the spirit and the letter of the cross-media ownership rule should be adhered to. That is what this Bill provides for. It defines closely how that should occur. For

those reasons I believe it is a Bill that is saying that the law that Parliament has already enacted should be fully complied with. We are going to pass an amendment that ensures the Tribunal has the added power to make sure that actually occurs. For that reason I believe it is one that should have the full and total support of the whole of the Parliament.

**Mr CADMAN (Mitchell)** (8.20 p.m.)—This is another piece of legislation which follows a whole series of legislation that started back in 1985, with more in 1986 and 1987, dealing with the ownership of Australian media, particularly, of course, radio and television; with the market reach of television stations and their proprietors; with how much of the market they were allowed to have; and, subsequently, with rules on cross-media ownership. From its day of coming to office, this Government has seen media policy as just another tool to be used in its quest for retaining power. Decision after decision, legislation after legislation, the Government has drafted to enable it to play its favourites in the media field and to be able to produce the results, after inquiries and after legislation, that were predictable if one looked at the players.

There was the condemnation prior to the 1983 election of Murdoch and his influence on previous election results, but quickly after assuming office there were amendments to suit the News Ltd group. It did not seem to worry the Government at that time that a former foe was encouraged to become an ally. There were rules changed about the nationality of people who were allowed to participate in the ownership of the Australian media. Time and again, when the Government brought measures in, one only had to listen to the words of Prime Minister (Mr Hawke) or the then Treasurer, Mr Keating, to detect the results of many of these media decisions.

I remember the Minister for Communications at the time, Mr Duffy, holding out for a 43 per cent limit on ownership in reach. The Prime Minister said, 'No, it is going to be 60 per cent'. The Prime Minister and the Treasurer at that time, Mr Keating, won the day with the 60 per cent formula. The 60 per cent formula was, in fact, a process whereby

a situation that had already occurred in ownership was legalised after the event. After the event had occurred and the bounds had been exceeded, suddenly the Government decided to legalise that process. So, in the main, the whole of media business for the Government has been not an objective exercise, but an exercise in using media policy as a political tool for its own benefit. Foreign ownership and the ambiguous attitudes of the Government—in this instance, foreign nationality and ambiguous attitudes on the part of this Government—have been a theme constantly recurring.

We had a change of the main players following that cross-media ownership legislation in 1986. New players came onto the field. They were Alan Bond, Robert Holmes a'Court, Kerry Stokes and Christopher Skase. The names will be remembered by Australians because they were the big bidders who hoisted the market to untold heights after the Government's decision of that period in 1986. In playing with the policy of media, the Government was successful in building the assets of a few very favoured Australians. Many of those favourite Australians are no longer with us or are no longer in business, but they were the big players of the day.

I remind the House and the Australian people of the changes that have taken place in the whole of this media area. In 1983, we had three basically strong and equal television networks: Channel 7, Channel 9 and Channel 10. They had about the same advertising revenue and the same strength. Their market reach was slightly different under the old rules. If I remember rightly, Channel 9 and Channel 10 had 42 per cent of the market and Channel 7 had about 31 per cent. They were basically equal and were competing strongly. I remind the House of that.

I remind Government members of the changes that were introduced at that time by Mr Duffy, who announced when introducing the legislation:

This is a historic Bill because it provides the legislative framework for a major expansion of the Australian broadcasting system.

He then went on to expound the advantages of all of these contrivances the Government

had put together in the guise of a brand new era for the Australian media and media ownership. In that day, there was also equal diversity amongst the major players in the print media. In the radio field, there was also great diversity.

**Mr Jull—**Huge diversity.

**Mr CADMAN—**Huge diversity that is no longer present. Despite all the machinations of the Government, of the Caucus meetings, and of the Caucus committees—the chairmen of which expound their views from day to day on the media—despite all of that effort and hype, the Prime Minister and the then Treasurer have had their way and we are in the same process right at this minute. The signals are there. If the community want to know what the Caucus is fearful of, they only need to read between the lines of what is being said by Caucus spokesmen and the chairmen of Caucus committees. What they keep under-scoring and what they keep emphasising is the very thing that they are fearful that the Government may do; that is, change the rules. They know the results that that has brought about in the past. They are most concerned that this process, of which this legislation we are debating tonight is part and which they have become used to, will be continued by the current Government.

We have seen the new players on the field come and go, and the new players in radio are Mike Willessee, Rod Muir and Glenn Wheatley. They have all changed their investments and they have gone looking basically in other places for their returns. Led by the Prime Minister, the Government has, where it could, aligned itself with friends and has supported those friends. The words of the then Treasurer, when he spoke to journalists or proprietors, are notorious throughout the media industry of Australia—deals. Just a series of deals. No policy. No real objective for improving the choice for the Australian people. No real objectives for providing better services to country areas. There is just automatic acceptance of what the network carries and that that is good enough for rural Australia.

The Caucus committee has been active over the last few days and made a great decision

today—that it would stay right out of it. When the bids are in and when everybody knows who the main contenders for the Fairfax groups are, the Government and the Caucus will decide. Surprise, surprise! So, again, we see the whole framework for a deal being set up.

The current Bill is about cross-media ownership and there are four objectives of that new proposal in the Bill. Firstly, the Bill extends the definition of associations requiring notification. There is a retrospective element in this which goes back five years. This is in line with the taxation rules on associates. Therefore, it has a wider implication and there is an effect that will, in the future, have some influence on the way in which governments and the Tribunal or the Trade Practices Commission will be able to look at these matters. The Bill extends the power of information gathering and puts in a new clause on confidentiality. There is little objection to that.

The Bill also allows for at least 10 days notification before an acquisition which may breach cross-media ownership or foreign control rules. Is this a reasonable limitation? Why the prior notice? Is it because, in the words of the Minister for Transport and Communications (Mr Beazley), he is not going to fool around; he wants a quick decision; and so 10 days notice to have a chat to the Chairman of the Tribunal is enough? I remind the House that the Chairman is a former secretary of the ALP in New South Wales, so it is a cosy relationship that we are talking about. The advice was given to the Government by one of its own former members and a long term expert in this area of media. This Government has a penchant for doing deals with its friends and trying to influence the results of decisions.

Finally, if the Tribunal expresses concern about any matter there is the reserve power for the Tribunal to send the matter off to the Federal Court. That threat would be enough to frighten a number of contenders out of the field. In the words of the Minister, Caucus members and the Prime Minister, it appears that there can be only one clean result for all of this process of the acquisition of Fairfax

and that would be to give it to AIN because the favouritism that has been expressed to the other two major contenders would lead me to believe that, no matter which of those two were chosen, the Government would be somewhat sullied by that decision. So, if the Tribunal, the liquidator, the Caucus committee and the Government by cross-media ownership controls accept that AIN is the favoured group, the Government will be clean. But if, on the other hand, it decides that the Packer bid or the Irish bid are suitable—both of those organisations have had the generous blessings of Senator Richardson, the Prime Minister and the Minister—

**Mr Jull**—Dinner at the Lodge.

**Mr CADMAN**—Yes, dinner at the Lodge, easily arranged. I would like to take the House briefly through some of the comments of the Minister responsible in this area. Despite what has been said by members and Ministers, a report in the *Australian Financial Review* of 7 February stated:

Mr Beazley would alter the Act so that the Australian Broadcasting Tribunal could more easily order an immediate divestment of either the prescribed interest in the television station, radio station or newspaper, in the event of a contravention of the rules.

That is the first shot across the bows. It is a case of, 'Those are going to be the grounds on which I will play. If you contravene the rules, I will bring in quick action'. The rules are those of cross-media ownership. Who does that favour? In the article by Joanne Gray she went on to state that she regarded that as giving a certain outcome, a certain favouritism. She talked about how Mr Packer could advance his cause and how the Minister appeared in this instance to be even-handed, although she came to the conclusion that he was not really being even-handed.

Then on 22 April there was a report of the Minister saying that there would be no change to media rules. Speaking on Channel 9, the Minister said that the Government had enacted the rules to spread ownership of media interests and to ensure that they remained within Australian control. He said:

It is very important, in public policy terms, that judgments that have been arrived at correctly in

terms of the public interest do not get overthrown or in any way excessively tampered with.

That refers to the 20 per cent foreign control of television or radio stations, the rules that apply at the moment. The rules mean that foreign companies or Channel 9's owner, Mr Kerry Packer, virtually the only interested buyers of media groups with the money to pay for them, are excluded from the market. So there again we have some hint of favoured treatment.

We then go on to 9 September when the 10-day limit is discussed. Another article by Joanne Gray in the *Australian Financial Review* stated:

The short time limit may be a boon to Mr Kerry Packer's Tourang consortium bid for the John Fairfax newspaper group. Bank lenders to Fairfax may be discouraged from dealing with Tourang if there is the chance of a restructured bid or a lengthy tribunal inquiry.

The Trade Practices Commission does not have a similar time limit. . .

But we are talking about the Tribunal, the body charged under this legislation to decide these things. The Minister said in passing that, if Caucus wanted to allow more than 20 per cent ownership, he believed there was room to do it. So we have the favoured two, the Irish connection and, of course, the Packer group, coming through.

The Minister then made his point of view very clear by condemning AIN as an up-market group that he felt was in the front running. He said:

We are hauling it back from that so in a sense we are automatically starting off by doing a favour to AIN.

That was to recover ground after he had been so critical of that group. I understand that two groups have already been to see Mr Westerway, the Tribunal Chairman, with this legislation in consideration. The Tourang consortium, which includes Canadian publisher Mr Conrad Black and media magnate Mr Kerry Packer, backed by US investment house Hellman and Friedman, has been to see Mr Westerway. It is my understanding also from another statement in another place from Mr Westerway that the Irish group has also been to see him with this legislation in view.

This is a poor way for a government to do business. Why does the Government not set down some rules that everybody can see through and then stick to them? Why does it not put the Australian public in a position where they can have confidence in what the Government is doing in the media? The public do not have that confidence. They have seen the way the Government has played this game in the past and they do not like it.

The principle that will apply in this instance is that a legal decision is due on 15 October. Caucus has put aside making a decision. We do not know what the Government is up to. But, when the bids come in, the Government will be in a position to decide whether it favours that process or not. I think that is highly cynical and it is wrong that the Government has chosen to adopt that process with this legislation.

Another thing that concerns me is that in this process it appears to me at least that the personal life of the Leader of the Opposition (Dr Hewson) has been dragged into it in order to demonstrate that one of the contenders may be a friend of the Government. The Parliamentary Secretary to the Minister for Transport and Communications (Mr Snowdon) smiles. The timing is coincidental. It appears to me that there is much to be gained by these decisions and the Government is in the process of making a decision. It would be all the better for Australia at large if the Government were to state clearly what it intends to stick to, stopped doing deals with its friends, provided a framework of media certainty whereby there are strong contenders and decent competition between those in the field and in that way provided the services that the Australian people want. Part of that would be greater involvement of the Trade Practices Commission instead of the Australian Broadcasting Tribunal. The Government should set the Tribunal aside from some of these decisions and leave them to the body that is expert in determining who has interests, who has controlling interest and who has an association. It should leave them to the people who are experts—not to the Chairman of the ABT and the ultimate threat of the Federal Court.

At the end of the day the losers will be the people of Australia. They have lost a great deal over the last eight years. They have lost three healthy television stations. Some radio stations are going well and some are not. We have such a concentration in the print media since the finalisation of the affairs of the Herald and Weekly Times that, no matter how good News Ltd may be—and I am not condemning it—it does leave the thought in the minds of most Australians that too much of what we read comes from one source only and there should be a greater diversity of choice and opportunity for Australians to determine their television programs, radio outlets and print media. The Caucus is not about that. The Caucus is about to bow to a decision that will be made in the back room by the Prime Minister and a few chosen people of the Cabinet. That decision will follow previous decisions—the poor example of using media policy as a ploy in political game playing to keep a government in office.

**Mr SNOWDON** (Northern Territory—Parliamentary Secretary to the Minister for Transport and Communications) (8.40 p.m.)—I start by acknowledging the contributions of honourable members who have spoken in this debate. As I progress I will make particular comment on some of the words of the honourable member for Mitchell (Mr Cadman). Firstly, I thank the honourable member for Dobell (Mr Lee) for his contribution, in which he put these amendments in their proper and appropriate context. I endorse the statements of the honourable member for Parramatta (Mr Elliott) on cross-media ownership. The logic of his presentation and his understanding of how the ABT operates and how it will be affected by these amendments is apparent.

I found the contributions of Opposition members somewhat confusing because they certainly did not demonstrate a uniform view. The propositions which were put by the honourable member for Bass (Mr Smith)—and the way in which he argued them—were very different from the arguments which were put by the right honourable member for New England (Mr Sinclair) and the honourable member for Mitchell. Both the honourable member for Bass and the honourable member

for Mitchell commented on the ALP Caucus. In that context, as the honourable member for Dobell observed, whilst the honourable member for Bass got some parts of it correct, essentially he misunderstood—or was completely unaware of—the process of Caucus this morning. The honourable member for Mitchell clearly had no idea. It might have assisted the House if they had talked to one another and at least taken a common line on what they thought was the attitude of Caucus, because they presented two very conflicting views.

Their contributions demonstrate the danger of relying on media reports about what Caucus does or does not do. Perhaps they should reflect upon this. I suggest to them that the best thing for them to do is to be patient and all will be revealed to them. In time they will understand what the Caucus says. They will not find it out from AAP, which the honourable member for Bass this evening indicated was his source.

I note that in particular the honourable member for Mitchell referred to the nationality provisions of the legislation. I advise the honourable member for Mitchell that the only changes to the nationality provisions of this legislation occurred in 1981. The Minister who was responsible at that time was the right honourable member for New England. The provisions which were introduced changed the qualification from a resident to a citizen. The person who came to be most affected by that was Mr Murdoch from News Ltd.

I suggest to Opposition members that, despite their rhetoric, they need to understand what this debate is about. This Bill amends a broadcasting Act, not a newspaper Act. If foreign ownership limits are introduced for newspapers, they will be introduced not under the Broadcasting Act but under the Trade Practices Act, the Foreign Takeovers Act or some specific Act which might or might not be drafted for that purpose. This Bill simply deals with the way the ABT and the Federal Court handle the actual or proposed acquisitions of prescribed interests covered by the Broadcasting Act. It is a Bill of general principle, as the right honourable member for New England demands, and it will be effec-

tive in ensuring that the spirit and letter of the Act are observed. Already, Mr Kennedy's actions give evidence of that.

I emphasise that, despite the view which has been expressed by the Opposition, the Bill does not change the rules. This was committed upon in some detail by the honourable member for Parramatta. The requirements of the current Act will determine what decisions ultimately are taken. I assure the honourable member for Bass that those rules already apply to any form of control—de facto, indirect, or direct. This Bill will also allow the ABT and the Federal Court to deal effectively with prospective acquisitions of prescribed interests, including acquisitions of actual control.

I emphasise that there is absolutely no confusion surrounding this Bill. The amendments to the Act proposed in the legislation ensure that the provisions of the Broadcasting Act relating to cross-media acquisitions and foreign ownership and control will be respected and adhered to. The Bill clarifies the procedures of the Australian Broadcasting Tribunal that intending purchasers and owners of broadcasting media will be involved in.

The primary objective of the Bill—that undertakings be given to the Tribunal by parties concerned in order to facilitate avoidance of any contravention of the Broadcasting Act—unfortunately seems to have been overlooked by the Opposition speakers in their haste to raise issues which were completely extraneous to this legislation. The undertakings in this legislation are enforceable by the Federal Court. Any breach of a court order to comply with the undertakings is self-executory; that is, failure to comply with such an order is a contempt of court.

In the 8½ years of this Labor Government we have witnessed rapid change in the field of broadcast media. The honourable member for Mitchell seemed intent, unfortunately, on indicating to the House that somehow or other this Government was responsible for the excesses of the corporate cowboys in the media industry. We would have to ask him how. I would suggest to him, if he were here, that not even he could seriously believe that. Those people are responsible for their own

actions, and they are the ones who are responsible for putting the organisations for which they themselves had responsibility into the mess that they ended up in. I would suggest to the honourable member for Mitchell that he should not listen to or believe his own rhetoric, because it clearly is a misunderstanding of the reality.

It is worth stressing that over the last few years we have seen profitable broadcast operations become financially threatened through their entanglement with parent or holding companies. Despite the advent of television networks, holding companies and conglomerates with complex ownership and control structures, television licence-holding companies losing control of their cash flow to contingent group liabilities and the like, the policy thrusts of this Government have kept pace with the changes we have witnessed. The other thing that we need to observe is that the Opposition is speaking from a stationary perspective of recent moments in history. The Broadcasting Act of 1942 was amended by the Labor Government in 1987 and again in 1990. These amendments addressed the increasingly complex issues of ownership and control of broadcast media.

In this era of rapid change, one would think that it is appropriate that we review from time to time the processes which are involved in ensuring that media regulations are appropriate, and from time to time that means that the sort of legislation which has been debated here this evening ought to be introduced. Despite its cynicism, the Opposition needs to understand and comprehend that the fundamental desire of this Government is to ensure that we have a strong and appropriate media in this country. We accept and appreciate, as should the Opposition, the importance of an independent media, free of monopoly control or excessive foreign ownership, with quality programming and local content that have been maintained under this Government.

The extent to which genuine freedom of speech is maintained is a measure of our democracy and something with which the honourable member for Mitchell, perhaps even the right honourable member for New England and certainly the honourable member

for Bass ought to appreciate is a major concern of this Government and is a legitimate concern of the Caucus. The Government has acted to ensure freedom of speech and diversity of media ownership in our society. These have been concerns of this Government during this period of rapid change.

The amendments set down in this Bill will ensure that the spirit and intent of the Broadcasting Act, as amended, will be respected and its provisions adhered to. Restrictions on cross-media ownership and on the extent of foreign interest being involved in the ownership and control of Australian broadcast media have been part of the policy initiatives of this Government and, hence, the subject of the amendments to the Broadcasting Act made previously by the Government.

It is the domain, after all, of government to determine policy and to legislate accordingly, just as in 1981 the right honourable member for New England, as Minister, saw fit to legislate to change the definition of nationality. It is the domain of the Australian Broadcasting Tribunal, on the other hand, to monitor and regulate compliance with legislation relating to broadcasting. It is important to note not only that the independence of the Australian Broadcasting Tribunal is crucial to ensuring that all players and potential players in the broadcasting media industry comply with the legal requirements placed upon them but also that the effective functioning of this Tribunal is important in ensuring the viability and efficiency of the industry.

I might just make one observation. I did not think the reputation of the honourable member for Mitchell was at all enhanced by his slagging off at the Chairman of the ABT. I suggest that he might rethink his attitude, as some other members of the Opposition ought to do, about people in public office who are working on behalf of the people of this country in positions such as Chairman of the Australian Broadcasting Tribunal. If the honourable member for Mitchell wants to slag off at him, he ought to do it outside. If he has allegations to make about these people, he should make them outside and expose himself to the full force of the law. His was a gutless exercise which ought not to be seen in this

House, and I believe the way in which the honourable member for Mitchell approached that particular subject is something which he ought to reflect upon.

One aspect of the role of the Tribunal concerns broadcast media ownership. It is to ensure that the Tribunal has the capacity to monitor and regulate effectively in the area of acquisition of broadcast media and of ownership and control that the Government has introduced this Bill. Under the Bill, prior notification of acquisitions of broadcast media which may be in contravention of the Act is required of the intended purchaser. Such notification will ensure that intended or actual ownership changes are brought to the attention of the Tribunal. It will also assist the purchasers to avoid breaches of the Act.

The ability of the Tribunal to fulfil independently and effectively its function of granting approvals in relation to ownership and control of licences will be streamlined and strengthened by the legislation. The Tribunal will gain increased power to gather information relevant to any inquiry it deems may be necessary to investigate further matters of acquisition, ownership and control that may be in contravention of the Act. The Government considers it is of paramount importance that the Tribunal be vested with the necessary powers to carry out its functions properly.

As with other initiatives of this Government, safeguards to protect individuals are properly and appropriately being put in place. The Tribunal will not be able to make public information of or about a prospective broadcast media ownership transaction, and any information that would give a business competitor an unfair advantage could not be disclosed by the Tribunal. These provisions of the Bill will go a long way to ensuring that the functions of the ABT, described in section 16 of the Broadcasting Act, can and will be conducted on an independent basis. The Government appropriately, as I have said, makes the rules, and it is the responsibility of the Tribunal to monitor and investigate commercial activities of individuals, companies and groups associated with the ownership and control of broadcast media.

This legislation, appropriately, contrary to what the honourable member for Mitchell had the gall to suggest, maintains the separation of functions of the Government and the ABT. It keeps the Tribunal at arm's length from the Government, as would be appropriate and as I am sure is supported by the bulk of the Opposition if not by the honourable member for Mitchell.

Clearly the Australian Broadcasting Tribunal is the proper body for investigating the compliance with or contravention of cross-media and foreign ownership provisions of the Broadcasting Act; the need for public proprietary of the broadcast licence holders and their responsibility to accurately inform, to entertain and to meet social and cultural needs of their media audience have long been established. Ensuring that the body which is responsible for the monitoring of licences, programs and standards is the same body that monitors and regulates in relation to acquisition, ownership and control not only makes for an efficient system of public accountability but also makes for one with sufficient powers to effectively achieve the objectives relating to the public good to which I have referred.

A further important aspect of this Broadcasting Amendment Bill addresses the question of who constitutes an associate in the context of media ownership and control. I stress that it is not the intention of the Bill to make it difficult for genuine players in the broadcasting field. It is important that the inclusion of associate relationships in the prior notification requirement will restrict contraventions to the Act and, indeed, prevent such contraventions by enabling the Tribunal to take action at an early stage of acquisition and ownership changes. This will allow the Tribunal to avoid the use of valuable resources on unnecessarily prolonged investigations.

As I said at the outset, I commend the legislation and I thank honourable members who have made contributions, though the contributions made by the Opposition members are not ones I would agree with. But I thank the honourable member for Bass for indicating that he will support, or at least not

oppose, the amendments we will move in the committee stages of the legislation.

Question resolved in the affirmative.

Bill read a second time.

### In Committee

The Bill.

**Mr SNOWDON** (Northern Territory—Parliamentary Secretary to the Minister for Transport and Communications) (8.58 p.m.)—by leave—I move:

- (1) Clause 5, page 4, proposed paragraph 90HA(3)(b), line 13, omit "that fact", substitute ", or has reason to believe, that this section so applies because of the proposal".
- (2) Clause 6, page 8, proposed paragraph 92EA(3)(b) line 12, omit "that fact", substitute ", or has reason to believe, that this section so applies because of the proposal".
- (3) Clause 6, page 10, proposed subsection 92EA(13), lines 5 and 6, omit the proposed subsection.

The first amendment simply clarifies the provisions of the Bill to ensure that, in relation to notice of an acquisition of a prescribed interest in a commercial radio licence, no person should be able to argue that he or she needs a specific awareness of the precise terms of the section before being obliged to comply with it. The obligation to notify will arise when the person is aware of the interest—whether held by the person or by an associate.

The second amendment before the House has a similar effect to the first amendment, but in relation to commercial television interests. The third amendment simply removes a provision not necessary, to ensure that persons with prescribed interests in newspapers are required to notify any acquisition of more than 5 per cent in a commercial television service in the same area. Other provisions already have that effect, and the inclusion of this provision may have caused confusion.

Amendments agreed to.

Bill, as amended, agreed to.

Bill reported with amendments; report—by leave—adopted.

### Third Reading

Bill (on motion by Mr Snowdon)—by leave—read a third time.

### APPROPRIATION BILL (No. 1) 1991-92

#### In Committee

Debate resumed from 12 September.

Schedule 3.

#### Department of the Prime Minister and Cabinet

Proposed expenditure, \$132,489,000.

#### Department of Finance

Proposed expenditure, \$180,547,000.

#### Department of the Treasury

Proposed expenditure, \$1,457,829,000.

#### Advance to the Minister for Finance

Proposed expenditure, \$170,000,000.

**Mr WILSON** (Sturt) (9.02 p.m.)—I want to take part in the debate on the appropriations for the Department of the Prime Minister and Cabinet, the Department of Finance, the Department of the Treasury and the Advance to the Minister for Finance because it is in these areas—particularly in the Department of the Treasury and the Department of the Prime Minister and Cabinet—that there is the responsibility for the development and administration of policies that relate to the maintenance and the stability of our whole financial system.

I want to talk about a specific problem that has arisen for the electors I represent and the other taxpayers in my State of South Australia. All honourable members in this House would be aware that the State Bank of South Australia would have failed but for a taxpayer guarantee that has enabled the State Government of South Australia to recapitalise that bank not once, but twice, so that it complies with the capital adequacy requirements.

**Mr Beale**—In the interim.

**Mr WILSON**—In the interim, as my colleague says. In February of this year, the State Premier announced to shocked South Australians that it was necessary for the State Government to pump \$980m into the State Bank. Just over six months later when he brought down his State Budget he brought a

second shock to the South Australian electorate by announcing that another \$1.2 billion had to be pumped in to ensure that the bank had the appropriate capital adequacy requirements.

This was because it was now allegedly the bank that was under the formal supervision of the Reserve Bank in relation to prudential supervision, whereas formerly it was apparently informally under that supervision. Inquiries are being properly conducted as to who had primary responsibility or some level of responsibility for determining the issue of prudential supervision. As a member of the House of Representative Standing Committee on Finance and Public Administration, I took part in a very interesting discussion with representatives of the State Bank of South Australia when they came to talk to us about the bank's problems and the manner in which they were handling them. Arising out of that evidence, it became apparent that the State Bank has a large number of subsidiaries. It is suggested that there might be more than 130. A significant subsidiary is a company called Beneficial Finance, a finance company which has been borrowing money and lending money. It has been borrowing money by issuing public prospectuses and getting public support. Its prospectus No. 65, for example, quite clearly had at the bottom of a paragraph the statement that the State Bank of South Australia does not guarantee, nor does it have any responsibility, for the debenture borrowings of Beneficial Finance.

At the Committee hearings on the public record, in public evidence, the present managing director of the bank informed the Committee that the State Government had not guaranteed Beneficial Finance's funding. I do not very much favour the idea of banks that are too big to fail or banks that cannot fail because they have behind them a government guarantee. I certainly have less favour with the idea that the risk subsidiary of a bank should not be able to fail if it enters risky business. It is stupid and scandalous for a government such as the State Government of South Australia, whose bank would have failed but for the guarantee of the Government and, hence, the taxpayers, to permit, let

alone urge, its bank to pump good money after bad into a failing finance company subsidiary. This is what is happening with Beneficial Finance in a way that is forcing South Australian taxpayers to make a present of what could be up to \$1 billion to international and other money market financiers.

The bank's managing director, Mr Ted Johnson, has challenged the correctness of this claim. Let me explain how the figure can be justified. In doing so I will outline some of the evidence which he, and his offsider, Mr Steve Paddison, gave to the banking inquiry. Mr Paddison said:

The retail debentures are a relatively small proportion of Beneficial's total funding. It is in the majority funded out of wholesale funding markets.

When later questioned on this topic, the managing director, Ted Johnson, confirmed Mr Paddison's claim that the retail debentures are a relatively small proportion of the outstanding liabilities compared with wholesale finance market borrowings. Though Mr Johnson was not absolutely certain of the ratio, he said that it would be between 10 and 20 per cent. He promised to confirm the exact numbers—I have not heard yet, but I hope to soon—just as Mr Paddison undertook to supply details as to how much of the outstandings of Beneficial Finance are domestic debentures or retail debentures, wholesale funding market liabilities, liabilities to the State Government or other liabilities.

Ted Johnson, in the *Advertiser* of 3 October 1991, is quoted as saying that Beneficial had \$450m in offshore debt. This represents 35 per cent of the borrowings, given that Mr Johnson is also quoted as saying that 65 per cent of its borrowings were domestic.

If there were \$195m owing on retail debentures, this would represent 15 per cent of the total borrowings with the balance coming from the domestic wholesale market, representing 50 per cent or \$650m. Much of this \$650m would have come from overseas as our domestic financial markets are awash with significant amounts of foreign investors' funds, which has come about as a consequence of this Government's high interest, high exchange rate policies.

South Australian taxpayers should not be called upon to pay BFC's losses. The State Government guaranteed the repayment of the bank's deposits but it did not guarantee repayment of BFC's bonds, nor were they guaranteed by the State Bank. The debentures were not guaranteed; the money market instruments were not guaranteed, so the gnomes of Zurich, New York, Tokyo and even Sydney and Melbourne should not get a present from the South Australian taxpayers because now, in a retrospective way, those debentures are being given a guaranteed status. The State Bank should walk away from Beneficial Finance.

The question might arise: what happens to the retail debenture holders? If one looks at their prospectus and tries to study the latest figures, it could well be that the retail debenture holders would be paid 100c in the dollar and then there would be no problem. Why should South Australian taxpayers be paying on the wholesale money markets interest at 4 or 5 per cent above the borrowings of the bank because people lent knowing the money was at risk? They took the risk; they should now cop the loss. The South Australian taxpayer should not have to fund that loss.

This raises the whole question of the efficacy and appropriateness of State banks. For a number of years I have been advocating that they should be sold. I am pleased that my colleagues in the Liberal Party Opposition in the State Parliament have said that their policy is to sell the bank. It should be sold now and not later. By its crystallising its loss now and selling its books, if it has them, we as South Australians would get much more for it and we would know what we were up for, whereas if we let it drag on, it will be run by bankers who are more concerned about protecting bankers and the bankers' club than they are about the interests of taxpayers for whom they write blank cheques. It is in the interests of South Australians that the bank be sold now. Its land broking and land agency firm, its merchant bank, its insurance company and all its other subsidiaries should also be sold. Who knows how much they have borrowed on unsecured risk rated high interest paper. If they go wrong—they may

have; we do not know—should we as taxpayers be paying, or should they be allowed to fail?

My view is that the security of the Australian financial system, let alone the South Australian system, is at stake if we allow these high risk ventures that are subsidiaries of banks to get de facto guarantees after the event when people are getting a high price for the money because of the risk they took. (*Time expired*)

Dr CATLEY (Adelaide) (9.11 p.m.)—I would like to talk about the Treasury appropriation in respect of the Treasury policy as we come out of the recession that we have been in during this year. We are in the recession for two interrelated reasons—the first, a long term one and the other a short term one. In the long term, it results from our being cast adrift from the British imperial economic system when Britain joined the European Community and the consequential need for us to restructure our economy, which had been featherbedded by inefficient sweetheart deals by Opposition members when in government over 30 years in airlines, tariffs for the manufacturing sector, the ports, the education system, agriculture and the banking sector.

In the short term, it has been occasioned by overheating the economy in 1989-90 when demand was growing at 8 per cent, supply by 4 per cent and the current account deficit matching the difference by providing a 4 per cent current account deficit of GDP. Therefore, the Government slowed down the economy with tight wage, fiscal and monetary policy. This slowdown unfortunately became a recession in the course of the calendar year 1991 because of the rural crisis occasioned by the collapse of markets for our stable products of wheat and wool and in part by the drought. It was further exacerbated by a downturn in the international business cycle, which appears to have an unfortunate eight year duration that is almost immutable.

