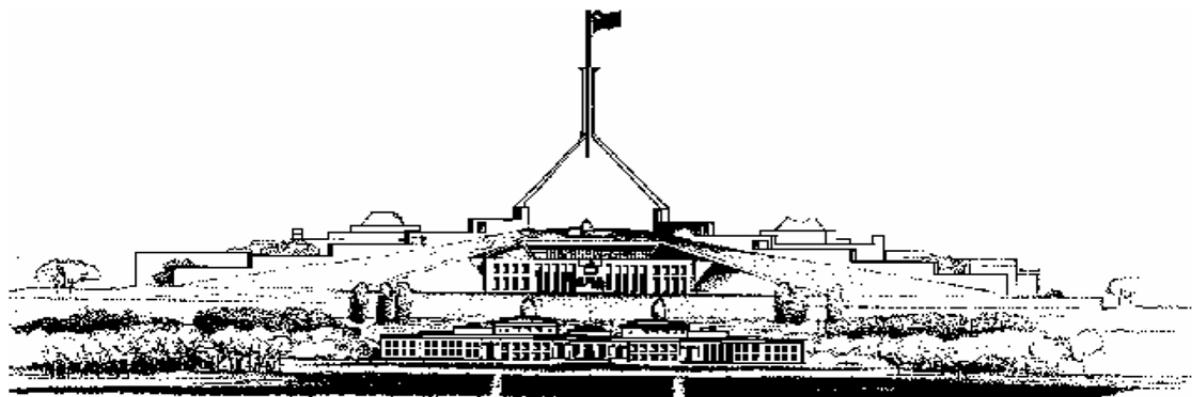




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 149, 1986
Friday, 23 May 1986

**THIRTY-FOURTH PARLIAMENT
FIRST SESSION—THIRD PERIOD**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

THIRTY-FOURTH PARLIAMENT

FIRST SESSION—THIRD PERIOD

Governor-General

His Excellency the Right Honourable Sir Ninian Martin Stephen, a Member of Her Majesty's Most Honourable Privy Council, Knight of the Order of Australia, Knight Grand Cross of the Most Distinguished Order of St Michael and St George, Knight Grand Cross of the Royal Victorian Order, Knight Commander of the Most Excellent Order of the British Empire, Governor-General of the Commonwealth of Australia and Commander-in-Chief of the Defence Force.

House of Representatives Officeholders

Speaker—The Honourable Joan Child

Chairman of Committees—Mr Leo Boyce McLeay

Deputy Chairmen of Committees—Mr Cecil Allen Blanchard,

Mr David Bruce Cowan, Mrs Elaine Elizabeth Darling, Mr Peter Hertford Drummond,

Mr Leonard Joseph Keogh, Mr John Barry Mildren, Mr Percival Clarence Millar,

Mr John Graham Mountford, Mr Allan Charles Rocher and Mr Philip Maxwell Ruddock

Leader of the House—The Honourable Michael Jerome Young

Leader of the Opposition—The Honourable John Winston Howard

Deputy Leader of the Opposition—The Honourable Neil Anthony Brown, QC

Manager of Opposition Business—The Right Honourable Ian McCahon Sinclair

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 Lionel Frost Bowen

Leader of the Liberal Party of Australia—The Honourable John Winston Howard

Deputy Leader of the Liberal Party of Australia—The Honourable Neil Anthony Brown, QC

Leader of the National Party of Australia—The Right Honourable Ian McCahon Sinclair

Deputy Leader of the National Party of Australia—The Honourable Ralph James Dunnet Hunt