This recession has not been the worst recession in 60 years, no matter how loudly the Opposition shouts this to be the case. Unemployment has not reached 10 per cent. Unemployment was 30 per cent in the 1930s. Unemployment in 1982-83 was over 10 per

cent. At this stage, on the basis of unemployment figures, we are not as bad as we were in 1982-83. On the basis of falls in output of economic production, there has not been such a fall as there was in 1982-83. This is the worst recession since 1982-83. It has been exacerbated by the international situation and by the need to restructure, but the signs are now appearing unmistakably that we are coming out of the recession.

Let us have a look at a few of these figures. It is true that they are volatile and there appear to be some ambiguities, but if we pick our way through we can see the following things. Firstly, we have made unambiguous gains on the inflation front, to which I will return. We have also made unambiguous gains on the current account deficit which occasioned the change in policy two years ago. In terms of outputs, there are some clear signs that we are now moving upwards in terms of production. Take the housing sector, for example. Housing finance commitments rose by 8.1 per cent in July to their highest level since November 1988 and they are 53.6 per cent above the trough of the recession in July 1989. It is true that building approvals fell back slightly by 1.2 per cent in August after rising strongly by 17.3 per cent in July, but the trend showed a growth of 2.6 per cent for the second consecutive month.

The Westpac/CAI survey for industrial trends showed expectations for new orders in the coming quarter to be at their most bullish for two years. Inflation expectations for December are the lowest recorded in the survey and labour shedding is also expected to slow. Retail trade rose by 2.2 per cent in July after a slight fall in June and over the last three months trend growth was averaging at 0.3 per cent. The Westpac/Melbourne Institute measures of consumer inflation expectations have now fallen to 4 per cent in the September quarter.

Labour market indicators are somewhat volatile, as would be expected at this stage in the cycle, but the August labour force statistics showed a record growth in employment of 106,000 new jobs. This also occurred with a sharp increase in the participation rate, which is back up to 63.4 per cent.

It is true that the ANZ job vacancy survey is not showing any great improvement, but on the other hand the DEET index has shown a clear sign of having turned with an 18 per cent increase in the three months to September, the first such increase in two years.

Alongside that there have been two unambiguous wins. One has been the current account deficit for August, which came in well below market expectations at \$507m, the lowest since January 1988 and the second lowest since April 1984. Exports have set a monthly record for the third consecutive month and imports have fallen by 12.3 per cent. The surplus on goods and services, if we exclude repayment on previous debt, was \$696m, the highest on record.

The overall picture that is emerging is that there has been a slight increase and improvement in output, the current account deficit is unambiguously improving and the inflation rate is going down. The inflation rate is not just going down owing to the recession. If we look at the previous recession, which, as I said, was comparable in terms of output and employment results, we see that the inflation rate in 1982-83 reached a peak of over 11 per cent. It is now 3 per cent annualised, and prices actually fell during the first six months of this year. The recession has not alone caused the drop in the inflation rate. This has been occasioned by the continuing accord with the trade unions on wage restraint and the capacity of this Government to target expenditure in such a way as its programs are maintained but public sector spending restraint is occurring.

Again, the current account deficit is not just due to the recession. It is not just a question of imports going down; exports are up. The character of the exports has also changed in two very fundamental ways. They are increasingly manufacturing industry goods and services. In the last quarter of 1990 manufactured goods exports exceeded the value of farm exports, probably for the first time in the history of this country. Similarly, the direction of these exports has changed very substantially and over 60 per cent of them now go to the Pacific Basin trading economies. In other

words, we have now moved away from being an adjunct of any European economic imperialist structure.

The South Korean market is now more important for our exports than the UK market. The east Asian newly industrialised countries provide a bigger market for us than the European Community does. Very shortly, probably next year, ASEAN will be bigger as a market for our goods than will be the European Community. There are plenty of signs that our education system, our media and our business culture have recognised the need to shift the character and also the direction of our exports.

I noted in a paper yesterday that Japan's economy actually grew between 1985 and 1991 by one per cent. What a staggering statistic! The capacity of these markets to absorb our goods is undoubtedly huge and we now witness our nearest neighbour, Indonesia, growing at nearly 10 per cent per annum and absorbing an increasing component of our manufacturing exports. Now that the ABC is to reopen in Jakarta, I hope we will get as much news on Indonesia as we get about France—although I dare say that is wishful thinking.

Let me turn to employment. Just as this recession is not the worst in 60 years, so too the job situation is not as bad as the Opposition wants to represent it. There are 830,000 people unemployed, which is a tremendously bad statistic but it is not one million. This Government has still averaged over 185,000 new jobs per year for the last 8½ years, even counting the latest slowdown, which is more than double the rate of job creation growth that Opposition members managed when in government. But our people are entitled to ask: what will be the rate of employment when this recession is put behind us and we go back into a growth phase? What can we reasonably expect to be a rate of unemployment with which we should be satisfied?

I note that the Leader of the Opposition (Dr Hewson) says that full employment is now somewhere between 5 and 6.5 per cent. It is unfortunate that probably sociological changes have produced an increase in the number of women seeking work and a small reduction in

the number of older men seeking work, leading to a participation rate which is up from 58 to 64 per cent. If a similar rate of employment is achieved in the work force in, say, 1992 as there was in 1964, just as there would have been an unemployment rate outcome in 1964 of 1.2 per cent in 1992 it is likely to be 5.5 per cent.

I do not believe, therefore, we can reasonably look forward to a 1.2 per cent unemployment rate. We can, however, look to a substantial reduction, and we can assist it. Where will this improvement in employment take place? Firstly, in export industries; secondly, in those industries benefiting from the 8.5 per cent reduction in interest rates which we have already achieved; thirdly, by fast tracking development projects; fourthly, by our infrastructure program brought on stream in this Budget for building better cities; and, finally, in the city that I represent—Adelaide—by the construction of the multifunction polis which to my great dismay I note has been opposed by first the Federal Liberals and then by the State Liberals and finally by the State and Federal Democrats. This is the greatest opportunity for job generation to present itself in South Australia for the foreseeable future and it is with great dismay that I have to report that all political parties except the ALP are prepared to dud it. I hope the citizens of Adelaide, come the next election, are in full cognisance of the brakes that have been placed on employment generation in the high technology, high capital and high value-added products that the MFP represents. (*Time expired*)

**Mr COSTELLO** (Higgins) (9.22 p.m.)—The Budget we are debating tonight, handed down on 20 August 1991, is hardly eight weeks old but it is stone-cold dead. I suppose that is to be expected of a document so vacuous, showing such a defeatist attitude towards government, and that was found to be so dispiriting by the Australian public. Tonight I want to ask a legitimate question: how valuable are these Budget Papers that we have been presented with? This was a Budget that the Government deliberately set out to hide. When the Government thinks it can make half a public relations exercise out of

anything it grasps it with both hands. Take, for example, the supposed 12 March statement *Building a Better Australia*. Even the Government could not maintain the pretence that this was a significant document; even it could not maintain the pretence that it would make any significant contribution to the life of national policy in this country.

First of all the Government tried to hide the Budget by bringing it forward to 3 p.m. so the Australian public would not be able to watch it. Then it tried to hide it, of course, by doing away with all of the rhetorical flourishes which had been used over the Keating period to try to attract public attention, the kind of rhetorical flourishes that were made in 1987, that we were entering a golden age of economic change, or in 1988, that they would bring home the bacon.

I want to compare the actual outcome in the last year with the promises that were made in the 1990-91 Budget and ask the question: how valuable are these Budget documents? In August 1990 the then Treasurer was using words like these: economic policy has worked and is working; the faith of the Australian people exhibited in the Government at the election is now being repaid as the economy adjusts to a sustainable rate of growth. A sustainable rate of growth was what we were promised in August 1990. What was delivered? Negative growth: minus 0.9 per cent of GDP. We were also promised that inflation would fall. Inflation did fall—not for the reasons predicted in the 1990 Budget, but for reasons entirely unanticipated. We were told that the current account deficit would fall. It came down, it is true, from \$22 billion to about \$15 billion. A falling current account deficit: a great improvement; we only lost \$15 billion on the current account in that year. We were also told in August of 1990 that employment would pick up. Unemployment rates went from 6.9 per cent to 9.4 per cent. Or take this promise in the August 1990 Budget: a surplus of \$8 billion. That is what we were promised in the August 1990 Budget. It came in at \$1.9 billion. A surplus of \$8 billion turned into \$1.9 billion.

I want to make a point here. The Government has brought in laws insisting on

strict standards in prospectuses. When people raise money out in the financial markets they have to make accurate financial projections about profitability, and if they do not they are held liable—not just the company directors but the accountants and everybody else. If a prospectus were put out in this country forecasting an \$8 billion surplus and it came in with \$1.9 billion one year later, somebody would probably go to gaol because he had put out a fraudulent prospectus. There is no other word for it: the Budget of 1990 was a fraudulent prospectus. All of the promises that were made were dashed.

I had a schoolteacher who used to say to us if we were not doing well that we should put our sights high and aim for an F. Mr Keating would have been much better to have aimed for a G in his 1990 Budget. Why? Because the Government failed absolutely to foresee the recession. What was the cause of that recession? This Government wound up interest rates to dampen demand, as a result of excesses in monetary policy in 1988-89, which meant that by January 1990 prime bank rates were above 20 per cent. They did not dampen demand—they washed away supply; they cleaned out small business. There was a 52 per cent increase in personal bankruptcies in June 1991. Over two years there were 20,000 bankruptcies, not counting company liquidations or voluntary closures that did not end in liquidations. In unemployment they washed away 200,000 jobs between June 1990 and June 1991.

We do not need a royal commission into the economy to inquire into who was responsible for this, because the prime felons have themselves confessed it. The then Treasurer said, 'This is the recession we had to have; we had to have it; we had to wash away those 200,000 jobs, we had to wash away those 20,000 people now bankrupt, we had to wash away all of those companies'. Even today in Question Time the Prime Minister (Mr Hawke) said, 'We recessed the economy'. We do not need to have an inquiry into who was responsible. They have put their hands up: 'We did it—we were promising to you in August 1990 that all was going to be hunky-dory; we were promising you sustained

growth but the prospectus just seemed to be quite inaccurate and we brought on a recession instead'.

I ask the question: how valuable are these macro-economic projections when they can turn out so wrong, and indeed turn out so wrong as a result of an act of deliberate Government policy? Let me make it clear that I take no glee from this. This rate of unemployment, this rate of youth unemployment where around 25 per cent of young people in their teenage years are looking for jobs, is a tragedy for Australia. The economic prognostications of Treasurer Keating in his August 1990 Budget should be treated with all the seriousness of the prognostications of Nostradamus. In fact, he ought to be called Nostradamus Keating because the projections that he gave in that Budget were purely speculative, as it turned out.

In a way, this illustrates one of the dangers of Canberra. I think Government members throughout that year were looking at prosperous Canberra; they were driving around in their Commonwealth cars oblivious to what was happening in real Australia. Anyone who was living in real Australia saw what the recession was doing, saw what the interest rates were doing to jobs, employment, shop closures and farms, but the people who were closeted in Canberra bringing on this recession, which they supposed was in the public interest, were completely oblivious to the early warning signs.

It is absolutely clear that out of a failure this Government came and tried to bury its own Budget. I come not to praise this Budget, I come to bury it, because if one looks at this Budget one will see no coherent plan to increase business investment, no coherent plan to make manufacturing more productive, no coherent plan to create jobs, no coherent plan to stop farm closures and no coherent plan to stop bankruptcies. One cannot say, 'This is where we will attract business investment, this is where we will create jobs, this is how we will make manufacturing more productive or this is how we will cut down a raft of regulations that hold back business in this country'. There is no plan, there is nothing in there. It is a defeatist and dispiriting document which

the people of Australia will treat with utter despair.

Although the last speaker, the honourable member for Adelaide (Dr Catley), got up and said, 'We will do this by fast tracking proposals and developments', was there any statement about that in this Budget? Was there any plan as to how that was to be done? Although the last speaker said, 'We will create a climate for business investment', was there any plan, anything significant, anything hard or anything concrete in this particular Budget in that respect? This is an attitude which says that we can bring in a Budget which says nothing, and so hedge it around with all these fine promises that we can try to put some kind of gloss on our completely defeatist approach to public policy in this country, some kind of gloss of policy making through press statements that we might do this or that, this faction might do this, or the ACTU might do this. There is no coherent policy or no coherent work in this particular Budget.

This is a sad Budget for Australia; it is a dispiriting Budget for Australia. It is a vacuous document which has no plan, and it is a document which holds out no future and no hope for all those who have suffered under the maladministration of this Government in the last 12 months.

**Mr LANGMORE** (Fraser) (9.32 p.m.)—It is a pity that 'Mark Antony' on the other side can express such concern about the unemployed but that his leader demonstrates none of the compassion that he claims to show. I want to use the opportunity in the debate on the Appropriation Bill (No. 1) to speak about one institution in the Treasury portfolio, the Industry Commission, and about its most recent report on the availability of capital.

I confess to this Parliament that for perhaps the first time I feel sorry for the New Right ideologues in the Industry Commission. Imagine their dilemma at being asked to investigate the availability of capital. Asked to investigate perhaps the most deregulated industry in this country, what would be left for them to say? Would they break their tradition of making basically the same recommendations no matter what the inquiry or

would they admit defeat and recommend the Commission's dissolution? Unfortunately, they took the first option and are attempting to scrounge around for the last few scraps of deregulation which could still be left on the financial plate.

The Industry Commission believes that Australia spends too much on private housing. It would like to impose more taxes on the family home to encourage us all to live in rented accommodation. Perhaps the Opposition would like to endorse that recommendation. What a disaster. One of Australia's greatest achievements is its high level of home ownership. We should be encouraging more people to own their own homes, not less.

**Mr Howard**—Started by the Menzies Government.

**Mr LANGMORE**—I am delighted to have that support, and I hope the Opposition will continue it. This is a good example of the Industry Commission's New Right recommendations being in conflict with its own evidence. The only country mentioned in the Commission's report which has a significantly lower proportion of its investment in housing is Turkey. This is an important point. It shows where the New Right agenda, the agenda espoused by the Opposition's new and arrogant leadership, will lead Australia. It will lead Australia into impoverishment.

The Industry Commission wants to let into Australia any foreign bank that wants to come. As the Bank of Credit and Commerce International scandal showed, even quite large banks can be very shonky. The Industry Commission would like to increase Australian savings by privatising pensions, medical care and education. It feels that removing government support for these essential services would force Australians to save more to meet these expenses. This is wonderful New Right economics, but would be disastrous for Australia. Where would the clever country be without government provided education? The Industry Commission seems determined to turn Australia into an impoverished Third World nation.

The Commission wants to privatise the Commonwealth Bank and the Australian

Industry Development Corporation. According to it, the partial privatisations and comprehensive corporatisations that these important government agencies have suffered is not enough. It is not enough that this has severely damaged their role in promoting the public good in an industry characterised by oligopoly and other major market failures. The Industry Commission wants to nail them and any protection of the public interest into the coffin of privatisation. Now they must not just act like private sector companies; they must be private sector companies with the inevitable loss of the public interest parts of their activities.

These New Right scorched earth policies will leave Australia with the public infrastructure of a Third World country. But the private sector cannot flourish without a first rate public infrastructure. An uncompetitive private sector will not provide benefits to Australia. Competition does not just fall from the sky; it depends crucially on the framework and rules set by government which are necessary to offset market failure. Remove the publicly set framework and monopoly takes over. Over the 1980s the finance industry has shown the folly of relying on self-regulation. With deregulation the Government gave practically all the responsibility for allocating credit to the private sector. What did it do with this responsibility? It went on an irresponsible dash for short term profits which damaged large parts of the Australian economy. Asset prices boomed in an inflationary delusion and then crashed. Credit was mindlessly poured into share takeovers, land speculation, empty office blocks and empty resorts. At the same time manufacturing and infrastructure on which our real wealth depends were starved of funds.

All the Commission can say is that the private financial institutions took longer to learn the new deregulated game than expected. What rubbish. The private financial institutions understood the game and they played it the way they wanted to, for short term profits and market share. They are little different now. The short term profits are in lending for housing and a select group of blue chip companies. Once again it is the essential

expansion of manufacturing and infrastructure that is ignored. The Commission is basically mute on how to raise our investment in these areas.

As an example of the Commission's report, it acknowledges the important role equity investment by Japanese and German banks plays in their role as long term financiers of manufacturing industry. By taking equity the banks have a stake in the future of a company, which means the banks will work very hard to make the company a success, rather than selling it up as soon as it finds difficulty in paying interest. So where is the Commission recommendation to remove the Reserve Bank regulations over equity investment? Nowhere to be seen. That is very inconsistent.

One of Australia's major economic problems is: how do we get investment in small manufacturing and service businesses, investment to employ our people and produce more goods, goods we need to reduce inflationary pressure and expand exports? The Commission's report is a pathetic whitewash of the finance industry's continuing failure to meet this challenge.

The Commission recognises that 'smaller listed companies traditionally have better performance over the long term' but that the large financial institutional investors stick to the top 50 companies. It recognises that financial institutions specialising in venture capital were basically non-existent before the early 1980s and are still inadequate. The OECD recommends that venture capital investors should provide at least one per cent of market capitalisation. In Australia they only amount to 0.1 per cent, starving new, innovative businesses of funds. Yet the Commission is content with starvation rations for the businesses which we need to build a strong manufacturing industry.

Instead of recommending ways to increase investment in small manufacturing companies, the Commission recommends destroying two of their rare sources of funds. Privatising the AIDC and the Commonwealth Development Bank will turn them into short term risk adverse institutions just like the rest of the financial sector. What the Commission should

be recommending is that these agencies be strengthened, not destroyed.

The AIDC and the Commonwealth Development Bank should have their activities expanded to include more management assistance. They should play a leading role in preparing the paperwork for start-up and small companies to approach commercial lenders. They should be directly involved in financing and managerial assistance to new firms in depressed regions, particularly where tariff reductions are closing existing industries. Government needs to support this with direct funds and with loan guarantees.

The Industry Commission's Panglossian view of a rosy future if we just let the market rip is in stark contrast with the failures that market forces have produced in the financial sector. The Industry Commission has recognised some of the past mistakes in the private sector, but it cannot bring itself to open its eyes to market failures in the present. The Commission has failed to recognise the implications of the oligopolistic nature of the finance industry. Competition in this industry cannot be taken for granted. It may well not be appropriate to return to the Reserve Bank's regulatory era. But it is appropriate that the financial industry be required to justify its deregulated freedoms in a public forum. The Martin inquiry has been performing this function admirably. But once that inquiry is finished there will be a continuing need to prove to the public that the financial institutions deserve their self-regulation. That need can be efficiently met by placing the financial sector more directly under public surveillance by either the Reserve Bank or the Prices Surveillance Authority. I have called for this surveillance in an earlier speech here, and the Industry Commission report only reinforces my original concerns.

The Government has been successful in stimulating business investment, expanding employment—even with the present problems—and reducing inflation. A large part of this is due to the many innovations and improvements that have been made in the provision of finance and managerial assistance to innovative new firms. The AIDC, the Commonwealth Development Bank, the

Management and Investment Companies Licensing Board and the National Industry Extension Service are just a few examples. As a Government, we must continue with an imaginative and targeted approach to building new businesses in Australia. (*Time expired*)

**Mr ALDRED** (Deakin) (9.41 p.m.)—In speaking to the Appropriation Bill (No. 1) in relation to proposed expenditure for the Department of the Prime Minister and Cabinet, the Department of Finance, the Department of the Treasury and the Advance to the Minister for Finance, I wish to raise additional concerns in respect of the administration of the Australian Taxation Office. Expenditure on the ATO is, of course, essentially directed at enabling it to collect company and personal income tax for the Commonwealth of Australia and, in so doing, protecting the integrity of that collection process.

In my grievance debate speeches of 7 March and 5 September of this year, I raised serious questions as to the effectiveness of the revenue collection process and also queried the role of three advisory bodies to the ATO. I especially questioned the part played on those advisory bodies—that is, the Commissioner of Taxation's advisory panel, the national tax liaison group and the capital gains tax subcommittee—by Mr Mark Leibler who, as I pointed out on 5 September, is well known as senior partner in the Melbourne city law firm of Arnold Bloch Leibler, and is a taxation lawyer of long standing.

Since then Mr Leibler has responded through the Sydney *Sun-Herald*, which reported my last speech on this matter in considerable detail on 8 September. Mr. Leibler's response is marked by emotive rhetoric rather than factual rebuttal and, if anything, gives rise to yet further doubts about his extraordinary position as the only non-ATO member on three advisory bodies to the ATO.

In his response Mr Leibler is dismissive of the influence of these advisory bodies and states that they are no different in nature from, say, the Companies and Securities Advisory Committee. For Mr Leibler's edification, I would point out that the basis and conditions of appointment of all of the companies and securities advisory bodies, plus

their authority and responsibility, are clearly enshrined in parts 9 to 14 of the Australian Securities Commission Act 1989. In marked contrast, neither the Income Tax Assessment Act 1936 nor the Taxation Administration Act 1953 gives any specific legislative power for the advisory bodies to the ATO. This therefore pins appointments and even mere existence of the advisory bodies to the Commissioner's general administrative discretion without any clear legislative limit on their power or influence.

Mr Leibler further argues that there is no conflict of interest for him as a taxation lawyer in being on these bodies. Surely he cannot be serious, given his role through the 1980s and back into the 1970s as an adviser on major tax avoidance schemes, which is so well documented in his own words in his own numerous articles and pronouncements.

The minutes of the national tax liaison group meeting of 23 November 1988, as recorded in *Taxation in Australia* of February 1989, illustrate succinctly the dilemma of Mr Leibler's dual role. Item 14 states:

New tax scam, media release.

Mr Leibler referred to media release No. 88/35 of 8 August 1988. He regarded the language used in the release as offensive particularly as it was open under the law to distribute income to beneficiaries in the way the Commissioner was trying to outlaw. He and Mr Buchanan suggested that if there was a problem then it should be solved by a change in law, not by administrative scare tactics.

Mr Boucher noted the points raised regarding the presentation and language used in the release. However, he said that the message was directed at the scheme practitioners not tax practitioners and to the extent that the release was threatening it was effective in countering the avoidance problem. He defended the use of administrative action that was available to him as a practical solution to the problem.

Unfortunately, this dilemma over conflict of interest appears obvious to all except Mr Leibler. Referring specifically to Mr Leibler, the *Canberra Times* of 31 October 1990 reported:

A leading tax lawyer and adviser to the Australian Taxation Office has defended statements he made in a Melbourne *Age* interview last month that he had once had 'no qualms' about advising clients on tax-avoidance schemes.

Later in his response Mr Leibler does not deny that representations made by him in 1986 to a senior level of the ATO led to the withdrawal of 700 standard letters sent out by the Melbourne branch of the ATO to trustees of schemes taking advantage of withholding tax arrangements. Frankly, I find his excuse that he wanted this matter dealt with in a less threatening manner somewhat thin, particularly given the Martin committee's subsequent severe criticism of ATO procrastination in tackling withholding tax abuse.

In addition, I am astounded by Mr Leibler's claim in his response that he did not know that several companies of which he had been a director or secretary were named in the McCabe-Lafranchi report on the bottom of the harbour tax avoidance schemes, which was tabled in the Parliament of Victoria on 27 May 1982. The report received enormous publicity at the time and was, in fact, the subject of a special *Age* supplement, published, I might add, on 7 June 1982, not 5 June as I said in my grievance debate speech of 5 September last.

Later in his response Mr Leibler failed to satisfactorily explain why in 1985 the ATO granted access to 90 per cent of procedure manuals, guides and other documents sought under an FOI request by Arnold Bloch Leibler which a rather disturbed Administrative Appeals Tribunal found on 10 December 1985 to be exempt documents the release of which would jeopardise the effectiveness of ATO procedures.

In his response, Mr Leibler also does not deny the essential facts of my assertions on 5 September that he did attack ATO operational staff in the *Age* of 26 September 1990; that he did accuse the Martin committee of conducting a witch hunt yet had been advising two of the 15 companies identified by the Martin committee as major users of tax havens; and, as chairman of companies Numinous Nos. 3, 4 and 5, did write to shareholders concerning capital gains tax arrangements while a member of the capital gains tax subcommittee advising the ATO. Predictably, however, Mr Leibler disputes that these instances gave rise to any conflict of interest.

Mr Leibler's attack on ATO staff caused Mr Paul Tregillis, Tax Office Branch Secretary of the Public Sector Union, to write to the Taxation Commissioner questioning the membership of the national tax liaison group of 'someone who has both attacked the staff of that organisation and actively assisted those working against the principal objective of that organisation'. It is important to note as well that Mr John Thorburn, the crack ATO auditor in Melbourne who was moved not long after Mr Leibler's attack, was at the time actually working on tax avoidance schemes involving interest withholding tax arrangements.

In his various forays into the media, Mr Leibler is prone on occasions to imply that he is speaking on behalf of the Law Council of Australia. One significant event at least indicates that the Law Council views Mr Leibler's erratic expeditions in a rather different light. In an article in the Melbourne *Sun* of 1 May 1989 and a radio broadcast on the same day, Mr Leibler, ostensibly speaking on behalf of the Law Council, slammed into Mrs Barbara Smith of the Phillip Institute of Technology for raising allegations about a particular form of withholding tax abuse.

This involved the use of certain countries with which Australia does not have a reciprocal tax treaty, though this was partly misreported in the article as involving certain ethnic groups. Subsequently, the Secretary-General of the Law Council, Mr Peter Levy, incisively dissociated the Council from Mr Leibler's aggressive remarks in a letter of 12 June 1990 to Minter Ellison, Mrs Smith's solicitors. The letter said, *inter alia*:

The remarks of Mr Leibler were not sanctioned by the Council. Neither the Council nor executive of the Law Council has given any consideration to the matter.

Furthermore, the Committee should be made aware that, for her intrepid and outstanding work on withholding tax abuse, Mrs Smith is to be awarded a Master of Business from the Phillip Institute of Technology, the quality of her work having been independently assessed by one examiner from the University of Sydney and another from Monash University.

In conclusion, the case for an early parliamentary inquiry into the administration of the ATO is further apparent from what I have said today. To that end, I seek leave to table certain of the various documents and articles that I have referred to throughout this speech, which I have already taken the liberty of showing the Minister for Defence Science and Personnel (Mr Bilney), who is at the table.

Leave granted.

**Mr SINCLAIR** (New England) (9.51 p.m.)—I really know nothing of the matters to which the honourable member for Deakin (Mr Aldred) has just referred. I would like to suggest that there are problems in a tax sense.

I want to take up what I see as an extraordinarily difficult situation that is developing as a result of the protracted drought around Queensland and northern New South Wales. As recently as Question Time today, the Prime Minister (Mr Hawke) suggested that Australia was bottoming out of its economic downturn and that the recovery was not far away. That statement has been echoed by the Treasurer (Mr Kerin). It seems that this attitude has been picked up more optimistically than realistically by a range of people in the business community.

I think there needs to be some understanding that in rural Australia conditions and profitability are probably as tough today as they have ever been. There has been since time immemorial in this country a cycle of droughts. Yet, in much of Queensland and certainly northern New South Wales the season this year is as bad as many can recall since the recording of weather statistics. I know that the trees are dying in the electorate of Wide Bay, which is represented by you, Mr Deputy Chairman. This is disastrous for agriculture. People really cannot comprehend the prospects if there is no rain within the next month or six weeks.

In my own part of the world, the dust that we see in the sky of an evening is not the product of the eruptions of Mount Pinatubo which plague the Philippines. Essentially it is dust that has been blown into the atmosphere as result of the scalded earth from the drought that is extending across so much of the northern part of this continent.

Of course, it is not just the drought. There is also the problem of markets. The people of rural Australia have suffered extraordinary difficulties because of the way in which the world markets have contracted. I know that the Government claims that its efforts within GATT and the Cairns Group have been as forceful and as effective as they might have been.

**Mr Bilney**—Rightly so.

**Mr SINCLAIR**—But the Government needs to understand that it has not pursued Australia's cause as actively as it might have in some markets around the world. I am interested in the response of the Minister at the table because he would know, or should know, that in the Gulf states we have let the Australian live sheep trade deteriorate to a greater extent than it should have.

**Mr Bilney**—Not so.

**Mr SINCLAIR**—I am afraid that the Minister is wrong. I do not want to pursue this matter but I know that the Minister pretends that much has been done. Representation at a ministerial level which would have ensured that our voice was heard was not made early enough or adequately enough. Those opposite were prepared to criticise, long before the Gulf war, the Government in Saudi Arabia. No effort was made to establish a personal relationship with senior Ministers in that Government. In my view, the unfortunate veterinary bar on the entry of live sheep has been as much a product of misunderstanding at a political level as it has at a veterinary level.

I do not want to pursue that, other than to say that this Government has not picked up a drought strategy. There is a real problem in regard to international markets. This is not just a matter of GATT—it is a matter of particular bilateral negotiations in a range of markets.

I want to put to the Committee that the third dimension of the decline in small business and the rural sector is distinctly a product of changes that have been introduced by this Government without regard to the long term consequences. I am not suggesting that we on this side of the Committee in some

way want to move into a new regulatory mode. But I want to suggest that disastrous problems flow from the range of changes which my former colleague, the former member for Gwydir, the Hon. Ralph Hunt, identified about four years ago as costing farmers about \$1 billion a year. To my mind, today those changes probably amount to \$2 billion a year.

I want briefly to identify those problems, look at them and say to the Government that it is not just the cycle of seasons nor the difficulty of markets which plagues the rural sector today. There is a combination of macro- and micro-economic policy. There is a problem of taxation. There is a problem of the withdrawal of and change in rural support. These factors have exacerbated the position of those in the rural sector to the point where I am apprehensive about the declining value of land and the declining security of assets before the banks. I am concerned about the impact on rural communities, the professions and the services.

I am concerned about a situation which, I would suggest to the Prime Minister, is likely to lead not only to a continuation of Australia's economic downturn but to an exacerbation of that situation to the point where there is going to be more unemployment, where the vying force of the rural sector is going to be so restricted that many family farmers are going to be forced off the land and there is going to be nobody to take over.

It is all very well saying that agriculture does not matter. I have heard Government Ministers say that today the rural sector exports make up no more than 26 per cent of the total. This is about half of what it was not so many years ago. It is no use saying either that the number of those working in agriculture has declined. Of course it has.

But we need to understand the potential for recovery in the rural sector—the potential for being able to increase our export earnings, not just in the value-added sector but in terms of diversification into new industry such as aquiculture and the extent to which other agricultural industries and commodity-related industries can contribute to reduce Australia's

burden of overseas debt and improve our balance of payments. This is significant today, provided that those who are currently producers are able to survive.

Briefly, the range of areas where the Government-induced intrusion on the productive sector has affected profitability includes the extent to which Government is prepared to listen to the vocal minority—the environmentalists. We have seen the absolute disaster that has resulted from the Wesley Vale decision. We have seen the procrastination over Coronation Hill. We have seen the way in which the Government has not been prepared to accept the rational use of timber and forest resources.

Whether it be the north Queensland wetlands or whether it be the north New South Wales forests, there needs to be a proper balance between conservation, environmental control and the use of the resources of those forests. We need to understand that the price of that over-reaction to the environmental voice is the loss of jobs, the loss of private sector investment and the contraction of opportunities within the towns that service those industries.

So, too, it is with farming. Because of the tax averaging provisions, farmers who have had past good seasons can be faced with a tax liability in a year of extraordinary loss. In our banking system we have seen the way in which many people have been called to pay penal rates above those ordinarily charged in an interest rate regime which internationally is non-competitive. These are loans which can no longer be properly serviced.

We have seen the introduction by the Labor Party of a range of new taxes, from capital gains tax through to the broadening of its wholesale sales tax regime, through to the elimination of a range of tax concessions that used to apply for the productive industries. We have seen, too, in the elimination of particular concessions for deductions in agriculture, as in business, the extent to which investment, particularly new investment, is no longer attractive. So we now have a run-down in agricultural machinery and in fertiliser use and an inability to maintain the productivity of our farms.

I want to speak with great sincerity to the Prime Minister and tell him that, unless he understands the extent to which the drought, market conditions and his Government's actions have affected the rural sector, the rural sector tomorrow is likely to be a pale shadow of itself. Our ability to service our overseas debt, to contribute to export earnings and to utilise those large tracts of land predominantly suited to the commodities, whether they are minerals or agriculture, is likely to be such that there are going to be great wildernesses which are totally contrary to the long term interests of this country. It is within the Government's control to act upon them. I strongly recommend that he does not see an end to our financial recession until those circumstances are reversed.

**Mr MOORE (Ryan)** (10.01 p.m.)—I support the right honourable member for New England (Mr Sinclair) in his comments about the rural sector. In my time, I have not seen a rural crisis of the depth that the sector is in today. My father, who is still alive, said only last week that he had not seen a drought in Queensland of this severity since 1946 and that towns that the nation would know as garden cities, such as Toowoomba, are now dust cities. The general impact of that is yet to be seen on the Australian economy. I am quite alarmed at what is happening today, especially in Queensland, in the rural sector. I am very pleased that the right honourable member for New England raised the matter.

I want to speak tonight on the question of the Commonwealth Bank float. I have spent some considerable time watching the privatisation issue in Australia. I have spent a lot of time promoting the method of privatisation, not the philosophy, because it is in the method that the taxpayers of Australia get their benefit. As a consequence, it is very important to see what happened. The Commonwealth Bank was the easy float. It was always going to be the dead shock winner for everybody—no troubles about that.

To trace the history of it, we should remember that the Prime Minister (Mr Hawke) talked about privatisation, when it was first raised by the honourable member for Bennelong (Mr Howard) many years ago, as

the cheap philosophy—the throwing away of the family silver and all of those sorts of things that went with it. As time went by and we saw the development of privatisation in Europe and in other countries, eventually we were dragged along the trail. In South America today, all of those rheumatic left governments of that fascinating continent are into privatisation; they are into balancing the Budget; they are into generally getting government out of the area of control and giving people a fair go.

It took until this year to get the Commonwealth Bank up and going in this nation. It came about only through the collapse of the Victorian State Bank. If it was not for that, it would not have occurred. The Government had to raise some money to pay out its mates down in Victoria. Despite the fact that the Prime Minister now owns a house in Sydney, he still represents a Victorian seat. As a consequence of that, he had to have some regard to what the Premier of Victoria had to say about it, even if some of the Ministers do not like him.

Nevertheless, eventually this float was put together against the background of ideological hatred that goes on within the Labor Party. When eventually it was decided to pass the Act, we went only as far as 30 per cent, with the right—according to the prospectus—of the Government, not the directors, to direct what the dividend is. That was a very interesting example of how the Government sees privatisation. So, the direct control is still there.

This privatisation ground away; recommendations came in. What were we going to do about it? Eventually we decided to strike a price at \$5.60. But no, the institutions did not like that; it might not be too good. So we got the wobbles up. We caved in and dropped 20c to \$5.40 and eventually spread it around the community. But not really: we gave it to the institutions. Small investors got 400 shares. Customers of the Commonwealth Bank got 500 shares. I have received innumerable letters from people who said that they applied for 5,000 or 1,000—whatever it was—and all they got was 400 if they were not a customer and 500 if they were. Four or five weeks later, they got their money back. So the

Commonwealth Bank did not do too badly in relation to the holding of that money during the process of issue.

To bring the Committee back to the difference between \$5.60 and \$5.40, that was worth \$48m to the taxpayers of Australia. Shares were not placed with the small investors of Australia, because they got only 400 in the main. A lot of people were excluded: 120,000-odd people got into the issue, but a lot more could have participated if the promoters and the Government, in particular, had bothered to press the issue right to the core around Australia. But they did not. That is the anti-ownership bent within the Labor Party. It did not want too many people in this. It just put out that 120,000 shareholders were far too many to service and it would cost the bank a fortune, and that was not on. The shares should have been made available to every individual who wanted them and the benefits promoted.

What happened when they hit the market? There was an odd sale at \$6.90, but in the main they were \$6.40. Not too many went through. Today they are \$6.90, which is a good \$1.50 up on what the issue price was. That great judgment of knocking it down from \$5.60 to \$5.40 cost the taxpayers just short of \$50m. Yet we hear from these superb judges of the Labor Party so much about economic judgment.

I express the hope that in the future some notice will be taken of the advisers that come into these things and understand market pressures, rather than their being given away. The prospectus, which took so much effort to put together, would not have been possible without the Government guarantees that went with it. Without the Government guarantees that went with the sale of the State Bank of Victoria, it would not have been possible to put that prospectus together under the new laws. So it is little wonder that the total all-up cost of floating the Commonwealth Bank came out at just a touch over \$40m and 120,000 shareholders, which is a huge cost.

This makes one wonder at the prospectus rules of Australia today and their relevance because the ordinary citizen who is going to subscribe to 400 shares is not going to plough

through the prospectus and turn up such weighty knowledge as can the people who can determine the dividend or the Commonwealth Bank or the government of the day. The ordinary citizen really wants to know that that investment is reasonably put together and guaranteed by the directors of the company at that moment. If that is not the case, all the rest is irrelevant in relation to investment in that particular corporation. I hope that some of the lessons that come out of this will be learned in the future because a large number of government enterprises will have to be privatised, largely in the semi-government and State sector. As a consequence of that, a lot of work will need to be done in terms of pricing, capitalisation and market projection because the Commonwealth Bank has shown that, without proper marketing and proper concern for the realities, the taxpayers will miss out. A lot of the Australian shareholders who might have wanted to be in the float were excluded because of the poor marketing techniques that took place in relation to this issue. In view of the time, I will comment later on this matter.

**Mr CADMAN** (Mitchell) (10.11 p.m.)—I just want to make a few brief remarks about two aspects of the Treasury operations. I draw to the attention of the Treasurer (Mr Kerin) the deplorable administrative arrangement for the Insurance and Superannuation Commission and also the deplorable administrative processes of the Child Support Agency. Often this type of comment is left for the adjournment debate. But I think this is too serious to be put off to a later hour of the evening.

The Insurance and Superannuation Commission has been required by this Parliament to approve and make determinations on roll-over provisions for retirees. In my electorate, many retirees or people who have moved from one job to another and who are dependent on their investments to maintain proper records and part of their income have submitted to the Insurance and Superannuation Commission their returns as early as November 1990. To date many of those people have not received a final determination. They cannot submit their taxation returns. They are on a brief from the Australian

Taxation Office by word of mouth only—a press release from the Commissioner of Taxation—that they will not be penalised. That is not good enough for tax administration nor for an important organisation such as the Insurance and Superannuation Commission. The processes are complex and long-winded. With the requirement of self-determination, neither any insurance company nor the Commissioner is prepared to guarantee the outcome of the determinations presented by the Insurance and Superannuation Commission. It falls to the taxpayers to make a submission that they do not understand, that they cannot vouch for and for which there has been an extraordinary and lengthy delay. Already we have reached the month of October and many taxpayers who should have completed their taxation returns by the end of August have not done so. Many of them are owed refunds. It is deplorable that the Treasurer and the Minister Assisting the Treasurer, the Minister for Science and Technology (Mr Free), have not taken action.

The Chairman of the Insurance and Superannuation Commission needs a bomb under him. It is about time that he got something moving. Elderly people in my electorate have had to wait on the telephone for up to half an hour to get a simple inquiry answered at the Sydney office. I have waited 20 minutes just to test the system. It is a common occurrence. I find it easy to phone Canberra, to the head office of this outfit, but not everyone can do that. I ask the Minister to take this on notice and to do something about it.

The administration of the Child Support Agency is just as deplorable. There are people who do not want to be gathered into the bureaucracy of the Child Support Agency but have to fight to prevent the bureaucrats from grabbing them and putting them into the system. There is often a perfectly proper and understandable relationship between a separated husband and wife where regular payments are made by the husband, as required by the wife, yet the Child Support Agency wants to interfere with that process—and it is difficult to escape that. On the other hand, there are wives or husbands who have gone without payment for months, yet the spouses have not

been pursued. In one case, despite my representation and constant phoning, the matter had been neglected for four months. The wife had no income and the Department of Social Security made it extremely difficult for her to realise any return for herself and her two dependent children.

The Child Support Agency has claimed that it has 40 per cent of satisfied clients. If I were running an organisation that had a 40 per cent satisfaction rate, I would be very worried about it because I would not think that I was fulfilling my duties properly. I ask the Minister at the table to take to the Treasurer the imperative need for his personal intervention to see that this matter is resolved. The Child Support Agency Act needs amendment and there needs to be greater rigour and greater expedition on the part of those people responsible for its administration.

Proposed expenditures agreed to.

**Attorney-General's Department**

Proposed expenditure, \$804,154,000.

**Mr WEBSTER** (Macquarie) (10.17 p.m.)—This is the first opportunity that I have had to congratulate you, Mr Deputy Chairman, on your appointment as a deputy chairman of committees.

I wish to focus my comments tonight on the Attorney-General's Department's programs which appear at page 106 of Budget Paper No. 2 under the heading of Other Services—Marriage counselling organisations and related grants. In particular, I would like to focus on family and marriage counselling services already funded, the need for additional funding and the way in which additional funding should be applied. The coalition's policy of June 1990 entitled 'Family and Action Plan', released prior to the last election, stated:

The family provides the most effective means for the care and development of children, and a source of personal happiness and social support.

Through the family, the moral, spiritual, ethical and social values of a civilised society are passed from one generation to another, so that there is a shared system of values and attitudes that unites a community and enables its members to pursue shared goals from a secure base.

Each year at about this time I try to ensure that the Committee focuses on the programs

and organisations that support this vital pillar of our society. Over successive years I have argued for increased budgetary allocations for family counselling organisations, marriage education organisations and family reconciliation centres in order that the tragedy of marriage breakdown maybe minimised.

Over these same years I have been encouraged to see a significant boost to these types of programs, and this year is no exception. I was pleased to receive a reply to a letter that I sent to the Minister for Justice and Consumer Affairs, Senator Tate, prior to the Budget. His letter detailed a reconsideration of and an increase in budgetary allocations for this financial year. I had lobbied hard to the Minister for these additional funds. This year we will see a total of \$16.672m directed towards marriage counselling services—a record level for such funding. I therefore commend the Attorney-General (Mr Duffy) and his colleague, Senator Tate, for their provision in this regard. Nevertheless, this funding is still far below what I believe is truly necessary to have a positive impact on marriage breakdowns in our country.

Today the family unit faces pressures that perhaps have never been faced in years past. In addition to the insecurity that rapid changes within society bring, we are faced with high unemployment levels; record bankruptcies, with 12,991 for the year ended June 1991; record numbers of homeless, with estimates ranging from 40,000 to 100,000; and 1.5 million Australians living below the poverty line. This year, perhaps more than any year in the past, we need to be doing everything that we can to underpin the family unit.

A very interesting longitudinal study on the effects of divorce on children was published in June this year by Cherlin, Furstenberg and others and it highlighted some significant facts. This study was undertaken using a large sample of children from two-parent families in Britain and the United States of America. In the opening paragraph, the writers say:

The research literature leaves no doubt that, on the average, children of divorced parents experience more emotional and behavioural problems and do less well in school than children who live with both biological parents.

The writers also conclude that just as much attention needs to be paid to the processes that occur in troubled intact families as to the trauma that children suffer after their parents separate. That is a very important point. I believe this highlights the need for early intervention and, if at all possible, adequate counselling prior to marriage taking place. It is this area of marriage counselling that receives the least of all. Of a total of \$16.672m allocated for marriage counselling services, only \$500,700 is to be directed towards marriage education, but this \$500,000-odd still represents an increase of over 100 per cent since the 1989-90 allocation for this type of service. That is commendable, however small the amount still may be.

The findings of the study that I have previously cited are supported by comments made by Dr Don Edgar, the Director of the Institute of Family Studies, as recorded in the August 1989 edition of the journal *Family Matters*. Dr Edgar argues as follows:

More services for families should be aimed at prevention early on in the process of family difficulties, rather than only being targeted at those who have gone so far down the track they are in real crisis.

Dr Edgar calls for a move from a top-down model of family services to a more sensitive model which focuses on family resources, advice when asked for, family information access, and family enhancement skills—all very important areas. He bases his call on the Institute's findings that many of those in need of help do not know where or how to find it or they stoically refuse to seek help from family support services. Dr Edgar further argues:

If we cultivated a community value of using resources made accessible to all families of expecting advice when a problem emerges rather than a rescue from disaster, a real partnership of family and formal support might emerge and a real strengthening of family life might result. If policy makers really want the best for families, they should seek more research information on actual family aspirations, the actual ways in which families of different types and at different stages of the family cycle manage to cope and function on the resources they have, and to support and prevent damage to the fabric of family life.

I heartily endorse Dr Edgar's comments; however, I am very disappointed that the Government continues to overlook these prudent priorities. In every year the Government fails to reassess its focus, thousands and thousands of marriages fall apart that otherwise might have been saved. It disturbs me that the Government can see its way clear to commit over the next five years more than \$800m to the better cities project, yet cannot see its way clear to undertake essential research that would do far more for the Australian community than some vague, ill-conceived and poorly timed public relations exercise.

In conclusion, the Government should be doing more to support and promote preventive programs in marriage and family education and counselling. The appropriations for these programs before us today are inadequate, especially given the current pressures of family life, with dad out of work, mortgage payments that cannot possibly be met and no end in sight. There is no use denying that there are major problems here. We are spending in excess of \$2 billion to prop up families as a result of marriage breakdown; yet we are spending a mere \$16m, almost \$17m, in family counselling and a mere \$500,000, or a little over, in marriage education programs. One of the greatest needs of our society today—and this is coming out more and more, particularly in the inquiry being undertaken into the Family Law Act—and something that all the people who come before that Committee in the public hearings are in favour of, is marriage education and much more of it. (*Time expired*)

**Mr LAVARCH (Fisher)** (10.27 p.m.)—I welcome this opportunity to speak to the Appropriation Bill (No. 1) and to the appropriation for the Attorney-General's Department, as it follows very quickly on the heels of a function I held last week with the Attorney-General (Mr Duffy) and the State Attorney-General in Queensland, Mr Wells, with a cross-section of the legal fraternity in Brisbane. It was a very successful function and it provided a very good opportunity for practitioners in Brisbane to speak to the Commonwealth Attorney and outline some of

the difficulties which the profession is experiencing in Queensland.

The profession in Queensland, particularly in Brisbane, has in recent times undergone a most extraordinary attack on the part of Queensland Newspapers Ltd, the publishers of the *Courier-Mail* and the *Sunday Mail*. Over a period of a bit over a month, the *Sunday Mail* in particular has run a series of articles which basically allege that the legal profession in Queensland is completely composed of solicitors whose only aim in life is to enrich themselves at the expense of their clients. There also is a series of allegations that solicitors are engaged in dishonest practice and that any complaint made about solicitors to the Queensland Law Society is summarily dismissed.

While without doubt there are some problems within the legal profession—and certainly the cost of justice is of great concern to this Parliament; indeed, a Senate inquiry currently is being undertaken to look at this problem—I wish to set the record straight in relation to the work which the legal profession provides. This is particularly relevant to one of the major Budget initiatives undertaken by the Attorney-General in the current Budget. That relates to a substantial increase in the Commonwealth funding to community legal centres. The funding has increased from \$2.7m in the last financial year to \$5.2m in the current Budget.

In a press release about this increase in funding, the Minister for Justice and Consumer Affairs (Senator Tate) said, among other things:

... a recent study had found that community legal centres were an invaluable resource for Australia, with volunteer lawyers providing an estimated \$2 million worth of free legal aid each year over and above the various government payments. The dedicated staff at CLCs around Australia, along with the volunteer lawyers, provide an accessible and friendly service to people in need.

It is a subject which I feel very strongly about.

Consideration interrupted.

**The DEPUTY CHAIRMAN (Mr Truss)**—Order! It being 10.30 p.m., I shall report progress.

### ADJOURNMENT

**Mr DEPUTY SPEAKER (Hon. G.G.D. Scholes)**—Order! It being 10.30 p.m., I propose the question:

That the House do now adjourn.

**Mr Simmons**—I require that the question be put forthwith without debate.

Question resolved in the negative.

### APPROPRIATION BILL (No. 1) 1991-92

#### In Committee

Consideration resumed.

**Mr LAVARCH (Fisher)** (10.31 p.m.)—As I was saying, the community legal centres provide a very valuable role. A centre which operates in my electorate, the Petrie community legal service—of which I was a foundation member in the early 1980s—is staffed by volunteer local practitioners, and it gives a free legal service to many hundreds of local residents each year. Despite the very good work which is provided by the legal profession in services such as this, the attacks made by the *Courier-Mail* really have largely been unanswered. Unfortunately, this has not been through lack of action on behalf of the Queensland Law Society. Indeed, the President of the Society has made repeated attempts to have this side of the profession covered by the *Sunday Mail* and the *Courier-Mail*. But, despite undertakings by the editor of the *Sunday Mail*, Mr Jack Lunn, no such right of reply has been given to the profession.

There are some 3,500 solicitors practising in Queensland. Of those, 1,900 are principals in their own firms and 1,600 are employed solicitors. The vast majority of these solicitors operate in small businesses. In fact, some two-thirds of that number are sole practitioners; another one-quarter belong to firms with two to four partners. Indeed, in Queensland there are only 16 firms which have more than 10 partners. That indicates that the legal practice, at least in the State of Queensland, is very much a small business. It is my experience, both from being a practitioner and also since being a member of parliament, that the vast majority of practitioners undertake their work, their duties, to the utmost of their abilities; that they try to serve as best they

can the interests of their clients; and that, on the whole, their services are well regarded.

It is estimated that about 750,000 transactions are undertaken by Queensland solicitors each year. Of that huge number, official complaints last year to the Queensland Law Society about the handling of matters by solicitors numbered some 750—that is 750 complaints out of some 750,000 individual matters handled by solicitors. Despite the very strong inference at least from those figures that the vast majority of people are happy with the work which their solicitor does for them, no such balance has been provided in the attacks launched by the *Sunday Mail* and the *Courier-Mail* against the Queensland legal profession.

The other argument put forward is that solicitors are grossly overpaid or that they are living high off the fat of the land. Undoubtedly some do quite well out of the profession. But in the last financial year an average self-employed practitioner within Queensland, as revealed by studies done by Professor Meredith of the University of New England, might expect a net income of about \$67,000—which I note is slightly better than a backbencher of parliament. Nonetheless, I do not believe that is a particularly high return for the amount of work, the effort, the training and the expertise which goes into running a legal practice. Out of that \$67,000, a sole practitioner is required to provide for his or her own sick leave, holiday pay and any contribution to superannuation.

So, in total, I do not believe that on the whole the legal profession is overpaid at least in the State of Queensland. Undoubtedly there are some individuals who do very well indeed, and it is quite right that there should be some focus on the cost of solicitors and also of barristers, of course, in terms of this overall debate on the cost of justice. But it should be a balanced debate—

**Mr Costello**—What about Chris Schacht?

**Mr LAVARCH**—The sort of absolute rhetoric we see coming out of the *Courier-Mail* and the *Sunday Mail* does nothing towards providing that debate. I note that my friend the honourable member for Higgins (Mr Costello) draws my attention to the

activities of Senator Schacht and the Senate inquiry into the cost of justice. I am very supportive of the work being done by the Senate inquiry, particularly of its Chairman, Senator Cooney, with whom I have had discussions about these matters, and I know he views them in a very balanced and unbiased way. Maybe not all members of that committee share his view of these matters and are a little inclined to seek the sensational approach rather than actually seek the truth, but I would not be so unkind as to identify who that individual or individuals may be.

Nonetheless, on the whole I believe that the Government should be commended for its initiatives in the Attorney-General's Department, particularly the increase in funding for community legal centres. They do excellent work and the substantial increase in the money which the Government has provided will go a long way towards reinforcing this very important provision of law services in this society. (*Time expired*)

**Mr COSTELLO** (Higgins) (10.37 p.m.)—Last November the Attorney-General (Mr Duffy) rushed through under guillotine one of the most complex and voluminous packages of legislation this Parliament will ever deal with. The day was 14 November 1990. The Bill was the Corporations Legislation Amendment Bill, which introduced new corporations law into Australia. The Attorney allowed only 60 minutes for debate which, when broken down, allowed 12 seconds per page of the Bill for all those entitled to speak. The Bill had taken three full years to get to the Parliament. This House caught a glimpse of it for about 60 minutes. In the debate on that Bill, I said that in years to come a plethora of loopholes and drafting errors would come to light as a result of the absence of any real parliamentary scrutiny. In the 11 or so months since the legislation passed this House, I am sorry to report that my fears have materialised. The Attorney has already come back into this House with an amendment Bill to fix aspects of the original package, and he will need to come back again.

The requirement that a nine-digit Australian company number be printed on all business letters, statements of account, invoices, re-

ceipts, orders for goods, official notices or publications is plainly ridiculous and the law in that respect will have to be changed. For example, real estate agencies, which are corporations and advertise hundreds perhaps thousands of properties for sale on a Saturday, would have to put their name and Australian company number on each one of those advertisements, adding to the cost of advertising but providing no real public utility. Shops, which issue receipts to people who buy items, would have to issue a receipt with an Australian company number on it. Even the local milk bar, if it were a corporation, and large supermarket chains which operate trading operations through different corporate entities would have to have separate cash registers with separate Australian company numbers on all of their receipts, whether they be for the purchase of vegetables or milk or whatever. Plainly, the current legislative requirements which have been suspended in operation will have to be amended.

Plainly also changes are required to the fundraising provisions in the corporations law. With their wide reach, the prospectus provisions potentially regulate secondary trading of private placements and screen trading and potentially forbid media reports on prospectuses. The provisions are not focused enough and they may inhibit equity raising in Australia.

I had an example recently. Someone who came to see me had been told that the cost of putting out a prospectus was such that he had decided not to raise the equity in Australia but to borrow the money offshore. If our laws add to foreign debt as an alternative to paying the cost of raising domestic equity, they are not operating properly. These laws are now being examined. Why they could not have been examined in November last year is beyond me.

Last week, the Federal Court ruled in the Keydata case that the Corporations and Securities Panel did not have power to make interim orders in relation to takeover conduct which it was examining. The Victorian regional commissioner of the Australia Securities Commission, Mr Ron Trevethan, described the decision as 'a bit of a shock'

which placed in doubt 'the whole future and usefulness of the panel'. He said:

If you can't preserve the status quo before a decision is made, then what's the use of a panel at all? This is a very serious setback to the ASC and the panel itself.

I remind honourable members that this Panel, which has had a bleak future, also has a fairly short past. The Attorney-General appointed members to this Panel only a couple of months ago. The Panel itself, however, was constituted by the Australian Securities Act 1989, coming into operation in July 1989. The law that it was to administer operated from 1 January 1991 and yet the appointments were made only comparatively recently. Already that Panel is requesting changes to the law. If it had been appointed some time ago this could have been clarified and fixed much earlier.

This illustrates the confused state of corporate administration. At a time when the Corporations and Securities Panel should have been writing its June 1991 annual report, it was not in existence. The Companies Auditors and Liquidators Disciplinary Board had to write a report for 30 June 1991; it had only been going a few weeks. In an Estimates committee hearing we asked what the report would be and were told effectively that it would be one paragraph saying that in the year it had to report on it had had one meeting. This was not through any fault of its own but by reason of delays in the appointments. This shows that there have been major problems in getting the system up and running. I believe that ultimately the system will be a better one than we had in the past, but the Attorney-General's Department must devote a lot of work and concerted effort to it.

It is true that real resources have now been dedicated to the Australian Securities Commission. The Opposition has supported that, but we must be vigilant to ensure that those funds which have been devoted are being properly expended. For example, it is now said that 902 people in the Australian Securities Commission are working on enforcement at a cost of \$71.2m. I am aware that many of those people will be working on

enforcement in relation to filings and so on. I am also aware that the Australian Securities Commission says that it has 205 matters under investigation or litigation. But has it really brought to justice the major cases? With those 902 people, can we say that all of those who profited by breaching corporations law during the decade of the 1980s have now been properly investigated and brought to justice in courts of law? If we cannot say that, we must raise the question as to whether we are getting value for our money under the current system.

In this discussion of the appropriation for the Attorney-General's Department, I wish to raise other matters which I think should be very carefully considered by the Attorney-General's Department. That Department must make sure that in its area of operation it takes a view that is conducive to public policy and overall economic development in this country. We cannot say on the one hand that we want to have economic development and get the Australian economy moving and on the other have an Attorney-General's Department that introduces, administers or acquiesces in laws which may in fact be inimical to economic development and prosperity.

I raise as matters of concern two issues which I believe will be very destructive to the operating environment for business in Australia if they should become law. They are the subjects of class actions and product liability. I am aware, of course, that these are initiatives of Senator Tate, the Minister for Justice and Consumer Affairs, but he also operates programs out of the Attorney-General's Department and it is from that Department that these initiatives will be developed.

The proposal to introduce new product liability laws which are more strict than the European Community directive will make Australia a high risk manufacturing zone; there is no question about it. Those laws will be one more disincentive to manufacture products in Australia. They will not be conducive to the creation of a positive climate for manufacturing investment in this country. When we put them together with the proposals for class actions—to allow actions to be

brought on behalf of a class, the members of which are not identified and have not indicated their support to be part of an action—we are putting together the opportunity for widespread litigation in respect of very strict liability laws.

This will mean that Australia will increase the number of cases brought against manufacturers and will take a further step down the road to a litigious society. In the long term that will not help consumers, who will pay higher prices as the cost factor, and the risk of litigation is factored into prices. It will make Australia, however, a high risk zone for business investment and manufacture. I ask the Attorney-General's Department to reconsider. (*Time expired*)

**Mr MOORE** (Ryan) (10.47 p.m.)—In the time available tonight I want to speak about the Trade Practices Commission, the Trade Practices Act and the competitive policy perceived by the government of the day. The Trade Practices Commission was set up under the Act to pursue the policy of developing competition within industry. As a consequence of that, it is very interesting to hear the debate that is occurring today since the appointment of Professor Fels as Chairman of the Trade Practices Commission. Before doing that, it is worth seeing how, in the Government's mind, it prices its priorities.

When the Trade Practices Commission first came into office in 1983-84, its funding was \$6.6m. In 1991-92 it is \$14m. I compare this with the Parliamentary Library at \$11m, the Alligator Rivers Region Research Institute at \$7m, the Australian Film, Television and Radio School at \$10m, the Aboriginal and Torres Strait Islander Commission operating cost of \$552m, the Trade Union Training Authority at \$10m, the Australian Institute of Marine Science at \$14m and the Shipping Industry Reform Authority at \$24m. We should think of that when we think of industrial reform.

The Government has spoken a lot about competitive policy. It is all about competition, improving micro-economic reform and making Australia improve. In one of the best examples of this, we had the Attorney-General in October of this year saying that he

would examine competitive policy. In March 1991 the Prime Minister (Mr Hawke) said that it was a matter of highest priority. In October 1991 the Treasurer (Mr Kerin) said that competitive policy was on the agenda.

While all this was occurring, there have been no changes to the Trade Practices Act and we are heading for a situation where there are severe challenges to the area of competition within Australia. We can take the situation of the airlines, which have recently been deregulated, with the introduction of Compass Airlines. On top of that, there is the prospective entry of the company AAA.

If one of those airlines was to be taken over—at present, I am referring to Compass—and we went back to the two-airline system, as I understand the Act there is no role for the Trade Practices Commission to participate in this question, to adjudicate in the area of competition.

More importantly, today we have all the business about the Fairfax takeover. The Trade Practices Commission says that it is not in it. Is it not supposed to be the body which determines whether competition is within the country or not? Or is that an area which should not be regarded as too close because it is close to the heart of the ALP? It wants to fix it. There is nothing like a fix with Murdoch, Packer and the boys. It is at it all the time. Therefore, to change the competitive practice of the Trade Practices Commission, where it should rightly be, the Government walks away from it, despite what the Attorney-General (Mr Duffy), the Prime Minister and the Treasurer said in the last 12 months about competitive policy. They just do not mean it.

A committee was set up to look at section 45D of the Trade Practices Act. That committee was supposed to come out with a quick report. We never heard a word from it. It is floating around somewhere. It disappeared. Then there was the question of the Griffiths Committee report. It came out with a variety of recommendations. Two and a half years later there was a response. That response itemised the changes that were deemed to be necessary, which included cost recovery measures, increases in penalties, statutory

remedies in respect of breaches, legislative recognition of the merger consultation process—in other words, the authorisation process—and the ABS data system for use by the Trade Practices Commission.

But there has been no action from the Government, not a word, despite these assurances from the Prime Minister, the Treasurer and the Attorney-General about competitive policy. The reason they do not want to be in this is that they have a number of conflicting interests. One is their big mates and the other is the big unions. The big unions are particularly worried about this because one of the recommendations that came around is that we should address ourselves to the question of penalties. The penalties under the current Act are \$250,000 and up to \$5m. The recommendations are that this ought to be addressed. It was outmoded. Professor Baxt, the retiring Chairman, and even the Attorney-General, said that. In New Zealand the penalty is \$5m, it is \$10m in the USA and \$70m in Germany. An amount of \$250,000 will hardly shake the boots here unless we do something about it. Nothing has happened for the simple reason that the unions do not want it. Under section 45D a finding against them in those new ranks could send them broke. So the Government has passed that one by and forgotten about it altogether.

I am surprised that we have not addressed the changes that are in the wind. Since the change in the chairmanship of the Trade Practices Commission, the only major case under section 50 was the Australian Meat Holdings case in 1978. That was put to the question of market dominance. As a consequence, there have been relatively few rulings which have gone past the authorisation process. I am a believer in pragmatic politics and I think the authorisation process has a lot to commend it. It saves costs, and people can see their way through it as long as the Commission is quite clear as to what the Trade Practices Act says and what Government policy is, as reflected by the Trade Practices Act.

We now have proposals put forward—there are certainly talks under way—by the current Trade Practices Commission to change the law. The test will now be a substantial lessening

of competition. I have not heard from the Government. All I have heard from is the Chairman of the Trade Practices Commission. I have not heard any response from the Opposition as to what its view is, so I presume that we are doing nothing.

In view of the economy of Australia and because of its relative smallness, one of our great dangers is the takeover of monopolies with monopolistic power, both within business and within the labour market. That is unhealthy for Australia and unhealthy for the development of this nation. For all sorts of reasons we ought not to allow the concentration of power in both sides of the equation.