Members of the House of Representatives

Member	Division	Party	Member	Division	Party
Adermann, Hon. Albert Evan	Fairfax, Qld	NP	Fitzgibbon, Eric John	Hunter, NSW	ALP
Aldred, Kenneth James	Bruce, Vic.	LP	Free, Ross Vincent	Lindsay, NSW	ALP
Andrew, John Neil	Wakefield, SA	LP	Gayler, John	Leichhardt, Qld	ALP
Baldwin, Peter Jeremy	Sydney, NSW	ALP	Gear, George	Canning, WA	ALP
Beale, Julian Howard	Deakin, Vic.	LP	Goodluck, Bruce John	Franklin, Tas.	LP
Beazley, Hon. Kim Christian	Swan, WA	ALP	Gorman, Russell Neville Joseph	Greenway, NSW	ALP
Beddall, David Peter	Rankin, Qld	ALP	Grace, Edward Laurence	Fowler, NSW	ALP
Bilney, Gordon Neil	Kingston, SA	ALP	Griffiths, Alan Gordon	Maribyrnong, Vic.	ALP
Blanchard, Cecil Allen	Moore, WA	ALP	Hall, Raymond Steele	Boothby, SA	LP
Blewett, Hon. Neal	Bonython, SA	ALP	Halverson, Robert George, OBE	Casey, Vic.	LP
Blunt, Charles William	Richmond, NSW	NP	Hand, Gerard Leslie	Melbourne, Vic.	ALP
Bowen, Hon. Lionel Frost	Kingsford-Smith, NSW	ALP	Hawke, Hon. Robert James Lee, AC	Wills, Vic.	ALP
Braithwaite, Raymond Allen	Dawson, Qld	NP	Hawker, David Peter Maxwell	Wannon, Vic.	LP
Brown, Hon. John Joseph	Parramatta, NSW	ALP	Hayden, Hon. William George	Oxley, Qld	ALP
Brown, Hon. Neil Anthony, QC	Menzies, Vic.	LP	Hicks, Noel Jeffrey	Riverina-Darling, NSW	NP
Brown, Robert James	Charlton, NSW	ALP	Hodges, Hon. John Charles	Petrie, Qld	LP
Brumby, John Mansfield	Bendigo, Vic.	ALP	Hodgman, Hon. William Michael, QC	Denison, Tas.	LP
Burr, Maxwell Arthur	Lyons, Tas.	LP	Holding, Hon. Allan Clyde	Melbourne Ports, Vic.	ALP
Cadman, Alan Glyndwr	Mitchell, NSW	LP	Hollis, Colin	Throsby, NSW	ALP
Cameron, Donald Milner	Moreton, Qld	LP	Howard, Hon. John Winston	Bennelong, NSW	LP
Cameron, Ewen Colin	Indi, Vic.	LP	Howe, Hon. Brian Leslie	Batman, Vic.	ALP
Cameron, Ian Milne Dixon	Maranoa, Qld	NP	Humphreys, Benjamin Charles	Griffith, Qld	ALP
Campbell, Graeme	Kalgoorlie, WA	ALP	Hunt, Hon. Ralph James Dunnet	Gwydir, NSW	NP
Carlton, Hon. James Joseph	Mackellar, NSW	LP	Hurford, Hon. Christopher John	Adelaide, SA	ALP
Charles, David Ernest	Isaacs, Vic.	ALP	Jacobi, Ralph	Hawker, SA	ALP
Charlesworth, Dr Richard Ian	Perth, WA	ALP	Jakobsen, Carolyn Anne	Cowan, WA	ALP
Child, Joan	Henty, Vic.	ALP	Jenkins, Henry Alfred	Scullin, Vic	ALP
Chynoweth, Robert Leslie	Dunkley, Vic.	ALP	Jones, Hon. Barry Owen	Lalor, Vic.	ALP
Cleeland, Peter Robert	McEwen, Vic.	ALP	Jull, David Francis	Fadden, Qld	LP
Cobb, Michael Roy	Parkes, NSW	NP	Katter, Hon. Robert Cummin	Kennedy, Qld	NP
Cohen, Hon. Barry	Robertson, NSW	ALP	Keating, Hon. Paul John	Blaxland, NSW	ALP
Coleman, William Peter	Wentworth, NSW	LP	Kelly, Roslyn Joan	Canberra, ACT	ALP
Connolly, David Miles	Bradfield, NSW	LP	Kent, Lewis	Hotham, Vic.	ALP
Conquest, Bryan Joseph	Hinkler, Qld	NP	Keogh, Leonard Joseph	Bowman, Qld	ALP
Cowan, David Bruce	Lyne, NSW	NP	Kerin, Hon. John Charles	Werriwa, NSW	ALP
Cross, Manfred Douglas	Brisbane, Qld	ALP	Klugman, Dr Richard Emanuel	Prospect, NSW	ALP
Cunningham, Barry Thomas	McMillan, Vic.	ALP	Lamb, Anthony Hamilton	Streeton, Vic.	ALP
Darling, Elaine Elizabeth	Lilley, Qld	ALP	Langmore, John Vance	Fraser, ACT	ALP
Dawkins, Hon. John Sydney	Fremantle, WA	ALP	Lee, Michael	Dobell, NSW	ALP
Dobie, Hon. James Donald Mathieson	Cook, NSW	LP	Lindsay, Eamon John, RFD	Herbert, Qld	ALP
Downer, Alexander John Gosse	Mayo, SA	LP	Lloyd, Bruce	Murray, Vic.	NP
Drummond, Peter Hertford	Forrest, WA	LP	McArthur, Fergus Stewart	Corangamite, Vic.	LP
Dubois, Stephen Gairfield	St George, NSW	ALP	McGauran, Peter John	Gippsland, Vic.	NP
Duffy, Hon. Michael John	Holt, Vic.	ALP	McHugh, Jeannette	Phillip, NSW	ALP
Duncan, Hon. Peter	Makin, SA	ALP	MacKellar, Hon. Michael John Randal	Warringah, NSW	LP
Edwards, Dr Harold Raymond	Berowra, NSW	LP			
Edwards, Ronald Frederick	Stirling, WA	ALP			
Everingham, Hon. Paul Anthony Edward	Northern Territory	LP			
Fatin, Wendy Frances	Brand, WA	ALP			
Fife, Hon. Wallace Clyde	Hume, NSW	LP			
Fischer, Timothy Andrew	Farrer, NSW	NP			
Fisher, Peter Stanley	Mallee, Vic.	NP			