Under section 46, which is another very controversial area of the trade practices law, while there has only really been one major case—the Queensland Wire case—I suspect that the same approach ought to be that if the authorisation route is taken by the Commissioner and by the practitioners, there would be a far better understanding of law and the process itself. There really is very small court law about the Trade Practices Commission. There are not a lot of lawyers who participate in it to any marked degree. As a consequence of that, I would hope that we consider the position well before any changes are made to the Trade Practices Act.

Finally, I believe that government business enterprises ought to be brought within the realm of the Trade Practices Act. By doing that, we would get a far better competitive nature to Australia. Particularly in the State Government areas, we cannot have major corporations in direct competition with private enterprise that act outside the law as it relates to a number of particular government operations. They disadvantage private enterprise and they disadvantage themselves. (*Time expired*)

**Mr ANDREWS (Menzies) (10.57 p.m.)**—I address that portion of the Attorney-General's Department's Budget concerning the delivery of family services, in particular, marriage education and counselling, family mediation and the family skills program. These are the programs through which the Government supports marriage and family life. Last year 116,959 couples married in Australia. In the

same year 42,635 were divorced—that is, 36.45 per cent of the number of marriages. It is estimated that some 55 per cent of these divorces involved one or more children—that is, 45,000 children were left with single parents in single parent homes last year. Since 1975 over 700,000 Australian children have suffered the emotional trauma of parental divorce.

The total expenditure on family services is \$16.6m, of which \$11.7m is expended on grants to marriage counselling and just \$500,700 on marriage education grants. Less than \$5 per marriage is spent by the Government on education programs, when the cost of picking up the pieces is \$2.5 billion, or some \$12,000 for each separation.

While I could speak at length about the inequity of this allocation, particularly to marriage education, my purpose tonight is to address the mismanagement by the Department of even this pittance. The Minister has no adequate policy for the allocation of grants. At a recent meeting of the Australian Association for Marriage Education, at which I was present, an officer of the Department stated:

... the Department developed a number of formulae and asked the Minister to choose one. He chose to make grants on the basis of last year's expenditure minus one-off expenditure.

While this might sound reasonable, the reality is that there is no proper basis for this funding policy. In a letter to agencies, the Director of the Office of Family Services admitted:

As with many community programs of this nature, agencies and programs have been funded over the years on an ad hoc basis with inadequate financial information on the levels of services being provided for grants received, little needs based planning and no forward agreement as to what was expected to be delivered for the grant.

Mr Winder continued:

At the time of the 1990-91 Budget it was, unfortunately, not possible on the information available to provide the Minister with a clear picture of what services were being funded and where and thus where he might allocate additional funds as a matter of priority.

This means that the Minister for Justice had not established a policy for funding family services since his appointment in September

1987, and only late last year did he move to do so.

The process chosen illustrates further the scandal in the management of the Office of Family Services. In 1990 the office appointed a consultative committee, comprising representatives of the peak organisations; namely, Marriage Guidance Australia, the Australian Council of Marriage Counselling Organisations, Centacare Australia, the Australian Association for Marriage Education and the Catholic Society for Marriage Education. This committee has met on at least six occasions, during which time it reviewed submissions for new funding and made certain recommendations to the office. I believe that most of the committee's recommendations have been rejected.

Given that so little funding is allocated to family services, why did the Department expend thousands of dollars on establishing this committee, only to ignore its advice? On what basis did the Minister then allocate the new funds? Yet the Minister seems unaware that there are any problems.

At the Senate Estimates Committee on 5 September, Senator Macdonald suggested to the Minister that the five peak organisations throughout Australia are very unhappy with the administration of the Office, to which Senator Tate replied:

I can say adamantly and categorically that that is utterly wrong. I have never seen peak organisations so happy with any form of consultation that has been undertaken within my portfolio in the four and a half years I have been a Minister. The transformation in the relationship between the Department and the peak organisations in family services has been quite astonishing. I believe that they are working very well and in fact play a huge role in the advice that I get as to the priorities for funding various projects.

Senator Macdonald then asked:

Minister, you have not received a request from them for an investigation to be initiated into the operation and administration of the family services section of your Department?

Senator Tate replied:

No, not that I know of.

Even if the Minister had not received a letter from Dr Warwick Hartin, the National Director of Marriage Guidance Australia who wrote

to Mr Winder on behalf of the five peak bodies on 4 September 1991, in which he stated that the peak bodies wished to see the development of an overall policy framework for the delivery of family services before any guidelines were put in place, and even if the Minister had not seen letters to him from agencies questioning the basis of their funding for this year, he must have been aware of the letter dated 25 July 1991, in which his senior adviser said:

I have been concerned for some time that the funding situation has been misunderstood.

This letter, on 25 July, was sent in response to a telephone conversation in which Dr Hartin had questioned and complained of the allocation and disbursement of funds. Why was the Minister not aware of this some six weeks later when he appeared at the Estimates Committee, or was he?

There is widespread dissatisfaction from agencies about the conduct of this aspect of the portfolio. Indeed, I believe that Senator Tate has been sent a letter in the last few days in which four peak bodies expressed their general dissatisfaction about funding and the absence of government family policy.

Yet there is still no evidence of any policy underlying the allocation of funds. I know of agencies that have provided little or no marriage education programs, yet have been funded year after year. I am informed, for example, that Marriage Guidance, South Australia, received \$10,000 for marriage education last year. It advertised three programs, two of which had to be cancelled and the other one only went ahead because of an overflow from another agency, and its funding has been increased to \$10,500 this year. Yet Anglican Family Services, New South Wales, which provided programs for 500 couples, received only \$6,000 which has been reduced this year to \$5,800. And there are other programs which receive no funding.

Where is the much vaunted equity in this allocation? I could give other examples. In the Director's progress report on financial arrangements, Mr Winder states that the Minister, in a letter to agencies approving the 1991 grants:

. . . expressed concern at the practice of some agencies to budget for and incur deficits, to expand services and to purchase property without, apparently, ensuring that funds would be available.

Yet the Minister has allowed the same situation to continue this year. In a letter sent to agencies just last month, Senator Tate states:

. . . because several agencies had over committed expenditure in 1990-91 contrary to firm advice last year, it was necessary in some circumstances for additional funds to be allocated.

The effect has been to reduce the available funds for one-off expenditure from \$500,000 to \$106,000. Even the further allocation is inequitable. Where agencies complained, they received additional funds. Indeed, an officer of the section stated two weeks ago:

All agencies that asked for a review got one.

He also stated:

. . . the Minister allocated further funds to Agencies which asked for a review.

I am informed that Marriage Guidance, Queensland, complained and received an extra \$42,000, but Anglicare, Queensland, which was told by an officer of the section when it spoke to him 'not to rock the boat' received no additional funding at all.

It is a scandal when so little is allocated to marriage education in particular, and family services in general, for such inequity to be allowed by the Minister. Time precludes me from mentioning other examples of ministerial incompetence, including the failure to publish a new version of the *Marriage and You* brochure for two years after a draft had been approved, the incompetence in the current monitoring of visits and the failure to consider alternative structures proposed by the agencies themselves. While the Attorney-General (Mr Duffy) may respond by pointing to the increase in funding over the past three years, may I remind him of the extremely low base from which the funding started, the continuing inadequacy of the allocation and the gross inefficiencies and demonstrated inequity in the system over which he presides and for which he is responsible.

Proposed expenditure agreed to.

**Department of Transport and Communications**

Proposed expenditure, \$1,358,873,000.

**Mr JULL** (Fadden) (11.08 p.m.)—I will confine my comments tonight to the aviation section of the estimates. There has probably been no other area of government operation that has undergone such massive change and is about to undergo such massive change as the area of aviation during this past 12 months. We have seen systems change in terms of new air traffic control arrangements proposed for Australia; we have seen a massive change in the nature of airport ownership in Australia; we have seen tremendous pressures placed on general aviation; we have seen the Government decision to go ahead with the privatisation of Qantas Airways Ltd and Australian Airlines; and we have seen a decision made not to change aviation policy during the term of this Government. Of all the changes that are about and of all the reforms that have to be made there is one that stands out more than any other; that is, the proposal to build the third runway at Sydney (Kingsford-Smith) Airport.

I would like to make a couple of comments about this tonight. The Opposition believes that the third runway proposal is one of the most critical pieces of micro-economic reform that Australia needs to undertake urgently; in fact, needs to undertake now. The benefits that Australia will derive from the construction of that third runway are innumerable. It does not mean that Sydney will be able to handle the growth of traffic coming into Australia over these next several years; it does mean that we will be able to get more efficiencies from our domestic airline services and from our international airline services. It does mean that our air freight will be able to become more competitive and, even more importantly, it does mean a tremendous change in the lifestyle of a great number of Australians who live around that particular airport.

Already the dogs are barking. Already we are seeing from some members of the Government a concerted campaign to sink this most important piece of micro-economic

reform that Australia must undertake at the moment. This concerns the Opposition.

I put the Government on notice now that the Opposition is fully prepared to back any final decision to go ahead with the Sydney (Kingsford-Smith) Airport third runway, and we trust that that final decision will be made as soon as possible. It does concern us when we see statements from the honourable member for Barton (Mr Punch), for example, who was talking about the decision, and from the Treasurer (Mr Kerin), saying that it was important to go ahead with this project. It does concern us that the honourable member for Barton says:

If at the end of the day that is the best the Treasurer can say . . . that we have to do it to send a signal to business . . . then frankly we ought to pack the Labor Party in Government and the whole economy up.

It is even more concerning when a Minister of the Crown comes out after a statement by the Minister for Shipping and Aviation Support (Senator Collins) and says:

. . . the EIS firmly established a basis for effectively managing all environmental issues and . . . identified no barriers to proceeding with the third runway.

Yet the Minister for Higher Education and Employment Services (Mr Dawkins) said that in his view:

. . . the EIS fails to provide a basis for the proposal to proceed.

We believe that if the Minister continues that particular line he really has no other option but to resign from the Government, to get out and to join his friends on the back bench.

Some of the stories that are being put around now are really quite fatuous. Let us be perfectly clear: this third runway decision is about improving the lifestyle of a great number of people in the City of Sydney. About 170,000 are now affected by moderate aircraft noise. That figure will drop to 82,000 once the new runway is built. The 54,700 people seriously affected by aircraft noise will drop to 26,900.

The proposed third runway has been around for the last 20 years. A decision for an additional runway was made by the coalition in government in 1983 under the stewardship of

the honourable member for Hume (Mr Fife). It should have been built then. This runway is about efficiencies and it is about providing proper services to the people of rural New South Wales. It is about creating 40,000 jobs for the people of New South Wales and, not only that, being able to provide jobs within the tourist industry right around Australia.

I also turn my attention very briefly to the decision by the Government during this past 12 months not to change its international aviation policy for Australia in the life of this particular Parliament. This decision was made to ensure, it said, that we would have the best possible price options for Qantas. May I say that I was deeply disturbed by the Government's decision on an application by the only charter airline operator coming into Australia, Britannia Airways of Luton in the UK, that it not be allowed to service the Sydney market this year. That particular decision has taken about \$14m out of the Sydney economy. While the scheduled services operating in and out of Australia suffered immensely from the Gulf war in recent times, it was in fact Britannia which kept its part of the contract and continued, with 90-plus per cent load factors, to bring tourists to Australia.

Recently I was in the United Kingdom and I had discussions with Britannia Airways. I was taken through that airline's projections of the UK charter market to Australia. It believes that potentially within 5 to 10 years the charter market to Australia could be half a million people. This year we will get about 14,000 through the charter programs. It is just not good enough for the officials of the Department of Transport and Communications and, indeed, for the Minister to say it is all about the dilution of traffic, because it is not. As has been proved around the world time and time again, if we get into that charter market we are into a totally new market.

It is quite interesting to go through the figures from the Department on the expenditure effects of visitors from the UK. There is a very real distinction between the time that is spent here by people using the scheduled airlines and the time spent by and the expenditure of people using the charter services.

I took out those figures for the purpose of tonight's exercise to try to bring home to the Government the importance of a very liberal charter policy in and out of Australia. Scheduled carriers bring visitors to Australia who stay 40 days, and that is fine. While they are here they spend \$1,761. The charter operators come here on an all-inclusive package holiday and stay for 22 days spending \$1,779. That is really the distinction—these charter people, who are used to using these services around Europe and beyond, are in fact the greatest asset that we could get out of that UK market because they spend more money and they spend it within the infrastructure.

I give this warning to the Minister for Shipping and Aviation Support: if, on any applications for charter programs, the situation is not loosened in the future, once again Australia will miss out because the new market that is coming on stream for the UK and Europe is South Africa. South Africa has a lot of similar attractions to Australia. In recent times, for example, we read that Virgin Atlantic Airways of the UK had applied for and in principle had received approval for two services a week into Australia. It will not operate with any less than four services a week. What has it done? It has applied for and got rights to South Africa because the attractions are similar, it is 16 hours closer in terms of flying time, and there is only about two hours difference in terms of time zones.

If we are to maximise the number of visitors coming into Australia, we have to make sure that our aviation policy is right. Our present aviation policy just restricts charter operators to some of the smaller airports, and there is nothing wrong with that, but those that wipe out Sydney completely are a bit of a danger for the future development of tourism and the wealth that it can bring to Australia. It seems very strange to me that the Government is prepared to provide charter rights into Sydney for Aeroflot, for Air Lanka, for Lot, the Polish airline, for Lan-Chile, for Air Mauritius and for Air Malta, yet it will not do it as part of an overall package tour for an outfit like Britannia Airways which, after all, is only including Sydney as part of an overall itinerary which

includes the prepaid destinations of Cairns, Canberra, Melbourne, Adelaide and Perth. It is soon to apply for rights to fly into Darwin, Alice Springs and, indeed, into Hamilton Island off the Queensland coast.

So if the Minister does nothing more during the life of this Parliament, at least he should have the sense to recognise the tremendous contribution that can be made out of proper charter rights into Australia and open up this place to that huge market. It is a completely new market, a market we will not have access to unless these charters are allowed to operate out of the individual airports of the UK.

**Mr HOLLIS** (Throsby) (11.17 p.m.)—I planned to make a wide-ranging speech this evening concerning the appropriation to the Department of Transport and Communications, but in fact the speech is on my desk because at 9 o'clock this evening I received, in the internal mail system, one of the most biased and misinformed pieces of rubbish—I could not distinguish it by calling it journalism—I have seen in my nine years as a member of parliament. An accompanying letter informed me this article, entitled 'Time to get tough on the waterfront', will appear in the October issue of that intellectual giant, the *Reader's Digest*. I must say the accompanying letter was as lurid and as misinformed as the offending article.

Having spent most of the past year as a member of the House of Representatives Standing Committee on Transport, Communications and Infrastructure, I visited most of the ports around Australia as part of the inquiry into land and seaports interface reform. I can say with some authority that this article is full of lies, distortions and misinformation. It takes a naive and simplistic approach and places all the blame for our inefficient waterfront on the Waterside Workers Federation.

Reform of the waterfront is well advanced. Of course, some members of the Opposition confuse waterfront reform with reform of the Waterside Workers Federation. The Waterside Workers Federation has been continually attacked by the Opposition and is now attacked by the *Reader's Digest*. From reading the biased article in the *Reader's Digest*, one

could be excused for thinking that nothing has been achieved on waterfront reform. This, like most of the article, is a lie.

Let us ask what waterfront reform is really about. The waterfront is a reactor. It does not make anything. It makes nothing at all. It does not build anything. It provides a service. People bring things to the waterfront by sea and take them away on land or vice versa. The timetables are very much determined by those who use the waterfront, whether by sea or by land. It is not done by the waterfront. As I said before, the waterfront reacts. The *Reader's Digest* article goes on at length about the cost to importers and exporters, but what do we find? Exporters turn up at the waterfront after the deadline for a ship has closed wanting to get boxes or bags onto vessels. Why are they not there on time? Usually they have a minimum of seven days notice. Why do the cargoes not come in at an even pace over those seven or 10 days?

Explain that to the exporters. Explain to them why 90 per cent of the trucks that go onto the waterfront are empty and come out full or go in full and come out empty. But the *Reader's Digest* article did not mention this. The situation with these trucks is not the wharfies' fault. Why are our exporters not getting a decent deal on transport service rates to and from the waterfront? Why is this nonsense tolerated? Why is it that when goods come onto the waterfront they sit there waiting to be taken away? The first three days on the waterfront are free when goods come off a ship. Fifteen per cent of the goods go out on the first day, 20 per cent go out on the second day, and there is one almighty rush on the third day. All that rush generates a peak, and it generates confusion and congestion. Who gets the blame? Again, it is the wharfies.

The exporters will always tell us that they are all tucked in behind the big shed; blame them. But, as exporters, they do not get their goods to the wharf on time and they do not check with their agents to see whether they could get a better deal or a better rate for having the goods there a few days earlier. As importers, they do not check whether they could get a dedicated time for their ship's arrival so that they could get an even spread

of ships arriving at the terminal, thus reducing the peaks and the congestion. None of these things have been done. The truck queues are not caused by the wharfies but by the shippers who cannot organise to get their cargoes to and from the ships.

The farmers who scream loudest are among the worst offenders in this regard. In this offending article in the *Reader's Digest*, we are told of a farmer from somewhere in Victoria who spent some time on the Melbourne wharf, and he went on at great length about the inefficiency. In my area of Port Kembla, the Waterside Workers Federation and the farmers from the western part of the State around Parkes and Dubbo have worked together to understand each other's problems—and they have done it very successfully.

We have to have an efficient system for moving cargoes in and out of ports. For some trucks—and I say this coming from a trucking background—payment for queuing is a convenient money earner. We have to stop this business of trucks unloading and then leaving empty. There has to be better coordination. There is truly little point in clearing the obstacles at the waterside if the ones at the wharf gate remain in place. The most expensive aspect of the waterfront today is the tugboats. That is where the real cost is today. But we do not hear this from the Opposition or from the leader writers on our national newspapers or the *Reader's Digest*. No, we hear that the waterfront is the site of some of the worst work practice rorts, overmanning and inefficiency. But it is not the wharfies; it is the other players on the waterfront. What is always missed out is that there are many players on the waterfront.

We hear a lot about the wonderful overseas ports and the ones that we are to be compared with such as Rotterdam or Singapore and, in this article, Yokohama—although I never thought that that was such an efficient port. If there is to be a comparison between our ports—say, Port Kembla—and Rotterdam or Singapore, then give our ports the equipment and we will deliver the results. These comparisons are always very selective, and honourable members opposite are also very

selective in the ports that they pick out in Asia. They should go to some of the ports in Thailand and a few of the other ports in Japan, not the few that they pick out. Singapore is all we hear about. They should go around the ports of South East Asia and make a comparison with the Australian ports—even with the inadequate equipment that we have in Australian ports. As I said, give us the equipment in our ports—a couple of cranes and so on—and we will achieve the results.

Another point about making comparisons in connection with the waterfront is that it is not only the equipment but also the users of the waterfront that must be considered. Would the business people of Singapore or Rotterdam go on with the nonsense that the business people in Australia go on with? Would they have all their cargo come in late? If we are going to make these comparisons, let us compare the whole work process and not just one aspect of the waterfront.

I must say that the hypocrisy of the Opposition on the waterfront is really amazing to me. Sometimes I wonder whether any of the honourable members opposite have ever visited the waterfront. I must say that I have never seen any of them wandering around Port Kembla. Their ideologically blinkered view distorts any rational debate with them regarding reform on the waterfront. Despite all the waffle from the Opposition members and the rubbish in this article, has anyone ever heard them say anything other than a criticism of the wharfies? I have not heard of a single plan from the Opposition to increase productivity on the waterfront. Why? Because it does not have any plans.

The Opposition's only plan is to bash the workers and to put in the troops, a move applauded in this article by the *Reader's Digest*. Honourable members opposite would be much more credible on waterfront reform if they could come up with their own plan for eliminating some of the waterfront practices of the users of the ports. For example, what would the Opposition do about queuing, timely delivery of cargo, electronic transfer of documents and antiquated equipment? The

Opposition will not speak on these issues because it has absolutely no policies on them.

Let me make it clear: I am not arguing that sorting out the ports is easy. But it is simplistic to think that the problem lies only with the wharfies. The Waterside Workers Federation has been largely restructured, without industrial disputation. If the Opposition wishes to talk about inefficiencies and rorts, it should look at the other users of the waterfront and lift its eyes above the Waterside Workers Federation.

It is a great pity that this article in the October issue of the *Reader's Digest* is so inaccurate and distorted. I note that the next speaker to take part in this debate is the honourable member for Gilmore (Mr Sharp). As he is extensively quoted in this article, which includes the Leader of the Opposition (Dr Hewson), I will be very interested to hear what he has to say. It is very interesting that the writers of this article did not contact any member of the Government.

It is just a mouthpiece for the farmers, for the honourable member for Gilmore and for the Leader of the Opposition. I must say it is one of the most disgraceful pieces of journalism that I have ever seen and it is also the most inaccurate. I have been asked to do my best to publicise it. I will most certainly publicise it by publicising the lies and the distortion in this rubbish.

**Mr SHARP** (Gilmore) (11.27 p.m.)—It is with some interest and pleasure that I follow my friend the honourable member for Throsby (Mr Hollis) in consideration of the Appropriation Bill (No.1) in committee. I, like he, will focus my comments on the matters relating to the waterfront, but following the comments made by the honourable member for Throsby I will have a somewhat different introduction from that I had planned. The honourable member made a concerted attack on the credibility of an article in the *Reader's Digest*, an article which I have read and found to be one that represented the case more fairly than the honourable member for Throsby would think.

There is no doubt whatsoever that the case put by the *Reader's Digest* article is one which is the view of many people in

Australian society today. The honourable member for Throsby and others on his side of the House will take offence at that view, but it has come about because of the incredible excesses, rorts and militancy of the people who have worked on the Australian waterfront. Those excesses and rorts have cost Australian society about \$1,000m a year.

The honourable member for Throsby takes great offence at the fact that in the *Reader's Digest* article wharfies are being blamed for the problems of the Australian waterfront. Let me point out to him that there is good justification for blaming wharfies; wharfies certainly deserve a great deal of blame for what goes on in the Australian waterfront. It is wharfies who have been able to get away with wages of around \$47,000 a year, on average, for a 27-hour work week, on average. It is wharfies who have been able to use their incredible union muscle, their industrial relations muscle, to achieve working conditions which most people in the Australian work force would consider to be some type of workers' paradise.

The sorts of allowances and the sorts of conditions that wharfies get are unique in the Australian work force. Nobody else in the Australian work force can enjoy the sorts of conditions that wharfies get. Who has heard of people who can be paid for 20 years without ever turning up at their place of work? Who has heard of people who can work as a tag team where the team is divided into two, half the team turns up and does the work, the other half goes home? Both halves of the team get full pay although only half the team actually did any work. There are countless exercises that one could run of the sorts of rorts that have operated on the Australian waterfront.

Of course, the honourable member for Throsby is partly right in his criticism in the sense that it is not entirely the fault of the Waterside Workers Federation of Australia that there are problems on the Australian waterfront. It is also the fault of the managers of waterfront labour; that is, the stevedores. They are the ones who have given in and taken the easy option in times gone past and who have let the Waterside Workers Federa-

tion and its members get away with the sorts of rorts and excesses that it has. Let us share the blame around a bit further and say it is also the stevedores.

If we are going to be totally honest about this, we also have to share the blame a little further and blame governments of the past—governments on both sides of the political fence. In this day and age, we should blame the Labor Party's side of the political fence for what goes on today. It is governments that have allowed the stevedores and the wharfies to get away with the conditions that apply on the Australian waterfront today. As the Industry Commission and as our own Prime Minister (Mr Hawke) have pointed out, it costs the Australian economy at least \$1,000m a year for the inefficiencies. So is it any wonder that the *Reader's Digest* has an attack on the wharfies of Australia? Can we blame people such as those who write articles in *Reader's Digest* for taking umbrage at the sorts of things that go on on the Australian waterfront? I think their views would be typical of the views of most people around Australia today.

The honourable member for Throsby tried to blame the lack of international best practices on our Australian waterfront on inadequate equipment: somehow or other, we do not achieve these international standards of efficiency because we do not have the equipment to match other countries like Singapore and other parts of the world. The fact is that we do have the type of equipment. I have been extensively throughout the Australian waterfront. I think I have visited virtually every major port and a lot of regional ports in Australia. I can assure honourable members that the types of portainer cranes, straddle cranes, fork-lifts and all of that sort of equipment that operate here in Australia are exactly the same as equipment that operates in Singapore, Rotterdam and Philadelphia.

If one looks at the Government's waterfront reform program, one will find that under its program, National Terminals, the second biggest stevedore operator in Australia, hopes to achieve, when it has fully completed its reform programs, 23 TEUs—that is, 20-foot equivalent unit lift rate —per hour.

**Mr Downer**—What is it in Singapore?

**Mr SHARP**—Honourable members get upset about a comparison with Singapore. Let me take a comparison between a likeminded people and Australians. Let me look at a port like Philadelphia in the United States. They can manage 33 TEUs per hour; that is, 33 20-foot equivalent containers can be lifted onto a ship in the port of Philadelphia every hour. In Australia, after the Government's waterfront reform program has been completed, it will be hoping to get 23. Is that any sort of international best practice? Of course, it is not. That is highlighting the failure of this Government's reform program.

One can look at the cost of lifting those containers. It is around \$225 a container to lift them from the shore to the ship in an Australian port. That is a rough estimate, but it is fairly accurate. In Singapore—which we were just talking about a moment ago—the equivalent container costs between \$100 and \$120 to lift. In the United Kingdom it is around \$140 a container to lift. So one can see that the equipment in those ports—be it Australia, Singapore, Philadelphia or wherever else one wants to compare with—is exactly the same. The difference is the rate at which we work—the sorts of work practices that we have in Australia now and the sorts of work practices that we will still have post this Government's reform program.

The honourable member for Throsby went on about the fact that the Opposition does not have a waterfront reform plan. In fact, that is totally incorrect. In the last election, the Opposition went to the voters with a waterfront reform policy that was nine pages in length. We have several more pages to add to that policy since those days. Our policies are detailed and deal with the very fatal flaw that the Government leaves in its waterfront reform program; that is, its determination to leave Australian wharfies with a job for life.

No workplace in Australia enjoys a job for life except the Australian waterfront. What is so special about wharfies? Why are they different from any other worker in Australia? The reason is the Waterside Workers Federation has unashamedly used its industrial muscle to get that condition for its workers.

That is being kept by Labor's people, by the Government and, as a result of that, no wharfie can be sacked.

As a result of the Government's program, after two years we have had a 14.5 per cent reduction in the numbers of people on the Australian waterfront. As a result of the recession that the Government gave us, we have had a 30 per cent downturn in the volume of trade over the Australian waterfront. What does that mean? It means that today, after two years of the Government's three-year waterfront reform program, Australia's waterfront is now more overmanned than it was before the Government started the reform program.

Tell me whether that is the sort of reform program it should be proud of. Tell me whether that is not a reasonable reason for the *Reader's Digest* article to make some criticism of and outrage at what is going on in the Australian waterfront today. It is for those reasons that the Government will find that the *Reader's Digest* and many other fair-minded, balanced reports—looking at it not from the trade unionist point of view, not from the stevedores' point of view, not from the Government's point of view, but from the ordinary Australian's point of view: the users of the waterfront, the people who pay for the waterfront in Australia—are justified in the outrage that they have about the conditions that apply on the Australian waterfront today under this Government's reform program. At the end of two years of waterfront reform, the Government is worse off on the Australian waterfront than when it began its program. That highlights the inadequacy of this Government. (*Time expired*)

**Mr WRIGHT** (Capricornia) (11.37 p.m.)—I want to raise a matter that relates to another aspect of the Transport and Telecommunications portfolio. I refer to the plan that will take place over the next six months whereby a second telecommunications network will be phased in. We are aware that part of Telecom is virtually being privatised and we are going to have a private enterprise player involved in the delivery of telecommunications. I personally regret that decision. I am on the record

saying it elsewhere. But that is a fact of political life.

My concern tonight is not privatisation, but privacy. There have been significant changes in recent years regarding access to telecommunications information. I am specifically talking about the information monitored and recorded by Telecom.

I am aware that the office of the Attorney-General (Mr Duffy) is looking at some matters that relate to interpretation. It is the interpretation as to what ought to be accessible. Under the old Telecommunications (Interception) Act there were very, very tough restrictions as to what one could access. This is not just talking about the electronic white pages which are really just a duplication of the telephone book, not just silent numbers, not just numbers to name. One must realise that often people have tried to find out the name of the person by having a telephone number rather than looking up the name and chasing the number.

It really goes back to the intercepted information. This is intercepted information not by individuals, but by Telecom itself. To simplify the matter, I am referring to records of calls; the information that Telecom has collected relating to the bills; the call charger records—CCRs as they are called—records of calls to someone by whom from some place and when and where. In the past this sort of information has only been available to the law enforcement agencies; the National Crime Authority, the Australian Federal Police and the Australian Securities Commission. ASIO obviously has special privileges as well.

It is important that we protect this information from unwarranted access. It really means that if one can get access to that sort of detail one knows all about the activities of individuals—Australians. In fact, we are talking about something like up to six million Australians who can now be traced simply because of the sorts of phone calls they make, particularly STD calls which are timed; they are monitored.

As I have said, in the past there were great restrictions under the Telecommunications (Interception) Act. I want to place on record credit to Telecom for the self-imposed stand-

ards. It has a very enviable record over a long period for being strict as to who can get at those records. But the question now arises: will the same standards be applied by the private player, unless enforced very specifically by legislation? What seems to have happened is that there is now some question as to whether the old interception rules will apply to the new telecommunications Act. It seems that State organisations, State police and other semi or partial law enforcement agencies now appreciate the fact that they can get at this detail. So any State instrumentality—I suppose even local authorities or statutory authorities—could start using section 88 of the Telecommunications Act to trace the whereabouts of people who owe money, people who may have broken the law and people who may be up on charges for, say, fishery problems, problems with Customs or even with the Department of Social Security.

The mind boggles as to who now may have access to Telecom records because of what seems to be a loose interpretation of section 88. I believe that we need to understand the seriousness of this problem in privacy terms, irrespective of attitude to privatisation, and urge an urgent review of the present position. More importantly, we should bring down laws that will strengthen the controls that Telecom is trying to impose voluntarily and ensure over the next six months when we have a private player that those rules are enforceable. I can see enormous problems developing, not just with the electronic white pages. No one would mind that. After all, if one is willing to have one's name in the phone book, one would not mind some law enforcement agency being able to access this information on line.

There are other issues relating to silent numbers. I argue that we ought to require a written application. But, when it comes to other matters, one must question whether anyone should have automatic access to call charge records, in other words the billing system. Should people have access to the information that relates to the types of systems that one has, whether PABX or fax systems. Should they have access to STD records, international direct call records,

reverse call records, 0055 call records or Telecard calls—in fact anything that is time call related. By having those records, someone could virtually trace the activities of people right across this nation—

**Mr Downer**—This is what the South Australian Government has been doing.

**Mr WRIGHT**—I am not aware of that. All I know is that we in this Parliament have a responsibility to ensure that our constituents are protected against unwarranted and unnecessary access to that information. That is all I am asking for. I know that the Attorney-General has people looking at this. I have raised the matter with the Minister for Transport and Communications (Mr Beazley). I am sure that the honourable member for Mayo (Mr Downer) must be concerned. No parliamentarian would want undue access. I do not want anyone to be able to get hold of call charge records to know the movements, activities or whereabouts of Australian citizens unnecessarily. That is okay if it is crime related. But we have provision for that already for the NCA, the Australian Federal Police, ASIO and other agencies, be they commercially criminally oriented or otherwise.

But when it comes to a private competitor—and that is what we will get here—will it apply the same standards as Telecom has voluntarily imposed? Will we have a system where the company will sell any information? In recent times in the media we have seen concerns about banks being able to trace debtors. We have seen situations where private eye agencies have been able to get information even through Social Security and other government instrumentalities. It boggles the mind as to what would happen if we had such open access here.

It seems that the real issue is whether or not the call charge records are still protected by the Telecommunications (Interception) Act. I ask that that be clarified; I ask that this Parliament give this question the due priority and the importance that it deserves and that we determine, by regulation, by strengthening section 88 of the present Act or by some other means, exactly who shall have access. Should it be the Federal, State and local

authorities and statutory authorities? If so, under what conditions? At the moment a policeman could come along and gain access to the records via a search warrant or a subpoena. There ought to be after-access monitoring. It has been recommended that we do that when the NCA is able to have warrants and so on, to ensure that warrants have been issued with good reason.

Surely, whilst we do not want to inhibit or restrict law enforcement procedures or needs unnecessarily, there have to be rules, and I argue strongly for that. We simply cannot rely on a private enterprise player in the telecommunications area adopting what Telecom has done in the past. We simply cannot allow such vagueness and looseness in the present law. We need certainty; we need to ensure that regulations can be imposed which are known to the players and which can be relied upon and enforced.

Importantly, we need to protect the rights of citizens. Any applicant—even an applicant from the law enforcement area—should be required to explain why he or she wants that information. Again I stress that we are not talking about the electronic white pages; we are talking about that coded, recorded, timed call information, be it STD or otherwise. There ought to be controls on who has access. There is a need for monitoring and random checking. We need to ensure that this loophole which appears to exist is closed. I call on other members of parliament to support me in this proposition.

**Mr HAWKER** (Wannon) (11.46 p.m.)—In speaking to the Appropriation Bill (No. 1) 1991-92 and to the appropriations for the land transport area, in particular, I would like to remind honourable members of the reactions to this year's Budget—a Budget that seems to have sunk without trace almost as quickly as it arrived, no doubt to the relief of the Treasurer (Mr Kerin). But I think it is time we reminded him of some of the things that were said. For example, the President of the Australian Road Transport Federation put it very succinctly and bluntly when he said, 'This year's Federal Budget is the worst possible result for the road transport industry'. It could not be any plainer than that. That

comment highlights other aspects of this Budget, but, most importantly, I think it highlights the problems which are facing the transport area and, in particular, the road transport area.

Whilst going through my notes for my speech in response to last year's Budget, I was amazed to find on looking at that response that I could just about use it again this year. It is 12 months on, and what has changed? What has the Government achieved? The answer is: very little. In one year we have seen almost no progress in the area of land transport. But, worse than that, Australia has been thrown into a recession that is the worst we have seen in 60 years; for some people, it is probably the worst they have seen in nearly 100 years.

But I suppose we have to give the Government some credit. The National Rail Corporation agreement has been signed and that does offer some hope. But it should be put into context. The new start-up date for the National Rail Corporation is February 1992—seven months after it was supposed to start operation. No doubt that new agreement is based very much on a hopeful, optimistic approach but, while all of us would like to see it succeed, we also ought to be realistic and ask many questions—which I will come to in a little while.

We are also looking at the major sector of our land transport, namely, our road transport. It is facing one of its most difficult periods in many decades. Not only that, this very difficult time is being exacerbated very much by the fact that the Federal Government has allowed uncertainty to creep in and has in fact created confusion as to what the industry really faces.

It is little wonder when we look at things such as truck sales that we find the level of sales today at their lowest for 30 years. We are seeing a level of truck sales in this nation which is somewhat akin to the 1950s. That in itself is nothing short of disastrous for the dealers. It also carries implications for the future of our major land transport sector. Not only have we seen the sales drop but also we have seen second-hand trucks literally drop in value to one half of their value a year ago.

All of the problems—particularly the confusion—have been brought about by the Government still not giving the industry clear direction, despite the fact that in May last year proposals were first published for a change in the whole truck registration scheme, for a threatened increase in the charges for heavy trucks. More than 12 months later, operators still do not know what that will mean. Clearly, it is unacceptable, and the Government has much to answer for in the way that it has treated these operators.

Moving specifically to the road funding area, it is worth making it clear that road funding in this Budget has fallen by over 2 per cent. Despite what the Minister for Land Transport (Mr Robert Brown) might say when he goes around and talks about the land transport budget, we still come back to the fact that road funding has fallen in real terms by \$36m. In plain, simple language, that

means that the great promise that the Prime Minister (Mr Hawke) and the Minister for Land Transport gave before the last election that road funding would not fall in fact already has been broken.

If we look at what happens to major roads, we see that there is a fall of 4.4 per cent in real terms. Funding for arterial roads has fallen by nearly 18 per cent in real terms, yet no provision was made to allow the States to find alternative sources of revenue for this fall. If we look at the records, since 1983-84 road funding has fallen nearly 20 per cent in real terms under this Government. This has occurred at the same time as revenue from fuel tax has increased by over 120 per cent. I seek leave to incorporate in *Hansard* a table which puts this on an annual basis.

Leave granted.

*The table read as follows—*

#### Real Road Transport Expenditure and Petrol Excise Revenue

Year	Budget Allocation	Actual Expenditure	Fuel Excise Revenue	Fuel Excise Rate (Cents Per Litre)	Roads As A Percent of Excise
1980-81	\$924.06	\$918.46	\$1293.71	7.22	70.99
1981-82	915.20	907.54	1218.59	7.74	74.47
1982-83	1058.48	1021.15	1462.67	6.97	60.81
1983-84 <sup>(a)</sup>	1265.40	1319.05	2087.83	9.95	63.18
1984-85	1282.9	1291.3	2207.0	9.64	58.51
1985-86	1225.58	1220.17	2690.01	14.42	45.36
1986-87	1138.92	1144.74	4053.87	17.61	28.24
1987-88	1064.91	1074.72	3916.53	16.85	27.44
1988-89	977.27	974.44	3835.81	16.21	25.40
1989-90	951.01	956.26	3934.92	16.20	24.30
1990-91	1101.68	1072.75	4442.13	16.77	24.15
1991-92 <sup>(a)</sup>	844.87	na	4621.16	16.83	18.28
1991-92 <sup>(b)</sup>	1076.75	na	4621.16	16.83	23.30
Change, '83-84 to '91-92		-18.4%	121.3%	69.1%	

Source: Federal Budget Papers

- Note: Non-farm GDP deflator used to calculate real value, 1984-85 prices.
- (a) Estimate
  - (b) Including identified (but untied) road funding to Local Government (\$231.8m).
  - (c) Does not include fuel oil, heating oil, airline fuel and kerosene.
  - (d) Yearly average
  - (e) Rate applying from 1 August
  - (f) First full year of Fraser Australian Bicentennial Road Development Program and first year Labor automatically indexed the excise to the CPI.

**Mr HAWKER**—This table highlights exactly what has happened to the amount of money going to road funding; what has happened to the amount of fuel excise that has been raised in revenue for the Commonwealth; and what has happened to the fuel excise rate in cents per litre, which has been indexed since 1984. The table shows quite clearly that the amount of money being spent on roads has steadily declined from a position in 1983-84 of 63c in every dollar of fuel excise to about 23.3c in 1991-92. Clearly, this Government has a very shabby record in its treatment of the motorist and, in particular, the road transport area.

**Mr Baldwin**—That is a very unkind thing to say.

**Mr HAWKER**—It may be unkind, but I am putting out the facts for everyone to see. We have also seen indecision about where road transport charging is going. We have not only seen the difficulties facing the truck retail area but also seen that the recession that the Government told us that we had to have has had a very marked effect on the road transport industry.

In fact, in the June quarter, because of this Government induced recession, there was a fall of 9.5 per cent in interstate road freight moved. That followed a similar fall in the March quarter. It is also worth noting that, while fuel excise continues to be indexed, the indexation of road funding ended on 30 June this year and there has been no commitment in this Budget to increase it.

I would like to go into some detail about what the whole Special Premiers Conference agreement on road user charging is supposed to mean. At this stage, we are deeply concerned about the impact that the agreement is likely to have on rural and remote Australia.

Despite repeated calls by the Opposition over 12 months for a proper impact study to be done, so far virtually nothing has been done. All that has been promised is a fairly small inquiry into the effect of increased charges for heavy vehicles on grain and beef in Queensland and the Northern Territory. Interestingly, it was put that way, although the Northern Territory does not grow wheat.

These proposals do not look at the impact on people living in rural towns. We believe that this is something of great concern. It is also of great concern considering the major disparity between the figures quoted by the Prime Minister in his address to Grains 2000 and the Northern Territory Government in its detailed analysis on the likely impact of increased charging on road users, particularly on those living in rural and remote areas. There are many questions to be asked in this whole area and there are many questions which have not been answered by the Government. I believe the Opposition has every right and responsibility to continually raise these questions until the Government does give full and frank answers to what these sort of charges mean. (*Time expired*)

Progress reported.

#### ADJOURNMENT

Motion (by Mr Baldwin) agreed to:  
That the House do now adjourn.

**House adjourned at 11.58 p.m.**

#### NOTICES

The following notices were given:

**Mr Duffy** to present a Bill for an Act to amend the Family Law Act 1975.

**Mr Langmore** to move —

That the House supports the broad thrust of the recommendations of the report on young people's

participation in post-compulsory education and training (the Finn Report) and in particular calls on governments to ensure adequate funding to allow implementation of the recommendations so that the targets for access to education and training can be realised by 2001.

**Mr Beazley to move —**

That the resolution of the House of 9 May 1990 concerning Parliamentary Secretaries be amended so as to read:

That, for the purposes of the procedures of the House, any reference to Ministers shall be taken to include Parliamentary Secretaries, with the exception of references to questions seeking information (chapter XI of the standing orders).

**Mr Beddall to move —**

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Special Broadcasting Service — Relocation of radio and television, Artarmon, NSW.

**Mr Ruddock to move —**

That the House:

- (1) acknowledges the right of self-determination of the Ukraine;
- (2) notes the declaration of independence and that the declaration is to be put to the Ukrainian people for confirmation in December 1991;
- (3) believes that, subject to such confirmation and the Ukraine meeting the criteria for independent statehood, the international community, including Australia, should support its independence by diplomatic recognition; and
- (4) calls upon the Australian Government in the meantime to support the aspirations of the Ukrainian people by:
  - (a) establishing a consulate in the Ukraine;
  - (b) opening a trade office in Kiev; and
  - (c) ensuring the Ukraine gets its fair share of the training and management scholarships the Australian Government is offering to the Soviet Union.

**PAPERS**

The following papers were deemed to have been presented on 8 October 1991:

Aboriginal Land Rights (Northern Territory) Act—Regulations—Statutory Rules 1991, No. 282.

Australian Capital Territory Supreme Court Act—Rules of Court—Statutory Rules 1991, No. 294.

Australian Citizenship Act—Regulations—Statutory Rules 1991, No. 305.

Australian Telecommunications Corporation Act—Direction under subsection 45 (1), 7 August 1991.

Regulations—Statutory Rules 1991, No. 291.

Banks (Shareholdings) Act—Regulations—Statutory Rules 1991, No. 292.

Civil Aviation Act—

Civil Aviation Regulations—Civil Aviation Orders—Part 101—Amendment, 13 September 1991.

Regulations—Statutory Rules 1991, No. 287.

Corporations Act—Regulations—Statutory Rules 1991, No. 281.

Customs Act—

Instruments of approval—1991—Nos. 28, 29.

Regulations—Statutory Rules 1991, Nos. 288, 289, 290.

Data-matching Program (Assistance and Tax) Act—Guidelines under subsection 12(2), 27 September 1991.

Defence Act—Determinations under section 58b—1991—

No. 88—Household maintenance and assistance allowance.

No. 91—Household maintenance and assistance allowance and other allowances.

No. 92—Education assistance—United States of America.

Defence Act, Naval Defence Act and Air Force Act—Regulations—Statutory Rules 1991, No. 283.

Defence Housing Authority Act—Statements pursuant to paragraph 10(3)(a) relating to joint ventures between the Defence Housing Authority and—

Delfin Property Group Limited entered into on 19 August 1991, for the rehabilitation and refurbishment of the Holsworthy Village and Anzac Village localities and the sale of properties within these localities.

Macleod Properties Pty Limited and Pioneer Property Group Limited, entered into on 1 October 1991, for the development of land at Macleod, Victoria.

Export Control Act—Export Control (Orders) Regulations—Orders—1991—No. 6—Export

- Control (Fees) Orders as amended.
- First Home Owners Act—Regulations—Statutory Rules 1991, No. 297.
- Fisheries Act—  
Notices—1991—Nos. ORF 19, BSS 5.
- Plan of Management—No. BSS2—Bass Strait Scallop Fishery Preliminary Management Plan (Amendment).
- Foreign Acquisitions and Takeovers Act—Regulations—Statutory Rules 1991, No. 302.
- Great Barrier Reef Marine Park Act—Regulations—Statutory Rules 1991, No. 296.
- Health Insurance Act—Statement of particulars of ministerial determination made pursuant to section 106AA relating to Dr Ashok Kumar Gupta, 10 September 1991.
- Higher Education Funding Act—Determinations—1991—  
Nos. T41, T42—Revised amounts of approved capital expenditure for institutions.  
Nos. T43, T44—Maximum Commonwealth contribution for projects.
- No. T45—Allocation of funds transferred from TAFE to Higher Education for the provision of art courses.
- No. T46—Reimbursement of HECS for State funded places for Qld in respect of the 1989 calendar year.
- Income Tax Assessment Act—Regulations—Statutory Rules 1991, Nos. 300, 301.
- Judiciary Act—Rule of Court, 28 August 1991.
- Meat Inspection Act—Meat Inspection (Orders) Regulations—Orders—1991—No. 4—Meat Inspection (Fees) as amended (Amendment).
- Migration Act—  
Regulations—Statutory Rules 1991, Nos. 285, 295, 298.
- Statements (4) pursuant to subsection 115 (5).
- Military Superannuation and Benefits Act—Instrument—1991—No. 1.
- National Health Act—  
Determination—1991—No. BIT16.
- Notice of determination of amount for the purposes of subsection 47 (1), 9 September 1991.
- Navigation Act—Navigation (Orders) Regulations—Orders—1991—No. 3—Marine, Part 43.
- Nursing Homes Assistance Act—Notice for the purpose of subsection 12(4C), 9 September 1991.
- Overseas Students (Refunds) Act—Regulations—Statutory Rules 1991, No. 284.
- Petroleum Excise (Prices) Act—Regulations—Statutory Rules 1991, No. 299.
- Privacy Act—  
Code of conduct for credit reporting, 11 September 1991.
- Determinations—  
Pursuant to sub subparagraph 11B(1)(b)(v)(B), 11 September 1991.
- Pursuant to subsection 18E(3), 11 September 1991.
- Public Service Act—  
Determinations—1991—Nos. 73, 92, 93, 197, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 256, 257, 258, 260.
- Parliamentary Presiding Officers' Determination—1991—No. 16.
- Regulations—Statutory Rules 1991, No. 286.
- Quarantine Act—Determination under section 86E—1991—No. 3.
- Radiocommunications Act—Standard—Statutory Rules 1991, No. 293.
- Remuneration Tribunal Act—Remuneration Tribunal—Determination—1991/16—Chairperson and member, Australian Wool Realisation Commission, and part-time holders of public offices on other bodies.
- Superannuation Act 1976—  
Declaration—Statutory Rules 1991, No. 304.
- Determination pursuant to subsection 238(1)—No. 3—Period.
- Superannuation Act 1990—Declaration—Statutory Rules 1991, No. 303.
- Superannuation Benefits (Supervisory Mechanisms) Act—Determination—1991—No. 9.
- Wheat Industry Fund Levy Act and Primary Industries Levies and Charges Collection Act—Regulations—Statutory Rules 1991, No. 306.

## ANSWERS TO QUESTIONS

The following answers to questions were circulated:

### **Farrow Corporation**

#### (Question No. 167)

**Mr Hollis** asked the Treasurer, upon notice, on 22 August 1990:

(1) Did Part II of the Financial Corporations Act 1974 come into operation on 7 August 1974, the day on which the Act received the Royal Assent.

(2) On what dates were the three building societies associated with the Farrow Corporation registered with the Reserve Bank under Part II.

(3) Did Part III of the Act come into operation on 1 October 1974, the day fixed by Proclamation, and were regulations under Part III made on 18 May 1984 and 27 April 1989.

(4) On what dates have the three building societies furnished statements to the Reserve Bank in accordance with the regulations referred to in part (3).

(5) Does Part IV of the Act cover asset ratios, lending policies and interest rates of registered corporations.

(6) When was consideration last given to proclaiming a date on which Part IV would come into operation.

**Mr Kerin**—The answer to the honourable member's question is as follows:

(1) Parts I, II and V of the Act came into operation on 7 August 1974. The first regulations under the Act, entitled Financial Corporations (Initial Returns) Regulations, were signed on 10 October 1974. The Financial Corporations (Statistics) Regulations commenced on 27 May 1976.

(2) The following four building societies associated with Farrow Corporation were entered on the Register of Corporations on the dates shown:

Geelong Building Society (previously known as Geelong Permanent Building Society Ltd)—23 October 1974

Countrywide Building Society—6 March 1985

Pyramid Building Society (previously known as Pyramid Permanent Building Society)—4 October 1974

Federation Building Society (previously known as Federation Permanent Investment Building Society)—11 September 1974

Federation Building Society was subsequently absorbed by Pyramid Building Society on 31 December 1989.

(3) Part III of the Act came into operation on 1 October 1974. The Financial Corporations (Statistics) Regulations dated 18 May 1984, which repealed the former Regulations of 1976, 1977 and 1978, are the basis of current statistical forms. Amendment Regulations, dated 27 April 1989, deleted the need in the 1984 Regulations to send copies of completed statistical forms to the Statistician.

(4) All four building societies lodged returns as at the end of each month. Federation Building Society ceased lodging returns in late 1989 when it was absorbed by Pyramid Building Society.

(5) Part IV of the Act concerns the regulation and control of the business of financial corporations and covers controls over asset ratios, lending policies and interest rates of financial corporations with total assets in Australia of \$5 million or more.

(6) In 1974 Part IV was seen as providing reserve powers over financial corporations to be used, if necessary, for monetary policy, rather than prudential supervision, purposes. The powers were broadly equivalent to those applicable to banks covered in the Banking Act. Monetary policy no longer relies on these powers in the Banking Act but is exercised through open market operations. Recourse to Part IV of the Financial Corporations Act is not, therefore, relevant.

### **Rural Industries Grants**

#### (Question No. 415)

**Mr Taylor** asked the Minister for Primary Industries and Energy, upon notice, on 14 November 1990:

With respect to grants for rural related research and development made by the Rural Industries Research and Development Corporation, and formerly by the Australian Special Rural Research Council, (a) how many applications for grants were

received for 1990-91, (b) who received grants, (c) what was the amount of each grant and (d) for what project was each grant approved.

**Mr Crean**—The answer to the honourable member's question is as follows:

420 new applications for grants and 85 scholarship applications were received for 1990-91 by the Rural Industries Research and Development Corporation, and formerly by the Australian Special Rural Research Council.

Appendix 2 in the Australian Special Rural Research Council Annual Report 1989-90, which will be forwarded to your office, provides a detailed answer to Questions (b), (c) and (d). Please note that the following projects were also supported in this period:

Economics of Farm Health and Safety (\$60,000)	NSW Ag Dept
Agroforestry review (\$8,000)	Bureau of Rural Resources.

### **Life Insurance Act (Question No. 561)**

**Mr Hollis** asked the Treasurer, upon notice, on 13 February 1991:

(1) When were the (a) Occidental Life Insurance Company of Australia Limited and (b) Royal Life Insurance Australia Limited registered under the Life Insurance Act 1945.

(2) Has each of the companies referred to in part (1) duly (a) supplied the statutory returns and other additional information required by the Insurance and Superannuation Commission and (b) complied with the guidelines issued, pending a review of the Act, by the Commission.

(3) On what date and by what process did the Royal Life Insurance Australia Limited change its name to Regal Life Insurance Limited.

(4) What progress has been made with the complete review of the Act's outdated provisions to which the Commission drew attention in its report for 1989-90.

**Mr Kerin**—The answer to the honourable member's question is as follows:

(1) (a) Occidental Life Insurance Company of Australia Limited was registered under the Life Insurance Act 1945 on 16 September 1974.

(b) Royal Globe Life Assurance Company Limited was registered under the Life Insurance

Act 1945 on 3 May 1960. The company's registration was changed to Royal Life Insurance Australia Limited on 31 March 1982 and was changed to Regal Life Insurance Limited on 3 August 1989.

(2) Prior to 30 September 1990, both companies supplied all required statutory returns and other information, and complied with relevant guidelines issued by the Insurance and Superannuation Commission. Subsequent to 24 October 1990, the companies have been under investigation or subject to the control of a Judicial Manager. The information being provided by them since then has included copies of the Judicial Manager's reports, regular updates on developments, and other information sought by the Commission.

(3) Royal Globe Life Assurance Company Limited was incorporated in Victoria under the Companies Act 1958 on 24 March 1960. The company's name was changed to Royal Life Insurance Australia Limited on 9 February 1982 and was again changed under the provisions of the Companies (Victoria) Code to Regal Life Insurance Limited on 29 June 1989.

(4) A number of measures arising out of a review of the Life Insurance Act 1945 were recently passed by the House of Representatives and are now before the Senate. The measures include:

an increase in the minimum capital requirements to \$10 million from the current \$2 million, coupled with more stringent operational requirements regarding the maintenance of capital;

measures to enable pre-vetting of changes in ownership or control of life insurance companies, and to disqualify a person who has been bankrupt, or convicted of an offence relating to insurance law or dishonest conduct, from acting as a director or principal officer of a company;

adjustments to the powers of the Commissioner to facilitate formal investigation processes and a reduction in the period allowed for companies to submit annual financial statements.

The major issues which continue to be under review relate to the level of solvency margin that is appropriate to be maintained in statutory funds and associated actuarial and technical matters. Several submissions, including major submissions from the Institute of Actuaries of Australia and the Life Insurance Federation of Australia, have been received. Work in connection with the review, including a survey of United Kingdom and

Canadian legislation, is proceeding in the Insurance and Superannuation Commission.

While the complex actuarial and technical issues involved make it difficult to forecast a precise date for completion of the review, it is expected that the review will be completed early next year.

### Vietnamese Immigration

(Question No. 667)

**Mr Ruddock** asked the Minister for Immigration, Local Government and Ethnic Affairs, upon notice, on 14 March 1991:

(1) Has provision been made for immigration to Australia of those Vietnamese who worked for the Australian forces during the Vietnam War.

(2) Has information been collected to identify how many are still in Vietnam and who would migrate to Australia if they had the opportunity.

(3) Have any applications from persons such as those referred to in part (2) been received by immigration officials; if so, how many.

(4) Are the applicants referred to in part (3) eligible under the Special Humanitarian Program as former allies.

**Mr Hand**—The answer to the honourable member's question is as follows:

(1) There are no special provisions in place for the migration of former employees of the Australian Forces. Since 1988, when revised procedures for emigration were agreed with the Vietnamese authorities, the criteria for migration from Vietnam have been essentially the same as those applying to any other country.

(2) In 1984 a list was compiled of Indochinese with claimed links with Australia requesting resettlement. Twelve of these claimed former employment with the Australian forces (one of whom however had stronger ties with the United States).

(3) The Australian Embassy in Bangkok (responsible for most of the processing of Vietnamese migration applications) advises that they are aware of one letter requesting migration advice from a person claiming to be a former employee of the Australian armed forces, but have not received any actual migration applications. The Australian Embassy in Hanoi has had three enquiries but no applications. Such people may have migrated under the Vietnam Migration Procedures in the past but cases cannot be separately identified on this basis.

(4) Applications for entry under the in-country Special Humanitarian Program are normally only considered from designated countries: Vietnam is not one of these. Applications from persons in non-designated countries are considered only where exceptional and compelling circumstances exist, and are considered on their merits. Links with Australia are a consideration in claims to resettlement under this program.

### National Housing Strategy: Cost

(Question No. 788)

**Mr Prosser** asked the Minister for Health, Housing and Community Services, upon notice, on 7 May 1991:

(1) What is the total cost of the National Housing Strategy and related projects, including current and prospective research into the perceived problem of locational disadvantage.

(2) What sum will be spent on research into locational disadvantage.

**Mr Howe**—The answer to the honourable member's question is as follows:

(1) The estimated cost of the National Housing Strategy for 1990-91 was \$1,467,820, and for 1991-92 is \$1,390,000. This does not include the cost of staff from my Department who have assisted, and continue to assist, with research and development of particular issues as required.

(2) A survey of Housing and Location Choice and subsequent data analysis which addresses the question of locational disadvantage is being conducted and will cost \$345,100 in 1990-91 and a further \$60,000 in 1991-92. Two other studies on Implications of Urban Development Strategies and Housing and the Labour Market are to be conducted in 1991-92 at a total estimated cost of \$50,000.

### National Health Strategy Review

(Question No. 821)

**Dr Bob Woods** asked the Minister for Community Services and Health, upon notice, on 15 May 1991:

(1) How many persons are employed full time within the national health strategy review.

(2) What are the (a) names, (b) employment levels and (c) salaries of the persons referred to in part (1).

(3) Have any consultants been engaged for the review; if so, what is the (a) name, (b) allocated task and (c) remuneration of each.

**Mr Howe**—The answer to the honourable member's question is as follows:

(1) Five.

(2) (a) Ms Jenny Macklin, (b) Director of the National Health Strategy, (c) \$79,955 pa.

(a) Ms Alison McClelland, (b) previously on secondment from Treasury Department, Victoria, now on employment contract, (c) \$73,469 (package) pa.

(a) Ms Sharon Willcox, (b) on secondment from Health Department, Victoria, (c) \$71,500 (package) pa reimbursed to Health Department, Victoria.

(a) Ms Mary Petroff, (b) Administrative Service Officer (Class 4), (c) \$28,600 pa.

(a) Ms Vera Dias, (b) Administrative Service Officer (Class 4), (c) \$28,600 pa.

(3) Yes.

(a) National Centre for Epidemiology and Population Health, Australian National University, (b) Preparation of Background Paper on Medical Services Through Medicare, (c) \$50,000.

(a) Dr John Deeble, (b) Contribution to Background Paper on Options for Pathology, (c) \$10,000.

(a) Bernie McKay & Associates, (b) Preparation of Issues Paper on Hospital Delivery and Funding Alternatives, (c) \$528,000 (jointly funded by Australian Health Ministers' Advisory Council).

(a) Shane Solomon and Associates, (b) Preparation of Issues Paper on Structural Reform of Current Health Delivery Arrangements with Particular Attention to Commonwealth/State Issues and Special Needs Groups, (c) \$94,200.

(a) Dr Dov Chernichovsky, (b) Contribution to Background Paper on International Health Delivery and Financing Systems, (c) \$5,000.

(a) Prof Jeff Richardson, (b) Preparation of Background Paper on Copayments and Use of Medical Services, (c) \$5,000.

#### National Health Strategy Review (Question No. 822)

**Dr Bob Woods** asked the Minister for Health, Housing and Community Services, upon notice, on 15 May 1991:

(1) Will the national health strategy review have far-reaching implications for (a) the medical profession and (b) the private health industry.

(2) Is either the medical profession or the private health insurance industry represented on the advisory body to the review; if not, why not.

**Mr Howe**—The answer to the honourable member's question is as follows:

(1) (a) and (b) The answer to this question will not be known until the Director of the Strategy has reported progressively to the Government on each of the terms of reference and the Government has both considered those reports and decided what changes, if any, are appropriate.

(2) No. While the membership of the Advisory Committee to the National Health Strategy includes eminent members of the medical profession, they are not formal representatives of the profession.

The Advisory Committee was established to bring together individuals with a diverse range of ideas and experience. In particular, Ms Macklin was seeking ideas and opinions unfettered by the constraints which inevitably apply to office holders representing individual organisations. The Advisory Committee was not established as a formal consultation process.

I am advised that consultation has been, and will be, undertaken as a continuous process throughout the development of the Strategy. The consultants with responsibility for individual issues are expected to consult with relevant groups as a routine activity; as issues and background papers are progressively released there will be further opportunity for interest groups and individuals to provide comments and views; and in some cases there may be a need for further consultation prior to Ms Macklin providing advice to the Government.

Accordingly, all interest groups have an opportunity to present their views during any stage and on any related issue of the development of the Strategy.

#### National Health Strategy Review (Question No. 823)

**Dr Bob Woods** asked the Minister for Health, Housing and Community Services, upon notice, on 15 May 1991:

Have any advisers been appointed to assist the national health strategy review; if so, (a) what is their specific role, (b) what are their names and

qualifications, (c) on what basis were they selected and (d) what remuneration does each receive.

**Mr Howe**—The answer to the honourable member's question is as follows:

(a), (b) and (c) There are no appointed advisers in relation to the development of the National Health Strategy apart from those persons included in the answer to Question 821 and the members of the Advisory Committee, whose names and qualifications are listed below and whose role is covered by the answer to Question 822.

Dr John Stewart Deeble, BCom PhD DipHospAdmin(NSW).

Mr Martin Ferguson, BEc(Hons).

Professor John Davis Hamilton, MB(Hons) BS(Hons) FRCP(Lon) FRCP(C).

Dr Maurice M (Greg) Herring, MBBS DAvMed(Lon) FACOM MHP(NSW) FRACMA.

Professor Kerin O'Dea, BSc PhD.

Professor Judith Parker, RN BA(Hons) PhD.

Professor David Penington, BM BCh DM FRCP(Lon) FRACP FRCPA.

Dr Frederick Bryce Phillips, MB BS FAMA.

Mr Peter Read, BEc.

Dr Christopher George Scarf, MB BS FRACMA MHA(NSW).

Professor Dick Scottion, BA BEc PhD.

Ms Louise Sylvan, BA MPA(Canada).

(d) Nil.

### Industry Commission: Staffing (Question No. 828)

**Mr Barry Jones** asked the Treasurer, upon notice, on 15 May 1991:

(1) What (a) total number of staff and (b) number of professional staff, by discipline, were employed by the Industry Commission and its predecessor, the Industries Assistance Commission, in each financial year since 1985-86.

(2) How many professional staff currently employed by the Industry Commission have worked outside the Australian Public Service for longer than two years and in what areas of employment and what locations were they employed.

(3) How many professional staff currently employed by the Industry Commission have worked in industry (a) in general and (b) within manufacturing, and in what industries.

(4) How many professional staff currently employed by the Industry Commission hold (a)

PhDs and (b) Masters' degrees and in what disciplines and from which universities.

(5) How many professional staff employed by the Industry Commission are (a) Keynesians or (b) interventionists.

(6) When was the last Keynesian or interventionist recruited by the Industry Commission.

(7) Is a commitment to Keynesianism an impediment to being employed by the Industry Commission.

(8) Has employment of professional staff whose views differ from the prevailing economic orthodoxy been considered so that various options are provided to the Government.

(9) Does any Commissioner support fostering a number of economic philosophies within the Industry Commission.

(10) Is the Industry Commission familiar with the Socratic method of argument; if so, (a) is it used at the Commission or (b) are any differences expressed within the Commission purely on matters of detail and presentation.

**Mr Kerin**—The answer to the honourable member's question is as follows:

(1) (a) Table 1 provides details of staff employed by the Industry Commission under the Public Service Act.

(b) Professional staff are defined as staff with tertiary qualifications. Of the 230 staff at 22 May 1991, 148 have been awarded at least one degree. A total of 175 degrees or post graduate diplomas have been awarded to these staff. Details of these awards are set out in Table 2. Information for previous years is not available.

(2) Thirty-nine professional staff have been employed outside the Australian Public Service for a cumulative period longer than two years. Details are provided in Table 3.

(3) (a) Of the professional staff employed, 35 have previous experience of two years or more in industry in general. Table 4 provides details.

(b) Of the professional staff, 5 have had experience in manufacturing.

(4) (a) and (b) Eight professional staff of the Commission hold a PhD; 3 of these do not hold a Masters' degree. Twenty-seven professional staff collectively hold 30 Masters' degrees. Details are provided in Table 5.

(5) The Industry Commission records no information with which to answer this question. It recruits on merit.

(6) See (5).

(7) See (5).

(8) See (5).

(9) Commissioners seek to have available to them a range of views gathered from staff, through the public inquiry process and other consultants.

(10) The Industry Commission Act 1990 provides for the conduct of inquiries by the Commission. The Commission is required to publicise inquiries and hold hearings. Generally, the Commission produces an issues paper to stimulate discussion, seeks written submissions from interested parties, holds public hearings and produces a draft report for comment and discussion before presenting a final report to the Government. The essence of the Commission's approach is dialectic and open. See also the answer to question (9).

**Table 1: Industry Commission Staff**

As at 30 June	1986	1987	1988	1989	1990	1991
Total Staff	326	273	247	211	249	230

Notes: Figures for 1990-91 are for the period to 22 May 1991. The source of figures to 1989-90 are the Commission's responses to the Public Service Board (to 1986-87) or Department of Finance's Staffing Statistics Surveys.

**Table 2: Academic Details**

Degree/ Discipline	Agricultural Economics	Agricultural Science	Arts	Commerce	Economics	Engineering	Law	Social Science	Sub- Total	Graduate Diploma	Total	
Accounting			1	3					4		4	
Agricultural Economics	7								7	1	8	
Agricultural Science		5						3	8	2	10	
Asian Studies			1						1		1	
Chemical					1				1		1	
Civil						1			1		1	
Computing			1				1		2	4	6	
Economics			12	9	84			1	106	1	107	
Education									0	3	3	
Electrical						1			1		1	
Electronics							1		1		1	
Engineering							1		1		1	
English Literature		2							2		2	
Forestry							1		1		1	
Journalism		1							1		1	
Law		1				3			4		4	
Law—International									0	1	1	
Librarianship								1	1	1	2	
Mathematics							6		6		6	
Mechanical						1			1		1	
Physics							3		3		3	
Politics		2							2		2	
Public Administration									0	1	1	
Secretarial Studies		1							1		1	
Social Science							1		1		1	
Sociology		1							1		1	
Statistics							2		2	1	3	
Zoology								1	1		1	
<b>Total</b>	<b>7</b>	<b>5</b>	<b>23</b>	<b>12</b>	<b>84</b>	<b>5</b>	<b>3</b>	<b>20</b>	<b>1</b>	<b>160</b>	<b>15</b>	<b>175</b>

Table 3: Industry Employment for Two Years or More

Employment Area	Period (Years)	Location State/Country
<i>Companies:</i>		
Australian Aerial Mapping Co	10.00	NSW
Australian Iron & Steel	6.33	NSW
Beard Watson (Retailing)	2.00	NSW
Brown & Deveau (Manufacturing)	6.00	NSW
Consultant Engineering	4.00	NSW
Industrial Market Research	2.00	NSW
Jasco Pty Ltd (Retail/Manufacture/Imports)	8.00	NSW
Prudential Assurance Co	22.00	NSW
Riverland Development Corp	2.00	NSW
Standard Telephones & Cables	2.00	NSW
Carlton & United Breweries	3.00	Vic
CSIRO	2.00	Vic
Grains Council of Australia	5.00	Vic
Telecom	20.00	Vic
Thomas Borthwick & Sons	1.08	Vic
British United Shoe Machinery Co	1.25	UK
Union International Co	1.58	UK
Total	98.24	
<i>Banking:</i>		
Bank Of NSW	3.00	NSW
State Bank of NSW	2.00	NSW
Reserve Bank	2.50	NSW
Westpac Bank	2.42	SA
Commonwealth Bank	3.00	Tas
State Savings Bank Of Vic	14.00	Vic
Total	26.92	
<i>Overseas Organisations:</i>		
OECD	8.00	France
Meteorological Satellite Centre Research Specialist	1.00	Japan
Meat & Livestock Commission	1.50	UK
Jodrell Bank Astronomy	2.00	UK
Coal & Energy Resources	1.00	USA
Dept of Labor	6.00	USA
National Radioastronomy Observatory	1.08	USA
Total	20.58	
<i>State Governments:</i>		
Concord Hospital	6.00	NSW
Dept of Mines	1.00	NSW
Dept of Mapping	10.00	NSW
Dept of Motor Transport	5.00	NSW
Electricity Commission	10.00	NSW
Hunter District Water Board	6.17	NSW
Maritime Services Board	3.00	NSW

Employment Area	Period (Years)	Location State/Country
State Pollution Office	9.00	NSW
Secretarial	9.00	NSW
Librarian	5.00	NSW
Dept of Industrial Affairs	11.00	Qld
Dept of Tourism	6.00	SA
Dept of Agriculture	13.00	Vic
Total	94.17	
<i>Tutor/Lecturer/Research/Fellow:</i>		
Australian National University	2.50	ACT
Macquarie University	3.00	NSW
New England University	3.42	NSW
University of NSW	0.50	NSW
University of Sydney	8.75	NSW
Wollongong University	1.00	NSW
Ballarat College of Advanced Education	8.00	Vic
La Trobe University	12.42	Vic
RMIT	1.00	Vic
Victorian State College	1.00	Vic
Simon Fraser University	2.17	Canada
University of Bologna	1.08	Italy
Cambridge University	0.75	UK
Wye College (Kent)	1.17	UK
Colorado State University	3.00	USA
Cornell University	2.58	USA
University of Pittsburg	5.00	USA
Total	56.59	

Table 4: Industry Employment of Two Years or More

Industry	
Agricultural Services	Manufacturing
Communications	Research Institutions
Educational Services	Retail Industry
Financial Services	Services to Industry
Governmental Services	Shipping Industry
Heavy Industry	Water and Sewage

**Table 5: Higher Degrees**

Discipline	University
<b>(a) Doctorates-Ph.Ds</b>	
Atmospheric Science	Colorado State University, USA
Economics	Oxford, UK
Economics	Rochester, USA
Economics	University of Queensland
Economics	La Trobe University
Mathematics	University of British Columbia, Canada
Mineral Economics	Pennsylvania State University, USA
Radioastronomy	University of Sydney
<b>(b) Masters'</b>	
Administrative Studies	Australian National University
Agricultural Development Economics	Australian National University
Agricultural Science	Canterbury University, NZ
Agricultural Science	La Trobe University
Agricultural Science	La Trobe University
Agriculture	University of Sydney
Applied Science	Royal Melbourne Institute of Technology
Business Administration	Deakin University
Business Administration	University of New South Wales
Business Administration	University of British Columbia, Canada
Commerce	Melbourne University
Economics	Rochester, USA
Economics	New England University
Economics	Simon Fraser University, Canada
Economics	Australian National University
Economics	Australian National University
Economics	Australian National University
Economics	New England University
Economics	Australian National University
Economics	Australian National University
Economics	Australian National University
Economic Science	Dublin University, Ireland
Economic Science	Wisconsin State University, USA
Engineering Science (Transport)	University of New South Wales
Engineering Science (Structural)	University of New South Wales
Science (Materials Engineering)	Virginia State University, USA
Science (Economics, Econometrics)	Southampton, UK
Science	University of Sydney
Science	University of Sydney
Science (Physics)	La Trobe University

**National Housing Strategy**  
**(Question No. 837)**

Mr Prosser asked the Minister for Health, Housing and Community Services, upon notice, on 16 May 1991:

(1) How many persons have been employed (a) full time and (b) part time on the national housing strategy.

(2) What are the (a) names, (b) salaries and (c) employment levels of each of the persons referred to in part (1).

(3) To what extent is his Department contributing (a) staff, (b) resources and (c) background material to the national housing strategy.

(4) Have any consultants been engaged to work on the national housing strategy; if so, what is the (a) name, (b) task, (c) remuneration of each and (d) method by which each was selected.

(5) How many papers will be released as part of the national housing strategy and what is the proposed topic of each.

**Mr Howe**—The answer to the honourable member's question is as follows:

(1) The National Housing Strategy is headed by a Departmental consultant, Dr Meredith Edwards. As at 30 June 1991 four persons have been employed full time and two part time.

In addition, a number of staff from my Department are assisting with research and development of particular issues as required.

(2) The following persons were employed within the National Housing Strategy Secretariat at 30 June 1991:

Full time:

(a) Mr Ray Kent, (b) \$52,100 pa plus superannuation, (c) Senior Officer Grade B.

(a) Mr Robert Wooding, (b) \$44,435 pa plus superannuation, (c) Senior Officer Grade C, on temporary transfer from Department of Finance.

(a) Ms Shelley Schreiner, (b) \$40,906 pa plus superannuation, (c) Senior Officer Grade C.

(a) Ms Gae Millican, (b) \$28,690 pa plus superannuation, (c) Administrative Service Officer, Class 4.

Part time:

(a) Dr Judith Yates, (b) \$42,708, (c) on contract from University of Sydney.

(a) Dr Maryann Wulff, (b) \$36,340, (c) on contract from Wulff Research Associates.

(3) (a) and (b) The Housing Division comprises approximately 115 staff covering levels from Administrative Service Officer, Class 1 to Senior Executive Band 2 with salary levels ranging from \$11,981 to \$79,955. Many of these staff have assisted with research and development of issues for the National Housing Strategy. As this assistance has been on a continually changing needs basis it is not feasible to quantify precisely the contribution of staff and resources.

(c) The National Housing Strategy is currently a major policy focus for the Housing Division and background material from the Division is being contributed to the processes of the Strategy. It is not possible to quantify this.

(4) Yes.

(a) Dr M Edwards, (b) Direct National Housing Strategy, (c) \$170,000 pa, (d) Recognised economic and administrative expertise.

(a) National Institute for Economic and Industry Research, (b) Contribution to Issues Paper on Australian Housing: The Demographic, Economic and Social Environment, (c) \$19,540, (d) Tender.

(a) Australian National University (Dr P Apps), (b) Research on home ownership, (c) \$37,655, (d) Tender.

(a) Dr G Wood, (b) Preparation of Background Paper on international comparisons of housing affordability, (c) \$16,799, (d) Recognised expertise.

(a) Australian National University (Dr P Troy), (b) Research on Housing Industry, (c) \$100,000, (d) Recognised expertise.

(a) Brian Elton & Associates, (b) Preparation of Background Paper on the supply side of the private rental market, (c) \$42,392, (d) Tender.

(a) AGB:McNair, (b) Survey of Housing and Locational Choice, (c) \$345,100 (includes \$200,000 paid by Social Justice Secretariat), (d) Tender.

(a) Australian Council of Social Service, (b) Consultations with community organisations on affordability of housing, (c) \$50,000, (d) Peak body in community sector to be consulted.

(a) Australian Institute of Family Studies, (b) Collection and analysis of data on housing as part of the Family Formation Study, (c) \$19,000, (d) Extension of existing research project.

(a) B Badcock, (b) Report on house price movements, (c) \$7,800, (d) Extension of existing research project and recognised expertise.

(a) S & S Consultants, (b) Report on housing issues for Aboriginal and Torres Strait Islander people, (c) \$19,220 (d) Tender.

(a) University of Sydney, (b) Advise on particular housing needs of women and children, (c) \$30,000 (d) Recognised expertise.

(a) South Australian Office of Housing, (b) Examine potential for community housing in the provision and management of housing in Australia, (c) \$38,400, (d) Tender.

(a) Dr G Wood, (b) Advise on effects of taxation law on housing, (c) \$10,200, (d) Recognised expertise.

(a) Ms P Smith, (b) \$385, (c) Develop outline of communication strategy, (d) Combination of expertise in housing and communication.

(a) Queensland University of Technology, (b) \$16,994 (c) Examine role of urban form in the supply of affordable land and housing, (d) Tender.

#### (5) Issues Papers

Australian Housing: The Demographic, Economic and Social Environment

Affordability of Australian housing

Financing Australian housing

Supply of affordable land and housing

Groups with special housing needs

Links between housing and other services

Delivery and management of housing services

A National Housing Strategy

#### Background Papers

Framework for Reform

The supply side of the private rental market

Housing affordability: An international context

Taxation and housing

Housing needs of Aboriginal and Torres Strait Islander People

Community housing

Housing needs of women and children

Housing and Local Government

In addition to the papers listed, a number of other papers will be produced from current and proposed research projects. This research is on such topics as the role of home ownership; financing urban infrastructure; implications of urban development strategies; housing and location choice; role of State Housing Authorities; housing needs of older people; housing needs of people with disabilities; housing needs of newly arrived migrants; and rural and remote area housing.

#### Dja Dja Wrung Aboriginal Cultural Association Funding

(Question No. 877)

**Dr Wooldridge** asked the Minister for Aboriginal Affairs, upon notice, on 4 June 1991:

(1) What sum of federal funds was (a) allocated and (b) distributed to the Dja Dja Wrung Aboriginal Cultural Association in Bendigo in (a) 1989-90 and (b) 1990-91.

(2) On what basis and under what criteria were the funds allocated.

(3) For what purposes were the funds intended.

(4) Have the funds been adequately acquitted.

**Mr Tickner**—The Aboriginal and Torres Strait Islander Commission has provided me with the following information in response to the honourable member's question:

(1) The Aboriginal and Torres Strait Islander Commission (ATSIC) did not provide funds to an organisation entitled Dja Dja Wrung Aboriginal Cultural Association. ATSIC did, however, (a) allocate and (b) distribute funds to the Bendigo Dja Dja Wrung Aboriginal Association Inc. amounting to:

(a) \$40,896 in 1989-90, and

(b) \$115,454 in 1990-91.

(2) The Bendigo Dja Dja Wrung Aboriginal Association Inc is an Aboriginal co-operative eligible to receive funding under the Aboriginal and Torres Strait Islander Commission Act 1989 and there is no other such co-operative servicing Aboriginals in Bendigo or surrounding district. The criteria for the allocation of funds are set out in the current ATSIC Corporate Plan, Program 2, Social Advancement.

(3) The Association is funded to provide a Community Development support Program to the Aboriginal community of Bendigo and district. The Association also has an internal training program and a rental assistance program. In addition, funds were provided to enable the Association to conduct an Economic Development Conference.

(4) All funds provided to the Association in the 1989-90 Financial Year have been acquitted. Funds provided in the 1990-91 Financial Year are not yet due for acquittal.

#### Cultural Objects: Control

(Question No. 881)

**Mr Hollis** asked the Attorney-General, upon notice, on 4 June 1991:

(1) Did a study group of experts prepare a Preliminary Draft UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects during three sessions between 1988 and 1990.

(2) Did Australia participate in any of the sessions of the study group of experts.

(3) Does the preliminary draft convention amplify and clarify the 1970 UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property, to which Australia became a party on 30 October 1989.

(4) Did the Australian member of the Governing Council of UNIDROIT attend the Council meeting in Rome between 21 and 24 May 1991 and the UNIDROIT meeting to discuss the Principles for International Commercial Contracts in Rome between 27 and 31 May 1991 but not the UNIDROIT meeting of governmental experts on the preliminary draft convention in Rome between 6 and 10 May 1991; if so, why.

(5) Which other member states of UNIDROIT participated in the meetings in Rome in May 1991.

(6) Does UNIDROIT expect to hold a further meeting of governmental experts on the preliminary draft convention in February or March 1992; if so, will Australia participate.

**Mr Duffy**—The answer to the honourable member's question is as follows:

(1) Yes.

(2) Participation in the UNIDROIT study group of experts was in an individual, rather than representative, capacity. Dr L Prott, then of the Law Faculty of the University of Sydney, attended the sessions in her personal capacity.

(3) The preliminary draft convention is intended to clarify and improve the application of Article 7(b)(ii) of the UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property.

(4) Mr Patrick Brazil participated in the 70th Session of the Governing Council of UNIDROIT in Rome from 21-24 May 1991 as a member of the Council.

Mr Brazil was recently invited to join the UNIDROIT Working Group on Principles for International Commercial Contracts in his personal capacity and attended the 15th meeting in Rome from 27-31 May 1991.

The 6 to 10 May 1991 UNIDROIT meeting on the Preliminary Draft Convention on Stolen or

Illegally Exported Cultural Objects was one for governmental experts. Accordingly, invitations were not issued to experts in their personal capacities. The question of Australian representation by a governmental expert was considered by my Department in conjunction with the Department of the Arts, Sport, the Environment, Tourism and Territories. In the light of other priorities for Australian governmental representation at international meetings, and having regard to budgetary considerations, the decision was made not to send a governmental expert to that meeting.

(5) Members of the Governing Council of UNIDROIT are elected by reason of their personal expertise and standing and not as representatives of Member States. All members of the Governing Council were represented either personally or by substitutes at the 70th Session held on 21-24 May 1991.

The fifteenth session of the UNIDROIT Working Group on Principles for International Commercial Contracts, held on 27-31 May 1991, was attended by experts in their personal capacities not as representatives of Member States. Accordingly, no Member States of UNIDROIT attended this meeting.

The first session of the Committee of Governmental Experts on the International Protection of Cultural Property, held on 6-10 May 1991, was attended by representatives of 41 Member States of UNIDROIT: Argentina, Austria, Belgium, Canada, China, Colombia, Czechoslovakia, Denmark, Egypt, Finland, France, Germany, Greece, Holy See, Hungary, India, Iran, Ireland, Italy, Mexico, Netherlands, Nigeria, Norway, Pakistan, Poland, Portugal, Romania, San Marino, Senegal, South Africa, Spain, Sweden, Switzerland, Tunisia, Turkey, Union of Soviet Socialist Republics, United Kingdom, United States of America, Uruguay, Venezuela and Yugoslavia.

(6) A second session of the UNIDROIT Committee of Governmental Experts on the International Protection of Cultural Property is expected to be held in early 1992, with the possibility of a third session being held later in 1992.

The question of Australian representation at the next meeting will be considered by my Department in conjunction with the Department of the Arts, Sport, the Environment, Tourism and Territories.

**Department of Foreign Affairs and Trade: Trade Union Grants**

(Question No. 888)

**Mr Cobb** asked the Minister representing the Minister for Foreign Affairs and Trade, upon notice, on 5 June 1991:

What are the details of all grants made since March 1988 to trade union groups by the Department?

ment/s and agencies for which the Minister has portfolio responsibility.

**Dr Blewett**—The Minister for Foreign Affairs and Trade has provided the following answer to the honourable member's question:

(1) The Department of Foreign Affairs and Trade has issued the following grants to trade union groups during the period March 1988 to 30 July 1991:

Year	Amount	Trade Union/Purpose
1988-89	\$ 20,000	Australian Journalists Association for ASEAN Regional Visits Program (4 journalists)
	13,500	Australian Teachers' Federation for 'Teaching English in China' (3 teachers)
1989-90	30,000	Australian Journalists Association for ASEAN Regional Visits Program (6 journalists)
	15,000	Australian Teachers' Federation for 'Teaching English in China' (3 teachers)
1990-91	31,000	Australian Journalists Association for ASEAN Regional Visits Program (6 journalists)
	20,000	Australian Teachers' Federation for 'Teaching English in China' (4 teachers)

(2) The Australian International Development Assistance Bureau (AIDAB) has issued grants to trade union groups as listed below (statistics are provided in fiscal years).

The following table provides the proportion of grants issued to trade union groups by AIDAB to the total size of (a) the aid budget, and (b) the NGO's budget in each of the relevant years:

	Total Aid Budget (a)	NGO's Budget (b)
1987-88	0.11%	3.78%
1988-89	0.15%	5.43%
1989-90	0.24%	5.59%
1990-91	0.35%	7.56%

Grants made to the Australian Council of Trade Unions (ACTU) include all grants made to the Australian People for Health, Education and Development Abroad (APHEDA). APHEDA is

legally a separate entity from the ACTU but maintains close direct links, describing itself as the 'ACTU humanitarian overseas aid agency'.

Year	Amount	Trade Union/Purpose
1987-88	\$ 120,000	to ACTU for channelling funds to the Commonwealth Trade Union Council (CTUC)—earmarked budget support
	12,500	to ACTU for study/visit to Australia by members of the Council of South African Trade Unions (COSATU) to examine a range of industrial relations/developments and to establish links

Year	Amount	Trade Union/Purpose
	\$	
	59,940	to APHEDA for the training of 8 technical trainees in Zambia
	94,000	to APHEDA for the occupational health and safety training for 80 students in Zimbabwe
	250,000	to ACTU for providing educational material and training to South Pacific countries for assistance in promoting trade unionism in the South Pacific
	50,000	to APHEDA for its Development Education Program
	120,000	to APHEDA for occupational health and safety programs in the Philippines
	88,000	to APHEDA for Cambodia training and development program
	32,981	to APHEDA to cover the costs of training 300 heath workers in Vietnam
	6,200	to ACTU for education officer for a trade union congress in PNG
	12,000	to APHEDA for English as a Second Language (ESL)teacher training program in Tanzania
	32,981	to APHEDA for health worker training in Vietnam
	5,000	to APHEDA for continuing education for Anglican teachers in the West Bank
	63,000	to APHEDA for rural youth skills training and land settlement program in Zambia
	125,000	to APHEDA for vocational training program in the occupied territories and Israel
1988-89	155,000	to ACTU for channelling funds to the Commonwealth Trade Union Council (CTUC)—earmarked budget support
	81,421	to ACTU for Resource assistance to COSATU to strengthen its educational capacity i.e. education resource centres and shop stewards training
	60,000*	to APHEDA for regional scholarships;
	25,000*	for APHEDA for 'on the job training' in region in technical, vocational and administration fields in Zambia;
	21,000*	to APHEDA for in-region administration training in Zambia;
	28,700*	to APHEDA for 'on the job training' in Australia in technical, vocational and administration fields;
	520,500*	to APHEDA for emergency assistance for resettlement of refugees in Tanzania;
	21,000*	to APHEDA for Australian technical expert (ESL teacher) in Tanzania
	115,000	to ACTU for channelling funds through the Commonwealth Trade Union Council (CTUC)—earmarked budget support
	30,000	to APHEDA for its Development Education Program
	152,000	to APHEDA for Cambodian training and development program
	38,500	to APHEDA for Vietnam vocational training school
	35,500	to APHEDA for Vietnam family planning training
	19,500	to APHEDA for Vietnam traditional medical plant use
	26,500	to APHEDA for Vietnam village agricultural training
	25,500	to APHEDA for Kanak radio assistance program in New Caledonia
	62,500	to APHEDA for Radio DJIIDO in New Caledonia

Year	Amount	Trade Union/Purpose
	\$	
	50,000	to APHEDA for emergency assistance to Lebanon
	45,000	to APHEDA for Primary Health Care for Urban Poor in Lebanon
	226,500	to APHEDA for vocational training program in the occupied territories and Israel
	106,303	to APHEDA for occupational and health safety programs in the Philippines
1989-90	145,000	to ACTU for channelling funds to the Commonwealth Trade Union Council (CTUC)—earmarked budget support
	23,943	to ACTU for COSATU (South Africa) study visit to Australia
	11,932	to ACTU for project monitoring visits to southern Africa to ensure that funds provided under SAPSA are being used effectively
	145,000	to ACTU for channelling to Commonwealth Trade Union Council (CTUC)—earmarked budget support
	20,600	to ACTU for International Council for Free Trade Unions (ICFTU)—Asian and Pacific Regional Organisation (APRO) pacific education program to promote free and democratic trade unions in the South Pacific Region and to strengthen concrete action in building trade union structures to develop self-reliant and viable trade union organisations
	50,000	to ACTU for the South Pacific and Oceania Council of Trade Unions—funding for the position of Executive Officer
	30,000	to APHEDA for its Development Education Program
	38,000	to APHEDA Vietnam vocational training school
	28,000	to APHEDA Vietnam traditional medical plant use
	21,500	to APHEDA for Vietnam village agricultural re-training
	32,500	to APHEDA for Vietnam teacher training college
	99,000	to APHEDA for rural youth skills training and land settlement program in Zambia
	25,700	to APHEDA for assistance to Kanak radio in New Caledonia
	150,000	to APHEDA for co-operatives in Gaza
	196,500	to APHEDA for vocational training program in occupied territories and Israel
	50,000	to APHEDA for emergency assistance to women and children in Beirut
	14,800	to APHEDA for NGO Wathc Health Education Kanak Women
	103,697	to APHEDA for occupational health and safety programs in the Philippines
	127,500	to APHEDA for training and development programs in Cambodia
	31,300	to APHEDA for technical education co-ordinator in Cambodia
	208,240*	to APHEDA for scholarships in administration, management teaching, computer training, tailoring and agriculture
	27,360*	to APHEDA for on the job training in Zambia in technical, vocational, administration fields
	63,000*	to APHEDA for administration training in Zambia
	31,220*	to APHEDA for on the job training in Australia in technical, vocational and administration fields
	550,000*	to APHEDA for scholarship program for refugees in Tanzania

Year	Amount	Trade Union/Purpose
	\$	
	53,532*	to APHEDA for the Australian technical expert (ESL teacher) in Tanzania
	105,335*	to APHEDA for occupational health and safety training in South Africa
	60,000*	to APHEDA for anti-apartheid sports conference in South Africa
	82,000*	to APHEDA for youth skills training in South Africa
	66,000*	to APHEDA for co-operative management training in South Africa
	120,000*	to APHEDA for sports administration training in South Africa
	103,000*	to APHEDA for skills training in the metal industry in South Africa
1990-91	100,000	to ACTU for channelling funds to the Commonwealth Trade Union Council (CTUC)—earmarked budget support
	50,000	to ACTU for South Pacific and Oceania Council of Trade Unions—funding for the position of Executive Officer
	34,000	to APHEDA for its Development Education Program
	81,000	to APHEDA for Cambodia training and development education porogram
	56,000	to APHEDA for Cambodia technical education
	38,000	to APHEDA for Vietnam vocational training
	26,000	to APHEDA for Vietnam traditional medical plant use program
	21,000	to APHEDA for Vietnam village agricultural re-training program
	27,700	to APHEDA for Vietnam teacher training program
	112,640	to APHEDA community health sector AIDS program—Philippines
	15,000	to APHEDA for Cambodia specialised English teaching
	13,627	to APHEDA for Vietnam health worker training program
	38,373	to APHEDA for Vietnam industrial school project
	10,000	to Western Australia Trades and Labour Council to provide airfares, living costs for the selected participants from India/ Philippines/Malaysia to participate in the Indian Ocean Rim Trade Union Conference
	16,000	to APHEDA for sugar workers organic funding/vermaculture training program in the Philippines
	134,859	to APHEDA for program funding allocation in various countries
	172,000	to APHEDA to support co-operatives in Gaza
	200,000	to APHEDA for training program in occupied territories in Lebanon
	66,000*	to APHEDA for co-operative management training
	82,000*	to APHEDA for youth skills training
	26,000*	to APHEDA for 'on the job training' in Australia
	121,000*	to APHEDA for ANC planning meeting
	550,000*	to APHEDA for scholarship programs for refugees in Tanzania
	180,000*	to APHEDA for in-Region Scholarships 120,000 to APHEDA for sports development/ administration training in South Africa
	14,000*	to APHEDA for training for Development Workers
	63,000*	to APHEDA for an income generation program for ex-political prisoners

Year	Amount	Trade Union/Purpose
	\$	
1,813,000*		to APHEDA for return of exiles and refugees to South Africa
45,000*		to APHEDA for contribution towards costs of ANC donor meeting
411,000		to APHEDA Health Education for Kanak Women in New Caledonia

\* from Special Assistance Program for South Africans funds—SAPSA

### Japanese Currency: Use in Australian Shops (Question No. 932)

Mr Sharp asked the Treasurer, upon notice, on 20 June 1991:

Do some Japanese-owned businesses in Cairns, Qld, accept only Japanese currency and refuse to accept Australian currency; if so, (a) is the practice prohibited and (b) what action will he take to end it.

Mr Kerin—The answer to the honourable member's question is as follows:

I understand that there have been media reports that some businesses in Cairns are apparently only accepting payment in Japanese yen and refusing to accept Australian currency. I am unaware, however, if these businesses are Japanese-owned.

As to the specific questions you raised regarding this matter:

(a) There is nothing in the Currency Act 1965 that would preclude a business or individual acting in the manner described. While Section 16(1) of the Currency Act 1965 and Section 36(1) of the Reserve Bank Act 1959 give legal tender status to Australian coins and notes, this does not mean that they necessarily have to be accepted. Legal tender status is relevant only in relation to the payment of an existing debt where a method of payment is not specified in the terms of an arrangement giving rise to that debt. It would have no application where a person merely offered an amount of money in exchange for goods to be provided or services to be supplied. Consistent with this, there is no legal provision that would prevent a business from stipulating that payment must be made in Japanese yen.

(b) There has been no restrictions on the use of foreign currency in Australia, nor on the use of the Australian dollar outside Australia, since exchange

controls were removed when the dollar was floated in 1983. Any business in Australia which declines to accept Australian currency would appear, however, to be depriving itself of potential customers and thereby restricting its own commercial opportunities.

### Austrade: Staffing (Question No. 935)

Mr Downer asked the Minister representing the Minister for Industry, Technology and Commerce, upon notice, on 20 June 1991:

(1) Is there a delay in filling the position of Managing Director, Austrade; if so, why.

(2) Is he able to say whether (a) the position referred to in part (1) will be readvertised and (b) Mr W Ferris will be an applicant.

(3) Will the number of staff in Austrade be reduced; if so, (a) by what number and (b) will that number include (i) inoperative staff, (ii) staff lost through natural attrition and (iii) overseas locally engaged staff.

(4) Are some of the senior management staff criticised in the McKinsey review involved in placing staff into a new structure for Austrade.

(5) What sum has been spent on implementing recommendations of the McKinsey review and on the associated task force.

(6) Was \$10 000 allocated to the task force referred to in part (5); if so, was this sum inadequate and where will additional funds be obtained.

(7) What is the state of consultation and development of associated procedures with unions affected by the restructuring of Austrade.

(8) Is implementation of the recommendations of the McKinsey review being hastened solely because elections to convert from the Commonwealth Superannuation Scheme to the Public Sector Superannuation Scheme must be made by 30 June

1991; if so, (a) what efforts did Austrade make to extend the election date for Austrade staff and (b) was tenure offered to certain Austrade staff; if so, by what process.

(9) Does the position of Deputy Managing Director appear in the structure recommended by the McKinsey review; if not, what is the status of the position.

(10) Did the McKinsey review propose that a number of positions remain temporarily located in Canberra; if so, what is the status of the affected staff, particularly with respect to redundancy and superannuation.

(11) Has Austrade developed an effective redeployment and training program for staff affected by restructuring.

(12) What (a) number of SES positions and (b) allocation for SES salaries in Austrade (i) existed before the McKinsey review and (ii) will there be after the review's recommendations are implemented.

(13) How many general manager positions in Austrade were filled by applicants from (a) outside and (b) within the public sector.

(14) From what Australian Public Service levels and salary ranges were the applicants referred to in part (13)(b) promoted.

(15) How many highly skilled staff will Austrade lose as a result of relocation.

**Mr Free**—The Minister for Industry, Technology and Commerce has provided the following answer to the honourable member's question:

(1) The appointment of Mr Ralph Evans as Managing Director of Austrade was announced on 9 July 1991.

(2) See answer to (1).

(3) Yes.

(a) It is estimated that by the time staff separations are completed in mid-1992, the net reduction will be 155.

(b) (i) No. (ii) Yes. (iii) No.

(4) No members of senior management were mentioned in the McKinsey review.

(5) and (6) The sum spent on implementing the McKinsey review recommendations was \$1.046 million, arising from salaries of Austrade staff working on implementation tasks, travel costs and

recruitment of the Managing Director and general managers.

Costs of relocation and redundancy payments are not yet finalised. There was no specific allocation of \$10,000 to a task force.

(7) Appropriate consultation as set out in the relevant Award has occurred, and is continuing to occur, with staff associations on general retrenchment principles, structure, staffing, facilities and review.

(8) Implementation of the McKinsey review recommendations was not hastened solely because of the superannuation question.

(a) In response to a formal approach to the Retirement Benefits Office, Austrade was advised that it was not possible for an extension to be given to the election date.

(b) Structural recommendations flowing from the McKinsey review were presented for endorsement to the Chairman and the Acting Managing Director at the end of May 1991. The proposals were then provided to the Staff Associations in accordance with the consultative process.

Restaffing of the new structure commenced in the week prior to 30 June and is continuing.

Senior Placement Teams were appointed by the Chairman and the Acting Managing Director. These teams reviewed the relative merits of the members of the staff in the Senior Management Service and provided recommendations to the Chairman and the Acting Managing Director.

Other staff whose functions remained substantially unchanged in the new structure were notified of their transfer to the new structure prior to 30 June.

(9) No. Appointment to the position of Deputy Managing Director is at the discretion of the Minister. The McKinsey Review indicated that the position of Deputy Managing Director would be assigned one of the key management roles within the organisation. No decision has been taken on the future of the position.

(10) No.

(11) Yes. The scheme includes assessment of staff for, and their redeployment to, positions in the new structure, change management and personnel development. In addition staff have been given access to professional outplacement advice, financial planning advice and general counselling services.

(12) (a) (i) 86, excluding staff of the Export Finance & Insurance Corporation (EFIC).

(ii) As at 13 September 1991, 77 SES positions exist, excluding staff of the Export Finance & Insurance Corporation (EFIC).

(b) (i) \$5.88 million.

(ii) \$5.46 million (estimated).

(13) (a) 3. (b) 7.

(14) Successful applicants were appointed for a period of 3-5 years from the following Australian Public Service levels and salary ranges:

NSW SES Level 3 (\$100,590—\$105,890)

SES Band 3 (\$89,084—\$96,590)

SES Band 2 (\$73,012—\$79,955)

SES Band 1 (\$57,679—\$64,768)

(15) Unknown at present.

#### **Austrade: Engagement of Consultants (Question No. 946)**

**Mr Downer** asked the Minister representing the Minister for Industry, Technology and Commerce, upon notice, on 21 June 1991:

(1) What sum did Austrade spend in engaging Egon Zehnder International management consultants to recruit ten new general managers.

(2) What sum did Austrade spend in addition to that referred to in part (1) in recruiting the new general managers.

(3) What salary will each of the new general managers receive.

(4) Has Austrade engaged Robert Dempsey public relations consultants since 1989; if so, (a) in what capacity and (b) what sum was paid to Robert Dempsey (i) since 1989 and (ii) on average per month.

(5) Does Austrade employ (a) about 15 qualified journalists in its Public Affairs Unit and (b) a firm of public relations consultants; if so, why.

(6) Will any journalists employed by Austrade be made redundant during the restructuring of Austrade; if so, (a) how many journalists, (b) how much of the Public Affairs Unit's work will be contracted out and (c) what will be the resulting (i) cost and (ii) saving.

**Mr Free**—The Minister for Industry, Technology and Commerce has provided the following answer to the honourable member's question:

(1) Austrade has incurred \$213,800 in professional fees, airfares and out of pocket expenses in engaging Egon Zehnder International management consultants to recruit ten new general managers.

(2) Austrade has also spent \$115,100 on airfares, accommodation and advertising costs in recruiting and interviewing candidates for the new general manager positions.

(3) \$99,005

(4) Yes.

(a) Robert Dempsey Consultants was engaged to provide the following services advice to Manager Communications on continuing the development of Austrade's Communications programs to review and plan overall Communications programs speech writing support and advice for the Chairperson and Managing Director of Austrade other activities as agreed with Manager Communications.

(b) (i) \$217,143.16, (ii) \$7,238.11

(5) (a) As at 9 August 1991 Austrade employed 11 qualified journalists.

(b) Yes. The public relations consultants were employed to provide strategic advice as distinct from the day-to-day journalistic services provided by the Austrade journalists.

(6) Potentially, yes.

(a) Up to 5 may be made redundant.

(b) Present plans are for editorial services and some artwork services to be contracted out.

(c) (i) The cost is dependent upon the volume of publications to be completed in 1991/92 which has yet to be determined following on changes arising from the review of Austrade.

(ii) Similarly, savings have yet to be determined; preliminary assessments indicate that the current average cost of publication could be halved under the new arrangements.

#### **Defence Housing**

##### **(Question No. 948)**

**Mr Ford** asked the Minister for Defence Science and Personnel, upon notice, on 21 June 1991:

(1) How many Defence houses are there in Frankston North, Vic., (a) in total and (b) which are owned by the Department of Defence and how many are occupied in each case.

(2) What structural, ventilation and heating problems exist in the occupied houses referred to

in part (1) and what action will be taken to rectify those problems.

(3) What action will be taken to rectify structural, ventilation and heating problems in the unoccupied houses referred to in part (1) after restructuring of the Australian Defence Force (ADF) has been completed.

(4) Has the rental for a Defence house in Frankston North increased from \$123 per fortnight to \$170 per week for a person who has recently left the ADF.

**Mr Bilney**—The answer to the honourable member's question is as follows:

(1) The Defence Housing Authority manages 92 houses in Frankston North, of which it owns 2 houses and leases 2 from private owners, all 4 of which are occupied. The remaining 88 houses are owned by the Victorian Ministry of Housing; of which:

49 have been identified as unsuitable for retention and are leased to the private sector pending their disposal—3 of these are vacant

39 houses are made available to Service families—1 of these is vacant.

(2) To the Authority's knowledge, none has significant structural problems and indeed no such problems have been advised by tenants; all have gas heating which is maintained in working order; and all are provided with fixed ventilation.

(3) Any problems brought to the Authority's notice will be addressed immediately.

(4) Yes.

### Hilton Bombing

#### (Question No. 949)

**Mr Mack** asked the Attorney-General, upon notice, on 21 June 1991:

(1) Following the quashing of the conviction of Mr Timothy Anderson for the Hilton bombing, will the Government now urge the NSW Government to open a comprehensive inquiry into the Hilton bombing.

(2) Will the federal Government fully cooperate with any inquiry opened by the NSW Government into the Hilton bombing.

(3) Why has the Government never opened a public inquiry to determine (a) why the responsible federal agencies failed to (i) prevent the Hilton bombing and (ii) find the perpetrators and (b) the

nature and extent of those agencies' involvement in any investigations concerning Mr Anderson.

(4) Will the Government open a full and open inquiry into the Hilton bombing and all matters concerning it connected with the Commonwealth and its agencies.

(5) What were the roles of: (a) the Australian Security Intelligence Organization (ASIO), (b) ASIO's auxiliary services, including the VIP Protection Unit, (c) the Australian Federal Police (AFP), (d) the Australian Defence Force (ADF), (e) the NSW Police and (f) the Special Branch of the NSW Police in ensuring the security of the Commonwealth Heads of Government Regional Meeting (CHOGRM) at the Sydney Hilton in 1978.

(6) In what manner were the security operations of the federal and NSW agencies and personnel referred to in part (5) coordinated.

(7) Was an officer placed in charge of security operations overall; if so, what was the officer's name.

(8) If direction for security operations was given jointly by federal and State officers, what were the (a) names and (b) the respective responsibilities of those officers.

(9) What were the responsibilities of (a) Mr Don Marshall; (b) Superintendent Reginald Douglas and (c) Inspector Perrin.

(10) Was Mr Marshall (a) in charge of ASIO's VIP Protection Unit at the time of the Hilton bombing, (b) dismissed after the explosion, (c) reinstated soon after, and (d) later promoted to the position of Deputy Director of ASIO; if so, why was he dismissed, reinstated and promoted.

(11) Is it a fact that neither Mr Marshall nor Superintendent Douglas gave evidence before (a) the 1982 coronial inquiry in Sydney into the Hilton bombing and (b) any of the subsequent court proceedings concerned with the event.

(12) Why did ASIO's VIP Protection Unit, the AFP, the ADF, and the overseas-trained anti-terrorist personnel of the NSW Police fail to detect the bomb.

(13) Were sniffer dogs used; if not, why not.

(14) Was the bin in which the bomb had been placed searched in accordance with established security procedures; if not, why not.

(15) Did certain police officers over a period of three days direct that the garbage bin not be

emptied; if so, (a) who gave the direction and (b) why.

(16) Were any security personnel who were rostered for duty at the Hilton about the time of the explosion not present at the time; if so, (a) who were they and (b) why were they not present.

(17) What are the names of the security personnel who were on duty at or near the Hilton (a) before, (b) during and (c) after the explosion.

(18) Did ASIO personnel work with NSW Special Branch personnel on security for the CHOGRM conference; if so, who were the personnel from each organisation.

(19) Was the Special Air Services involved with the security operation (a) before, (b) during or (c) after the explosion; if so, what was the nature of that involvement.

(20) Were security forces carrying out surveillance in the vicinity of the Hilton from a red or orange Torana sedan with registration number HXS-496 immediately before the explosion; if so, (a) who were the personnel, (b) did they give evidence at the 1982 coronial inquiry or any subsequent court hearing concerning the event; if not, why not and (c) will he endeavour to make them available for any future inquiry.

(21) Has his attention been drawn to statements made to persons including Mr Terry Griffiths, a former NSW Police officer injured by the explosion, by Mr Peter Monaghan, former private secretary to former Senator Mason, to the effect that the ASIO personnel were involved in the Hilton bombing; if so, have the statements been investigated; and if so, (a) when, (b) by whom, (c) with what result and (d) what action was taken.

(22) Were more than 20 ASIO personnel transferred within Australia and abroad after the Hilton bombing; if so, (a) how many, (b) what are their names, (c) where were they transferred and (d) why.

(23) Was ASIO's VIP Protection Unit required to account for its failure to locate the bomb and to prevent its detonation; if so, (a) what account did it give and (b) what action was taken in response.

(24) Did ASIO at any time assist in the investigations, arrest or convictions of Mr Anderson; if so, (a) what assistance did they provide, (b) when was it provided and (c) to whom was it provided.

(25) Did ASIO supply marijuana to members of the Ananda Marga in return for information.

(26) Was Mr Richard Seary an agent or an informant of ASIO.

(27) Was ASIO involved in with the late Mr John Melton, a student at the University of New South Wales.

(28) Did ASIO have any knowledge of or connection with (a) explosives found in a locker held in the surname of Melton at the University of New South Wales and (b) the circumstances in which those explosives and a section of a newspaper found with them were destroyed.

(29) Was Mr Melton ever employed as an agent or informant, or was he involved with, the Special Branch or any other branch of the NSW Police.

(30) Are ASIO personnel trained in the use of explosives.

(31) Have ASIO personnel trained (a) narcotics agents or (b) personnel of other agencies in the use of explosives.

(32) Has Mr Griffiths ever been investigated or placed under surveillance by ASIO; if so, (a) when and (b) why.

(33) Has ASIO ever tapped Mr Griffiths's telephone; if so, (a) when and (b) why.

(34) Did ASIO remove Mr Griffiths's file from his doctor's premises in Macquarie Street, Sydney, in 1981.

**Mr Duffy**—In answer to the honourable member's question, I am advised as follows:

(1), (2) and (3) In the years following the events which are the subject of the honourable Member's question, procedures have been reviewed extensively, particularly in the light of the recommendations of the Report of the Protective Security Review which Mr Justice Hope sent to the Prime Minister on 15 May 1979. The report is on the public record. While the Commonwealth had a direct responsibility for and interest in the safety of the visiting delegates at the 1978 CHOGRM, the bomb explosion outside the Hilton Hotel in Sydney in fact involved offences against the laws of New South Wales. Therefore, it is for that State and not the Commonwealth to decide whether another inquiry might be warranted. If the New South Wales Government were to decide that there should be a further inquiry, the Commonwealth would, of course, co-operate fully.

(4) No, for the reasons outlined immediately above.

(5) (a) *ASIO*

ASIO provided information to the Protective Services Co-ordination Centre (PSCC), including threat assessments, daily situation reports, personal security checks as requested by PSCC and audio counter-measure tests conducted at the Hilton prior to the CHOGRM for the purposes of information security. In 1978 PSCC was a division of the Department of Administrative Services.

(b) *ASIO's auxiliary services, including the VIP Protection Unit*

No such services or units have been identified. The honourable Member may be referring to the VIP Protection Unit within the PSCC which in 1978 was a division of the Department of Administrative Services. At that time the role of the PSCC included the assessment of intelligence from ASIO and the Commonwealth Police and the general co-ordination of security planning for CHOGRM.

(c) *The AFP*

The AFP did not exist in 1978. Its predecessor, the Commonwealth Police, were essentially responsible for the close personal protection of the visiting Heads of Government as they moved around Sydney and security within specified areas of the Hilton Hotel.

(d) *The ADF*

The ADF had no specific role in the CHOGRM security arrangements before the explosion.

After the explosion on 13 February 1978, the ADF helped the NSW Police secure the road and rail routes to Bowral. At the last moment it was decided to ferry the visiting dignitaries in helicopters which the ADF provided.

(e) *The NSW Police*

The NSW Police were responsible for security outside the Hilton Hotel, and areas inside the hotel, except the CHOGRM meeting room and accommodation floors (which were the responsibility of the Commonwealth Police) and (jointly with the Commonwealth Police) security during the movement of the delegates.

(f) *NSW Special Branch*

Consistent with the practice of successive Commonwealth Governments, it would not be appropriate to comment on the internal arrangements of an instrumentality of a State government.

(6) The PSCC was primarily responsible for the co-ordination of the planning of the security arrangements for CHOGRM in 1978.

(7) No. The division of responsibilities was agreed between Commonwealth and State agencies prior to CHOGRM.

(8) The Commissioner of the Commonwealth Police, jointly with the Commissioner of the NSW Police, had operational responsibility for security during CHOGRM. The Commonwealth Police Head-of-Operation was Chief Superintendent G L Bruce. The officer in charge of PSCC's responsibilities in respect of CHOGRM was Mr D Evans.

(9) (a) Mr Marshall held the position of Coordinator (Information and Intelligence) in PSCC. Mr Marshall was responsible for assessing information relating to the overseas and interstate aspects of CHOGRM security while the NSW Police addressed the local situation. Mr Marshall also acted as a link (located in Canberra) between the CHOGRM Security Co-ordination Centre at the Hilton in Sydney and the PSCC in Canberra.

(b) Senior Superintendent R Douglass was Deputy Chief Superintendent, Metropolitan Area, NSW Police. He was the NSW Police officer immediately in charge of security planning for the CHOGRM.

(c) Inspector J Perrin was an officer of the NSW Police.

(10) (a) No. (b) No. (c) No. (d) No.

(11) Mr Marshall has never given evidence, nor has he been subpoenaed to give evidence, at any proceedings concerning the Hilton Hotel bombing. The Commonwealth has no records concerning the actions of Senior Superintendent Douglass.

(12) On the information available, it is clear that each Commonwealth agency took all appropriate measures within their individual spheres of responsibility. Security procedures, no matter how exacting, cannot guarantee that such incidents will not happen.

(13) The Commonwealth Government understands that sniffer dogs were not used. The only Commonwealth agency with responsibilities outside the hotel was the Commonwealth Police which, jointly with the NSW Police, provided personal protection services to the delegates. I understand that in 1978 the only sniffer dogs available in the Sydney region belonged to the army and they were trained for different and specifically military purposes.

(14) As noted in the reply to question (5) above, Commonwealth agencies had responsibility for security within certain parts of the hotel.

(15) See No. (14) above.

(16) to (18) Consistent with the practice of successive Commonwealth Governments, I do not propose to confirm or deny matters which relate directly to ASIO's operations. Nor do I think it would be appropriate to name non-ASIO security personnel or to reveal operational measures taken to protect security.

(19) No.

(20) See the response to question (5) which sets out Commonwealth responsibilities. In view of this division of responsibilities between the Commonwealth and the States no Commonwealth agencies were involved in operational security in the vicinity of the hotel immediately before the explosion.

(21) Yes, I am aware of the allegations. However, nothing which the Commonwealth has received from either Mr Griffiths or Mr Monaghan has amounted to more than unsubstantiated allegation. It would not be appropriate to initiate an inquiry on the basis of rumour and conjecture.

(22) to (28) Consistent with the practice of successive Commonwealth Governments, I do not propose to confirm or deny matters which relate directly to ASIO's operations.

(29) It would not be appropriate to comment on matters relating to the enforcement of the criminal law of New South Wales.

(30) to (34) Consistent with the practice of successive Commonwealth Governments, I do not propose to confirm or deny matters which relate directly to ASIO's operations.

#### Australian Maritime College

##### (Question No. 951)

**Mr Shack** asked the Minister for Higher Education and Employment Services, upon notice, on 21 June 1991:

(1) Further to his answer to question No. 491 (*Hansard*, 10 April 1991, page 2368), did the proportion of overseas students enrolled in Master Class 1/2 and Second Mate courses at the Australian Maritime College increase from 17.5 per cent of a combined intake of 40 students in 1986 to 80 per cent of a combined intake of 80 students in 1990; if so, why.

(2) Did the College carry out student recruitment campaigns in, or directed at, (a) India, (b) Malaysia or (c) any other countries between 1985 and 1990;

if so, what was the total cost to the Commonwealth of these campaigns.

(3) Is Commonwealth funding of the College directly related to the number of students it can attract, irrespective of whether the students are from Australia or overseas.

(4) What is the breakdown by nationality of overseas students who attended (a) Master Class 1/2 and (b) Second Mate courses at the College in (i) 1986, (ii) 1987, (iii) 1988, (iv) 1989 and (v) 1990.

(5) Further to the information provided at part (3) of his answer to question No. 491, (a) did (i) 63 overseas Master Class 1/2 students receive tuition to the value of \$378,000 and (ii) 34 overseas Second Mate students receive tuition to the value of \$102,000 between 1986 and 1989 and (b) did those students receive free tuition under recognised aid programs; if so, (i) what programs and (ii) were those programs cancelled or suspended in 1989 to effect a change in Government policy.

(6) Has free or subsidised tuition been provided for overseas students in any course other than Master Class 1/2 and Second Mate courses between 1986 and 1990.

(7) Have any overseas students failed to meet their financial obligations in relation to the Overseas Students Student Charge, course costs or other fees; if so, (a) how many students are involved, (b) what sum is owed and (c) how many students have had their enrolments cancelled pursuant to subparagraph 18(1)(e)(i) of the Higher Education Funding Act 1988.

**Mr Baldwin**—The following answer to the honourable member's question is based on material supplied by the Australian Maritime College:

(1) In 1986, there were 41 students enrolled in the Master Class 1/2 and 2nd Mate courses at the Australian Maritime College. Of these, 9 were overseas students, comprising 22 per cent of those enrolments.

There were 156 students enrolled in the Master Class 1/2 and 2nd Mate courses in 1990. Of these 124 students (79 per cent) were from overseas.

The increase in the number of overseas students enrolled at the Australian Maritime College reflects in part the Commonwealth's policy of encouraging overseas students to Australia on a full fee paying basis.

(2) Yes. In December 1986 a promotional campaign was undertaken in Singapore. In 1987 similar promotional campaigns were undertaken in Singapore, Hong Kong and Malaysia. In 1989 its promotional activities were conducted in Malaysia while in 1990 they were in India and Pakistan. In 1991 the College's overseas promotional activities have taken place in India, Pakistan and Fiji.

Since the inception of full fee courses in 1990, the cost of these overseas promotional campaigns has been met from profits generated by these courses.

Prior to 1990 the cost of overseas promotional visits were met from the College's operating grants. The College advises the costs were:

1986—\$1,841.76;      1989—\$2,978.08.  
1987—\$4,566.49;

(3) Commonwealth funding for higher education programs is based on the Australian Maritime College's agreed educational profile and student load for Australian students.

(4) The nationalities of the overseas students enrolled in the Master Class 1/2 and 2nd Mate Courses in 1989 and 1990 were as follows:

Nationality	Master Class 1/2 Students		2nd Mate Students	
	1989	1990	1989	1990
<b>Master Class 1/2</b>				
Bangladesh		1	1	1
Fiji	3	1	1	
Finland		1		
Hong Kong	2	1	1	1
India	27	33	34	27
Malaysia	5	6	1	2
New Zealand		2	1	2
Nigeria	1	2		
Pakistan	2	24	7	
Singapore	4	2	5	5
Sri Lanka	4	2	3	2
Tonga			2	1
United States of America		1		
<b>Total O/S Master Class 1/2 and 2nd Mate Students</b>	<b>48</b>	<b>76</b>	<b>49</b>	<b>48</b>

The nationalities of overseas students enrolled at the College between 1986 and 1988 are not available.

(5) Overseas students enrolled at the College between 1986 and 1989 either were funded under aid programs administered by the Australian International Development Assistance Bureau or admitted under the Government's sponsored student program in which case they paid visa fees. From 1990 all commencing overseas students entering Australia including those under overseas aid programs did so under the Full Fee Paying Overseas Students Program.

(6) Free education has not been provided to any overseas students. The number of subsidised or sponsored overseas students who were enrolled in courses other than the Master Class 1/2 or Second

Mate courses between 1986 and 1990 were as follows:

Year	Overseas Students
1986	30
1987	45
1988	73
1989	23
1990	14

(7) The Australian Maritime College has advised that 17 overseas students have failed to meet their financial obligations to the College in full for accommodation costs amounting to \$9,104.50. No enrolments have been cancelled for non payment of fees.

### **Fluorescent Light Globes**

(Question No. 955)

**Mr McGauran** asked the Minister for Science and Technology, upon notice, on 20 August 1991:

(1) What toxic compounds exist in standard and other commercially available fluorescent light globes.

(2) What practices are followed in the disposal of fluorescent globes.

(3) What is the environmental impact of these practices.

(4) Is he able to say what quantities of the toxic compounds referred to in part (1) are released annually into the environment through the disposal of fluorescent globes.

(5) Are there recycling technologies which would allow an alternative to placing used fluorescent globes in landfill; if so, what is their commercial viability.

(6) How do the toxic components of fluorescent globes compare with those of the new generation of incandescent globes.

(7) Is the toxic composition of incandescent globes greater than that of the earlier generation of fluorescent globes.

**Mr Free**—The answer to the honourable member's question is as follows:

(1) The toxic compounds present in fluorescent light globes are mercury and lead. Cadmium was also present in some globes manufactured in Australia before 1983 and may be present in some imports.

(2) Disposal of fluorescent globes is left to individual customers or contractors and spent globes usually go to municipal landfill.

(3) The environmental impact of these practises is not fully known. However, there is no evidence that current disposal methods are producing unacceptable levels of contamination. Studies carried out in 1983 by the State Pollution Control Commission could detect no mercury (at an analytical sensitivity of 0.1 microgram/litre) in samples of leachate from a representative sample of municipal landfills.

(4) Fluorescent globes manufactured in Australia have a mercury content of less than 15 milligrams per globe. In addition to mercury, globes manufac-

tured in Australia that have soldered pins also contain lead levels less than 200 milligrams per globe.

Given that 15 million fluorescent globes are manufactured in Australia and 3 million of these have soldered pins, then annually 225 kilograms of mercury and 400 kilograms of lead is available for release to the environment from Australian manufactured globes.

I do not have figures for the precise composition of imported fluorescent globes. However, if one assumes that the 3 million imported fluorescent globes have a similar composition to Australian globes, then the total potential release into the environment is approximately 270 kilograms of mercury and 480 kilograms of lead annually.

(5) I am not aware of any viable recycling technologies for fluorescent globes. However, there has recently become available a disposal technology known as lamp crushing which claims to recover the residue from spent globes for treatment and disposal. This technology is being assessed by globe manufacturers.

(6) Incandescent globes have no toxic components other than the lead contained within their soldered contacts. The new generation of compact fluorescent globes have a similar toxic content to normal fluorescent globes.

(7) Incandescent globes have a lower toxic composition than fluorescent globes, including earlier generations. The mercury content of current fluorescent globes, including compact fluorescent globes, is less than that for earlier generations of fluorescent globes.

### **Metham Sodium**

(Question No. 958)

**Mr Filing** asked the Minister for Small Business and Customs, upon notice, on 20 August 1991:

(1) Will metham sodium, used to control weeds in vegetable crops, be subject to a 15 per cent import tariff following its reclassification in September 1990; if so, (a) why and (b) will the imposition jeopardise the international market share of Australian market gardeners because of their resulting higher costs.

(2) Why was there a shortage in the supply of metham sodium in Western Australia in early 1991, a critical period for potato farming.

**Mr Beddall**—The answer to the honourable member's question is as follows:

There has been no reclassification of metham sodium.

Metham sodium imported in a form put up for retail sale, in packing for retail sale and as a preparation is classified in heading 3808 of Schedule 3 to the Customs Tariff Act and is dutiable at a rate of 10 per cent from Developing Countries and 15 per cent from other sources. These rates will phase down to Free from Developing Countries and 5 per cent from other sources from 1 July 1996.

Metham sodium imported as an organo-sulphur compound and not put in a form previously described is classified in heading 2930 of Schedule 3 to the Customs Tariff Act and is free from duty.

I am informed that the unusual shortage in Western Australia early this year resulted from conversion of apple orchards to other uses and the need to treat the soil with weed controllers which created a high demand for the chemical.

#### War Widow Pensions

(Question No. 961)

**Mr Harry Woods** asked the Minister for Veterans' Affairs, upon notice, on 20 August 1991:

(1) Why cannot eligibility for war widow pensions be extended to spouses of deceased female veterans.

(2) Do existing legislative provisions presume that the husband is the breadwinner and that there is no dependence upon female veterans; if so, is this presumption anomalous.

(3) Why was the Veterans' Entitlements Act 1986 specifically exempted from the operation of the Sex Discrimination Act 1984.

**Mr Humphreys**—The answer to the honourable member's question is as follows:

(1) Recent amendments to the Veterans' Entitlements Act extended eligibility for war widow's pension to spouses of all female members and veterans, irrespective of when death occurred, provided that, at the time of death the female member or veteran was in receipt of the Special (Totally and Permanently Incapacitated) rate of disability pension or its equivalent, the Extreme Disablement Adjustment, or where death is or was accepted as being related to war or defence service.

The earliest date of effect for payment in respect of war widower's pension is 22 January 1991, which was the date the Government announced its decision to eliminate areas of discrimination against females from the legislation.

(2) Prior to the recent amendments to the Veterans' Entitlements Act, the legislative provisions relating to war widows' pensions derived from principles which were generally accepted at the time of World War I and subsequent wars and war-like operations. These principles were based on the concept that the husband was the breadwinner and, therefore, there was no presumption of dependence on the female veteran.

With the change in community attitudes towards women and the assignment of female ADF members to the Persian Gulf the Government decided to remove this significant area of discrimination but retained existing provisions relating to treatment and pensions which operate in favour of women.

(3) When the Sex Discrimination Bill was introduced in 1983, the then Repatriation Act contained many differences in benefits for males and females. At the time that the Sex Discrimination Act 1984 was first enacted, the Repatriation Act 1920 was specifically exempted by paragraph 40(2)(c) of that Act. By section 10 of the Acts Interpretation Act 1901, that reference in the Sex Discrimination Act to the Repatriation Act was then construed as a reference to the Veterans' Entitlements Act 1986 which repealed the previous Repatriation Act.

The position now is that the Statute Law (Miscellaneous Provisions) Act 1988 has deleted paragraph 40(2)(c) from the Sex Discrimination Act, as this exemption is no longer necessary. The reference to the Repatriation Act was to legislation in force prior to 1 August 1984, the date the Sex Discrimination Act came into effect. As the Veterans' Entitlements Act is a later enacted Act, it overrides the Sex Discrimination Act, and to the extent that there is any inconsistency between the provisions of the two Acts, the provisions of the later Act will prevail.

#### Inquiry into Merchant Navy War Veterans

(Question No. 963)

**Mr Moore** asked the Minister for Veterans' Affairs, upon notice, on 20 August 1991:

(1) Was the report of the McGirr inquiry into merchant navy war veterans completed on 13 October 1989.

(2) Has the report been presented to Parliament; if not, why not.

(3) Has the war service of merchant navy war veterans been recognised; if not, why not.

(4) What action will the Government take in response to the recommendations of the report of the McGirr inquiry.

**Mr Humphreys**—The answer to the honourable member's question is as follows:

(1) The Report on the McGirr Inquiry into merchant navy war veterans was completed on 13 October 1989.

(2) The Report was not tabled in the Parliament as the Terms of Reference for the Inquiry were for it to report to the Minister.

(3) The contribution of the merchant navy to the war effort has been recognised in Veterans' Affairs legislation. The Seamen's War Pensions and Allowances Act 1940 provides for pension and other benefits in respect of war caused disablement. In addition service pensions may be provided under the Veterans' Entitlements Act 1986.

(4) The Government has responded to the McGirr Report by announcing in the 1990-91 Budget that payment of a non-taxable lump sum of \$10,000 to surviving ex-prisoners of war who were illegally interned in Nazi concentration camps during World War II, would be extended to Australian merchant mariners with effect from 21 August 1990. In addition, in the 1991-92 Budget the Government announced that Repatriation treatment benefits would be granted to Australian mariners on the same basis as Australian war veterans with effect from 1 December 1991.

### Pharmacy Allowance Payments

(Question No. 966)

**Dr Bob Woods** asked the Minister for Aged, Family and Health Services, upon notice, on 20 August 1991:

(1) Under what criteria will essential pharmacy allowances be paid to pharmacists.

(2) How many essential pharmacy allowance payments have been made.

(3) How many pharmacists will receive payments under the essential pharmacy allowance and what will the average yearly payment be.

(4) From what date are pharmacists eligible to claim the allowance.

(5) What total sum is expected to be paid under the allowance.

(6) Was there a delay in finalising the manner in which payments under the allowance would be made; if so, why.

(7) Will interest be paid to pharmacists who have had to wait several months for payments.

**Mr Staples**—The answer to the honourable member's question is as follows:

(1) The criteria for a pharmacist to qualify for an Essential Pharmacy Allowance are:

being open a minimum of 20 hours;

being more than 10 kilometres from the nearest pharmacy;

having a claimable Pharmaceutical Benefits Scheme/Repatriation Pharmaceutical Benefits Scheme prescription volume of less than 15,000 prescriptions in 1989-90.

(2) The number of pharmacists who have been approved for payment of the Essential Pharmacy Allowance to the August meeting of the Pharmacy Restructuring Authority was 177. All pharmacists have been paid up to and including June. The July payments are currently being processed.

(3) The number of pharmacists who will receive payments under the Essential Pharmacy Allowance is unknown as any pharmacist is free to apply at any time for the allowance if they believe they meet the eligibility criteria. Average payments will not be available until the end of the first year of operation of the allowance.

(4) The allowance commences on the first day of the month following the date that Essential Pharmacy Allowance is approved by the Pharmacy Restructuring Authority.

(5) The Government has provided funds of \$3 million in 1991-92 to meet payments for this allowance.

(6) There was a delay by the Health Insurance Commission in implementing the computer programs to calculate and pay the Essential Pharmacy Allowance. The recording elements of the programs were available in early June while the payment programs were available in late July. Any delays in implementing the payment routines were a result of having to ensure the accuracy of payments to be made.

(7) No. It is not Government policy to pay interest on outstanding payments.

### **World Decade for Cultural Development**

(Question No. 979)

**Mr Hollis** asked the Minister representing the Minister for Foreign Affairs and Trade, upon notice, on 21 August 1991:

Further to the answers to questions Nos. 166 (*Hansard*, 21 December 1990, page 4973) and 851 (*Hansard*, 20 August 1991, page 119), will Australia participate in the third regular session of the Intergovernmental Committee of the World Decade for Cultural Development.

**Dr Blewett**—The Minister for Foreign Affairs and Trade has provided the following answer to the honourable member's question:

Australia is not a member of the Intergovernmental Committee of the World Decade for Cultural Development and will not be a participant in the Committee's third regular session.

### **Kakadu National Park**

(Question No. 987)

**Mr Hollis** asked the Minister for the Arts, Sport, the Environment, Tourism and Territories, upon notice, on 21 August 1991:

What were the dates and texts of the World Heritage Committee's decisions on Kakadu National Park.

**Mrs Kelly**—The answer to the honourable member's question is as follows:

(1) At its 5th Session (26–30 October 1981) the World Heritage Committee decided to inscribe Stage I of Kakadu National Park on the World Heritage List. The Committee:

'noted that the Australian Government intended to proclaim additional areas in the Alligator Rivers Region as part of Kakadu National Park and recommended that such areas be included in the site inscribed on the World Heritage List and that in the Region the environmental protection measures specified in the relevant legislation continue to be enforced.'

(2) At its 11th Session (7–11 December 1987) the World Heritage Committee decided to include Stage II of Kakadu National Park in the World Heritage List. The Committee:

'recalled that at its 5th session held in Sydney (Australia) in 1981, while inscribing Kakadu

National Park on the World Heritage List, it had noted that the Australian Government intended to proclaim additional areas in the Alligator Rivers Region as part of Kakadu National Park and had recommended that such areas be included in the site inscribed on the World Heritage List. The Committee therefore welcomed the extension of the site to include such areas, which had been favourably reviewed by ICOMOS and IUCN. The Committee accordingly decided to include Stage II in the site inscribed on the World Heritage List. The Committee commended the Australian authorities for having taken appropriate legislative measures to prohibit mineral exploration and mining and for their efforts to restore the natural ecosystems of the site. It also encouraged the Australian authorities to consider further extending the World Heritage site to include Stage 3 of the National Park and to modify the boundaries of Stages 1 and 2 in order to protect the entire catchment area, and to include the cultural values to the East of the present National Park.

'Finally the Committee requested the Australian authorities to provide further information on the possible impact of proposed military training activities in areas adjacent to the World Heritage site.'

### **ILO Convention No. 169**

(Question No. 989)

**Mr Hollis** asked the Minister representing the Minister for Industrial Relations, upon notice, on 21 August 1991:

(1) Further to the answer to question No. 853 (*Hansard*, 21 June, 1991, page 5343), and in the light of the UN General Assembly resolution of 18 December 1990 proclaiming 1993 as International Year of the World's Indigenous People, has ILO Convention No. 169: Tribal and Indigenous Peoples, 1989, been included in the priority list of 9 ILO conventions for ratification by Australia.

(2) What other conventions have been included in the list.

**Mr Willis**—The Minister for Industrial Relations has provided the following answers to the honourable member's questions:

(1) Convention No. 169 has not been included in the priority list of 9 ILO Conventions for ratification by Australia. However, it is among the Conventions to be examined by the interdepartmental

Taskforce established in June 1991 to review 74 ILO Conventions which Australia has not ratified. The Taskforce will be reporting to me periodically over the next 12 to 18 months with lists of Conventions recommended for early ratification.

I appreciate the significance of this particular Convention to Australia. It is my intention, therefore, that it receive early consideration by the Taskforce, and will be the subject of close consultation with relevant Aboriginal and Torres Strait Islander communities, and the States and Territories.

(2) The 9 priority Conventions agreed by Commonwealth, State and Territory Ministers of Labour at their meeting in November 1990 are:

C.53 Officers' Competency Certificates, 1936  
 C.58 Minimum Age (Sea) (Revised), 1936  
 C.92 Accommodation of Crews (Revised), 1949  
 C.133 Accommodation of Crews (Supplementary Provisions), 1970  
 C.135 Workers' Representatives, 1971  
 C.151 Labour Relations (Public Service), 1978  
 C.155 Occupational Safety and Health, 1981  
 C.162 Asbestos, 1986  
 C.167 Safety and Health in Construction, 1988.

### Compensation Costs and Laws

(Question No. 993)

**Mr Hollis** asked the Minister representing the Minister for Industrial Relations, upon notice, on 21 August 1991:

Following publication of 'Selected Statistics on the General Insurance Industry for the year ended 30 June 1990' by the Insurance and Superannuation Commissioner, is the Minister able to bring up-to-date the information on compensation costs and laws provided in the answer to question No. 43 (*Hansard*, 17 September 1990, page 2027).

**Mr Willis**—The Minister for Industrial Relations has provided the following answer to the honourable member's question:

### Compensation Costs

On the basis of figures provided in the Insurance and Superannuation Commissioner's publication 'Selected Statistics on the General Insurance Industry for the year ended 30 June 1990' the updated figures for 1989-90 are:

	Workers Compensation	Compulsory 3rd Party
	\$m	\$m
Direct Premiums	3,694,526	2,324,550
Benefits (Direct Claims)	2,453,661	1,695,549
Administration Expenses	665,709	179,479

The percentage increases on premiums between 1988-89 and 1989-90 were:

	Workers Compensation	Compulsory 3rd Party
	(%)	(%)
* Direct Premiums	65.8	-3.8
Earned Premiums	20.3	10.4

\* The 65.8 per cent increase in Workers Compensation reflects the inclusion, for the first time, of Workers Compensation figures for the NSW Workcare scheme.

### Compensation Laws

Since June 1990 the following events have occurred:

Significant reforms to WorkCover were introduced in NSW through the Workers Compensation (Amendment) Act 1991. These include improvements to common law entitlements and the introduction of provision for a second injury scheme.

The Queensland Parliament passed the Workers' Compensation Act 1990, which took effect from 1 January 1991. The new Act retains the basic philosophy of fairness and equity for employers and employees with work related injuries but new improvements in benefits for injured workers.

Extensive amendments have been made to the WorkCover scheme in South Australia since September 1990. The major amendments are in relation to power to exclude certain workers from coverage, weekly payments, compensation for medical expenses, orphan benefits, exempt employers, registration and levy payments, review proceed-

ings, representation, medical advisory panels, reviewable decisions and dishonesty/offences.

The Tasmanian Workers Compensation Act was amended to indemnify authorised officers who act in the course of their duties.

Important changes to the Northern Territory Work Health Act were passed in the August 1991 sittings of the Legislative Assembly. The changes affect benefits for claimants, permanent impairment injuries and a number of related issues.

#### UN Convention on the Law of the Sea (Question No. 994)

**Mr Hollis** asked the Minister for Trade and Overseas Development, upon notice, on 21 August 1991:

(1) On 14 October 1981 (*Hansard*, page 1973), did the then Minister for Foreign Affairs inform the House that its unanimous resolution on the UN Convention on the Law of the Sea had been formally conveyed to the US Government.

(2) On what subsequent occasions and by what means has Australia's support for the Convention been conveyed to the USA.

(3) Further to his answer to question No. 178 (*Hansard*, 18 September 1990, page 2125), has consideration been given to conveying Australia's objectives in the same way as they were successfully conveyed in June 1991 concerning the Protocol to the Antarctic Treaty.

**Dr Blewett**—The answer to the honourable member's question is as follows:

(1) Yes.

(2) Australia has been in direct and regular contact with the United States Government over law of the sea issues since 1981 when the House of Representatives conveyed its unanimous resolution on the United Nations Convention on the Law of the Sea to the United States Government. In those contacts, Australia continues to emphasise the significance of the Convention, which embodies a delicate balance of the interests of all States, in establishing a comprehensive regime governing the uses of the ocean. In particular we stress to the United States Government the value to all members of the international community of the entry into force of a universally acceptable Convention.

(3) The negotiation of the Protocol to the Antarctic Treaty differs substantially from the current situation regarding the United Nations Convention on the Law of the Sea. Negotiations on the Protocol on Environmental Protection to the

Antarctic Treaty are still taking place. In June 1991 the United States asked for more time to study a compromise formula, which had been agreed to by all the other Treaty Parties, on the last outstanding substantive issue for settlement of the Protocol. It was therefore appropriate for representations to be made to the United States. These were successful and on 4 July President Bush announced that the United States could accept the formula. The negotiations are due to be concluded and the Protocol opened for signature in October.

In the case of the Law of the Sea Convention the situation is much more complicated and delicate. The negotiation of that Convention is long over. Since 1982, the United States position has been that Part XI of the Convention dealing with deep seabed mining is unacceptable in its current form. Australia and the United States are now participating in consultations under the auspices of the UN Secretary-General to explore the scope for bringing into force a universally acceptable Convention.

#### Bilateral Aid (Question No. 995)

**Mr Hollis** asked the Minister for Trade and Overseas Development, upon notice, on 21 August 1991:

Further to the answers to questions Nos. 164 (*Hansard*, 7 November 1990, page 3505) and 850, (*Hansard*, 20 August 1991, page 119), what is the scale and nature of direct bilateral aid to Vietnam by (a) Japan, (b) Sweden and (c) Finland.

**Dr Blewett**—The answer to the honourable member's question is as follows:

(a) In 1989, the last year for which figures are available, Japanese aid to Vietnam amounted to \$US 1.55 million. Of this technical assistance was \$US 1.24 million and grant assistance was \$US 310,000. This compares to Japan's total bilateral aid expenditure of over \$US 6 billion.

Japan seeks to encourage Vietnam to be more forthcoming in the Cambodia peace process and domestic economic reform. It is thus taking what it calls a cautious approach and will not resume a full bilateral aid program, in terms of grants and loans, until further progress is made on the Cambodian question. Instead, Japan has expanded economic cooperation from humanitarian aid to small scale technical assistance. For example the Japan International Cooperation Agency (JICA) has sent some experts to Vietnam and is gradually increasing the number of Vietnamese trainees (economic managers

and medical students etc.) in Japan. Japan hopes to increase this to 50 over the 1991-92 Japanese financial year.

(b) Sweden's bilateral development assistance program to Vietnam for the 1990-91 financial year was 300 million Krona or \$US 47.8 million.

Direct Government to Government aid to Vietnam was scaled down from 1987 and was to be suspended from 1990 unless Vietnam withdrew its forces from Cambodia. Sweden's Minister for Development Cooperation, Hjelm-Wallen, announced a resumption of the normal bilateral aid program during her visit to Vietnam in June 1990.

The principal projects are industrial rehabilitation (providing mainly equipment and some technical advice and training), health and reafforestation.

(c) Finland plans to provide \$US 14.2 million or 60 million Finnish Markka by the 1991 calendar year and to increase this to \$US 16.6 million or 70 million Finnish Markka in 1993. Most of this will be grant aid with a small but significant amount in the form of technical cooperation.

During the three years to 1990, no new projects were commenced due to Vietnam's military presence in Cambodia at that time.

The principal projects include a vocational school attached to a repair dock in Pha Rung, an urban water supply project for Hanoi and a feasibility study for a similar water supply project for Hai Phong. A container port for Ho Chi Minh City is under consideration in association with the World Bank.

#### **Archer River Property and Swan Brewery Site (Question No. 996)**

**Mr Hollis** asked the Minister for Aboriginal Affairs, upon notice, on 21 August 1991:

What developments have taken place in the (a) Parliaments and (b) courts of (i) 'Queensland concerning the Archer River property and (ii) Western Australia concerning the Swan Brewery site since the answers to questions Nos. 180 (*Hansard*, 8 November 1990, page 3074) and 536 (*Hansard*, 7 May 1991, page 3169).

**Mr Tickner**—The answer to the honourable member's question is as follows:

(i) (a) In respect of the Archer River property in Queensland, I am advised that under the provisions of the recently enacted Aboriginal Land Act 1991, National Parks are available Crown lands, which upon declaration by the Governor in Council by

Gazette notice, can become land that may be claimed and granted to a group of Aboriginal people. It has been announced by the Queensland Government that following upon proclamation of the Act, the National Park at Archer River will be declared by the Governor in Council as claimable land.

(b) I am advised that there have been no further developments in the courts on this matter.

(ii) (a) The Western Australian Government had moved to amend its Aboriginal Heritage Act 1972-80 to bind the Crown except in instances where emergency public works may interfere with Aboriginal sites. As previously advised, the Amendment Bill has been withdrawn from the Western Australian Legislative Council for further amendment and has not been re-introduced in Parliament.

(b) The Western Australian Government has appealed to the State Full Court against the finding of the Supreme Court that the Premier's approval of the redevelopment of the brewery building was void. The Court has reserved its decision.

#### **Commonwealth Grants to Schools (Question No. 1000)**

**Mrs Bailey** asked the Minister for Employment, Education and Training, upon notice, on 21 August 1991:

(1) Are Commonwealth grants to schools needed at the start of the school year to enable schools to purchase books and equipment.

(2) Was the delivery of Commonwealth grants to schools changed in January 1991, without warning, to quarterly payments; if so, why.

**Mr Dawkins**—The answer to the honourable member's question is as follows:

(1) Commonwealth general recurrent grants are provided to State and Territory government education systems and to approved non-government schools and systems.

Grants to government school systems are paid in twelve monthly instalments.

Commonwealth General Recurrent Grants are paid to non-government schools and systems as follows:

50 per cent in January

25 per cent in July (cumulative total 75 per cent)

25 per cent in October (cumulative total 100 per cent)

Commonwealth grants therefore commence being paid before the start of the school year.

(2) The only change made in January 1991 to payment of grants was the change to General Recurrent Grant payments to non-government school systems from:

25 per cent in January

25 per cent in April (cumulative total 50 per cent)

25 per cent in July (cumulative total 75 per cent)

25 per cent in October (cumulative total 100 per cent)

to:

50 per cent in January

25 per cent in July (cumulative total 75 per cent)

25 per cent in October (cumulative total 100 per cent)

The changed payment arrangement was done in consultation with system representatives.

The reason for this change was to bring systemic schools into line with the payment arrangements for non-systemic schools, and to provide additional assistance towards the costs of teacher award restructuring.

### Oaths and Affirmations

#### (Question No. 1001)

**Mr Melham** asked the Attorney-General, upon notice, on 21 August 1991:

When did the Government last consider the form of the (a) oaths and affirmations of allegiance and of office to be taken by (i) Justices of the High Court under the Judiciary Act 1903 and (ii) Judges under the (A) Australian Capital Territory Supreme Court Act and (B) Family Law Act 1975 and (b) oath or affirmation of office taken by Judges under the Federal Court of Australia Act 1976.

**Mr Duffy**—The answer to the honourable member's question is as follows:

The oath or affirmation of allegiance as contained in the Schedule to the Constitution was last considered by the Government in 1988. The oath or affirmation of office for Justices or Judges as contained in the relevant Acts was last considered in;

- (a) (i) 1979 (High Court Act 1979).
- (ii) (A) 1933. (B) 1988.

- (b) 1976.

The above dates refer to the last amendments of the relevant sections of the appropriate Acts.

### Tobacco: Treatment with CFCs

#### (Question No. 1007)

'**Mr Mack** asked the Minister for the Arts, Sport, the Environment, Tourism and Territories, upon notice, on 21 August 1991:

(1) Were companies which manufacture cigarettes in Australia licensed by the R. J. Reynolds company of the USA to use a Reynolds' patented process involving the treatment of tobacco with Freon; if so, which companies.

(2) Are any companies in Australia using any process involving the treatment of tobacco with Freon; if so, which companies.

(3) Is Freon a trade name for a chlorofluorocarbon (CFC) gas.

(4) Is she able to say whether there are any benefits to (a) the manufacturer or (b) the public from treating tobacco with CFCs; if so, what are the benefits.

(5) Does the treatment of tobacco with CFCs accord with the Government's objectives concerning the use of ozone depleting gases; if not, will the Government review this use of CFCs.

**Mrs Kelly**—The answer to the honourable member's question is as follows:

(1) Licensing arrangements between companies are private contracts, details of which usually remain confidential between the parties concerned.

(2) No.

(3) Yes.

(4) Until recently CFC was used for loosening or fluffing tobacco compressed for transport. Release of pressure fluffs the tobacco ready for filling cigarettes. Alternative methods are now used.

(5) The elimination of CFC from the process is consistent with the Government's objectives of phasing out ozone depleting substances.

### Cigarettes: Taxation

#### (Question No. 1008)

**Mr Mack** asked the Minister for Small Business and Customs, upon notice, on 21 August 1991:

(1) Is he able to say whether cigarette manufacturers in Australia treat tobacco with chlorofluorocarbons to reduce the amount and weight of tobacco required to produce a given number of

cigarettes; if so, does the Government collect less revenue from cigarette manufacturers because the relevant taxes are levied by weight.

(2) Is he able to say whether taxes in the USA are levied per thousand cigarettes; if so, would revenue be increased if Australian cigarette taxes were levied in the same manner.

**Mr Beddall**—The answer to the honourable member's question is as follows:

(1) I am advised that Australian cigarette manufacturers no longer treat tobacco with chlorofluorocarbons (CFC's). Excise on tobacco and cigarettes is currently based on tobacco weight and not on the number of cigarettes produced. The Government thus does not collect less revenue per weight of tobacco consumption if expansion agents are used.

(2) In the United States, excise on cigarettes is levied per thousand cigarettes.

I understand that the current US taxes are \$10 per 1000 for 'small' cigarettes and \$21 per 1000 for 'large' cigarettes.

If excise were levied per cigarette, rather than per kilogram of tobacco, the revenue effect would depend on the rates chosen.

The methodology for levying excise and the setting of rates to achieve certain revenue expectations are matters for my colleague the Treasurer and are under continuing review.

### Carriage Of Grain: Regulation (Question No. 1016)

**Mr Hawker** asked the Minister for Land Transport, upon notice, on 22 August 1991:

(1) Did wheat marketing legislation enacted in 1989 allow for the deregulation of the domestic carriage of grain.

(2) Does the Victorian Government continue to regulate the carriage of grain to rail.

(3) If the legislation referred to in part (1) has been implemented and the Victorian Government continues to regulate the carriage of grain, why does he allow the situation to continue.

**Mr Robert Brown**—The answer to the honourable member's question is as follows:

(1) The Wheat Marketing Act 1989 allowed for the deregulation of the domestic carriage of grain. However, this deregulation only applies to grain which is the subject of a contract relating to interstate or export trade. The Federal Government does

not have the Constitutional power to legislate on intra-state trading in grain.

(2) The Victorian Government continues to regulate to rail the transport of grains over a distance of 60 km where the grain is transported only within Victoria, unless the vehicle is owned by the grain grower.

(3) The Victorian Government is acting within its powers under the Constitution to regulate the transport of grain which is the subject of intra-state trade. The Commonwealth's powers under the Constitution cover interstate and export trade only.

The Federal Government adopted the recommendations of the Royal Commission into Grains Storage, Handling and Transport in 1988 which included a recommendation that this restriction be removed. However, it was recognised that implementation of most of the findings was a matter for the States which to a large extent have not agreed to the Royal Commission recommendations.

### Assets Sales

#### (Question No. 1017)

**Mr Beale** asked the Minister for Finance, upon notice, on 22 August 1991:

Further to the information set out in 1991-92 Budget paper No. 2 at Table 1, 9D concerning assets sales receipts, payments and totals and the details of assets sales set out at pages 3.289-294 of Budget paper No. 1, will he provide (a) figures for the receipts and payments for each of the assets proposed to be sold during 1991-92 and (b) the reconciliation of those figures.

**Mr Willis**—The answer to the honourable member's questions is as follows:

(a) and (b) No. For obvious commercial reasons, it is not the practice of the Government to release estimates of the expected receipts (and associated payments) in respect of individual asset sales which have yet to be finalised. The release of such figures would be prejudicial to the Commonwealth's interests in its dealings with potential purchasers of the assets concerned.

### Australian Trade Offices

#### (Question No. 1021)

**Mr Tim Fischer** asked the Minister representing the Minister for Industry, Technology and Commerce, upon notice, on 3 September 1991:

Further to the answer to question No. 908 (*Hansard*, 20 August 1991, page 133), which Australian trade offices have been (a) opened and (b) closed since 6 January 1986 and on what dates.

**Mr Free**—The Minister for Industry, Technology and Commerce has provided the following answer to the honourable member's question:

(a) Australian Trade Commission offices opened since 6 January 1986:

Region	Location	Date Opened
Americas	Miami	February 1987
Europe	Frankfurt	November 1987
	Budapest	February 1990
	Berlin	October 1990
Special Markets	Dubai	November 1986
	Karachi	November 1989
	Istanbul	April 1990
Oceania/SE Asia	Ho Chi Minh City	November 1989

(b) Australian Trade Commission offices closed since 6 January 1986:

Region	Location	Date Opened
Americas	Houston	November 1988
	Honolulu	July 1990
	Lima	December 1990
	Chicago	July 1991
	Miami	July 1991
	San Francisco	July 1991
	Vancouver	July 1991
Europe	Bonn	December 1987
	Berne	December 1990
	Algiers	March 1991
	Lisbon	August 1991
	Athens	September 1991
	Bahrain	September 1986
	Kuwait	October 1986
	Abu Dhabi	November 1986
	Jeddah	March 1990
	Baghdad	inoperative from January 1991
Oceania/SE Asia	Wellington	November 1988

***Changes—workplace change: the meaning behind the words***

(Question No. 1022)

**Mrs Gallus** asked the Minister representing the Minister for Industrial Relations, upon notice, on 3 September 1991:

(1) How many copies of the booklet entitled *Changes—workplace change: the meaning behind*

*the words*, distributed nationally as a newspaper supplement in late June 1991, were printed.

(2) What was the cost of printing and production and how was that figure determined.

(3) How many copies were distributed and to whom were they distributed.

(4) What was the cost of distribution.

(5) Through which print media were copies distributed.

**Mr Willis**—The Minister for Industrial Relations has provided the following answer to the honourable member's question:

I refer the honourable member to Parliamentary Question No. 1068 asked by Senator Calvert on 26 July 1991. My answer appeared in the Senate *Hansard* on 3 September 1991, p.1140 and covers the information being sought by the honourable member. Both the question and answer are set out below.

'Senator Calvert asked the Minister for Industrial Relations, upon notice, on 26 July 1991:

(1) What was the total cost of the booklet entitled, *Changes*, dealing with workplace reform, which was distributed by the Federal Government.

(2) How many booklets were produced.

(3) To whom was the booklet distributed and what were the distribution costs.

(4) Were quotations obtained for the printing of the booklet and where was it printed.

(5) Is it envisaged that further copies of similar booklets will be produced.

Senator Cook—the answer to the honourable senator's question is:

(1) The total production cost was \$187,970.

(2) A total of 530,000 booklets was produced.

(3) The booklets were distributed to as many individuals and organisations involved in workplace reform as possible.

390,000 copies of the booklet were distributed through one edition of the *Weekend Australian* at a total cost of \$19,900.

A total of 45,000 were distributed to the following organisations:

employer organisations;

union organisations;

trades and labour councils;

Federal Members of Parliament and Senators;

Commonwealth and State Government departments and agencies;

educational institutions;

work change advisers;

Workplace Resource Centre managers;

migrant worker liaison officers;

Government business enterprises; and

Local Government employers.

The total cost of this distribution was \$10,480.

The remaining 95,000 are being distributed to organisations and individuals on request. Where more than 50 copies are requested, there is a charge of 35 cents for each additional copy.

(4) Yes, by AGPS (Contract SPC90/16). The winning quote was supplied by Pirie Printers Sales Pty Ltd, Canberra.

(5) Evaluative research is currently under way to assess its impact and determine if further booklets of this type should be produced.'

### Special Broadcasting Service

(Question No. 1033)

**Dr Bob Woods** asked the Minister for Transport and Communications, upon notice, on 3 September 1991:

(1) Has he instructed SBS management to reassess its scheduling proposals in order to provide access for small language communities to radio broadcasting; if so (a) what were the details of his instructions and (b) has SBS management rejected those instructions by refusing to change its original proposals.

(2) Has he undertaken to accelerate the establishment of a second broadcasting frequency for SBS Radio in Sydney.

**Mr Beazley**—The answer to the honourable member's question is as follows:

(1) No. SBS program content and scheduling issues are the responsibility of the SBS Board.

(2) No. I am currently examining options for satisfying ethnic community needs for ethnic language radio programming. The options include the provision of a second SBS radio service in Sydney.

### Aerospace Technologies of Australia Aircraft Services

(Question No. 1044)

**Mr Jull** asked the Minister representing the Minister for Defence, upon notice, on 4 September 1991:

(1) How many aircraft have been serviced by Aerospace Technologies of Australia Aircraft Services (ASTAAS) since it was established.

(2) What aircraft types have been serviced.

(3) For whom was the work undertaken.

(4) How many staff are employed by ASTAAS at Avalon, Vic.

(5) Have any of the staff referred to in part (4) been hired overseas; if so, (a) how many, (b) what is the designation of each and (c) will further recruitment from overseas occur; if so, (i) when and (ii) how many staff will be recruited.

**Mr Bilney**—The Minister for Defence has provided the following answer to the honourable member's question:

(1)—(5) Aerospace Technologies of Australia (ASTA) and its subsidiary, ASTA Aircraft Services, are companies at arm's length from the Government. While the Government owns 100 per cent of the shares in ASTA, it is not able to speak for the companies or provide the detail sought in relation to their commercial operations. The Annual Report of ASTA for 1989-90 was tabled in the House of Representatives on 8 May 1991. Further information could be sought directly from the companies.

#### Aerospace Technologies of Australia Aircraft Services

(Question No. 1045)

**Mr Jull** asked the Minister representing the Minister for Defence, upon notice, on 5 September 1991:

(1) What are the ownership arrangements of Aerospace Technologies of Australia Aircraft Services at Avalon, Vic.

(2) Will the Government completely privatisate this facility; if so, (a) when and (b) will any portion be floated publicly.

**Mr Bilney**—The Minister for Defence has provided the following answer to the honourable member's question:

(1) Shareholdings in ASTAAS are:

70.9 per cent ASTA

29.1 per cent Hong Kong Aircraft Engineering Company (HAEKO)

(2) The Government has indicated its intention to ultimately place ASTA in the private sector. At this stage, no plans for further privatising either ASTA or ASTAAS are before the Government.

#### Expo 92: Pavilion Staff

(Question No. 1049)

**Mr Jull** asked the Minister for Arts, Sport,

Tourism and Territories, upon notice, on 4 September 1991:

(1) How many staff will be employed at the Australian Pavilion at Expo '92 in Seville, Spain.

(2) How many of the staff referred to in part (1) will be (a) locally engaged in Spain and (b) hired in Australia.

(3) What qualifications are required for pavilion staff hired in Australia.

(4) How many staff have been hired in Australia and of these how many were hired in each State.

**Mr Simmons**—The answer to the honourable member's question is as follows:

(1) Ninety-one (91) staff.

(2) (a) Twenty-six (26), (b) Sixty-five (65)

(3) Skills and experience in project management, facilities management, staff control, public relations and protocol work are required, as appropriate, for the administrative positions which have been advertised within the Australian Public Service. For most, but not all of these positions, a knowledge of the Spanish language is required.

Experience in the food service and hospitality industry, facility management and financial control are required by the contract catering staff. A knowledge of the Spanish language will be an advantage.

Applicants for forty-five (45) Pavilion Attendant positions advertised nationally on 6 July 1991 are required to be fluent in English and Spanish and preferably possess skills in at least one other major European language. Other essential qualities include a good general knowledge of Australia, confidence in addressing large groups of people and previous experience in crowd management.

(4) Seven (7) administrative staff have already been selected. Of these four (4) are from the ACT and three (3) from NSW. The Commissioner General designate resides in NSW.

#### *Are you paying too much*

(Question No. 1072)

**Mr Andrews** asked the Minister representing the Minister for Foreign Affairs and Trade, upon notice, on 12 September 1991:

Has the Department of Foreign Affairs and Trade prepared a booklet entitled *Are you paying too*

*much; if so, (a) how many copies were published, (b) what was the cost, (c) to which individuals and organisations are copies being distributed and are copies being sent overseas; if so, (i) how many and (ii) to which countries?*

**Dr Blewett**—The Minister for Foreign Affairs and Trade has provided the following answer to the honourable member's question:

Yes.

(a) 8,000 copies are being published.  
(b) \$40,000 (estimated).  
(c) (i) and (ii) About 6000 copies are being distributed overseas, mainly in the member countries of the EC: Belgium, Luxembourg, Britain, France, Italy, Spain, Portugal, The Netherlands, Denmark, Ireland, Germany and Greece. They will

be distributed by Australian missions in those countries to community groups and individuals able to influence or contribute to the current debate about the future of the EC's Common Agriculture Policy (CAP), including consumers, taxpayers, farmers, parliamentarians, environmentalists, business groups and the news media. Precisely which organisations and individuals is being left to the discretion of Australian missions which are best placed to target the distribution.

In addition, the pamphlet will be distributed to Australia's partners in the Cairns Group, and to Australian missions in other countries where there may be a demand for it, for example, the United States.

In Australia the pamphlet is being made available to groups and individuals who request copies.