Members of the House of Representatives—*continued*

Members	Division	Party	Member	Division	Party
McLeay, Leo Boyce	Grayndler, NSW	ALP	Scott, John Lyden	Hindmarsh, SA	ALP
McVeigh, Hon. Daniel Thomas	Groom, Qld	NP	Shack, Peter Donald	Tangney, WA	LP
Macphee, Hon. Ian Malcolm	Goldstein, Vic.	LP	Sharp, John	Gilmore, NSW	NP
Maher, Michael John	Lowe, NSW	ALP	Shipton, Roger Francis	Higgins, Vic.	LP
Martin, Stephen Paul	Macarthur, NSW	ALP	Simmons, David William	Calare, NSW	ALP
Mayer, Helen	Chisholm, Vic.	ALP	Sinclair, Rt Hon. Ian Mc Cahon	New England, NSW	NP
Mildren, John Barry	Ballarat, Vic.	ALP	Slipper, Peter Neil	Fisher, Qld	NP
Miles, Christopher Gordon	Braddon, Tas.	LP	Smith, Warwick	Bass, Tas.	LP
Millar, Percival Clarence	Wide Bay, Qld	NP	Snow, James Henry	Eden-Monaro, NSW	ALP
Milton, Peter	La Trobe, Vic.	ALP	Spender, John Michael, QC	North Sydney, NSW	LP
Moore, Hon. John Colinton	Ryan, Qld	LP	Staples, Peter Richard	Jagajaga, Vic.	ALP
Morris, Allan Agapitos	Newcastle, NSW	ALP	Sullivan, Kathryn Jean	Moncrieff, Qld	LP
Morris, Hon. Peter Frederick	Shortland, NSW	ALP	Theophanous, Dr Andrew Charles	Calwell, Vic.	ALP
Mountford, John Graham	Banks, NSW	ALP	Tickner, Robert Edward	Hughes, NSW	ALP
Nehl, Garry Barr	Cowper, NSW	NP	Tuckey, Charles Wilson	O'Connor, WA	LP
O'Keefe, Neil Patrick	Burke, Vic.	ALP	Uren, Hon. Thomas	Reid, NSW	ALP
O'Neil, Lloyd Reginald Terrance	Grey, SA	ALP	Watson, Dr David John Hopetoun	Forde, Qld	LP
Peacock, Hon. Andrew Sharp	Kooyong, Vic.	LP	Webster, Alasdair Paine	Macquarie, NSW	LP
Porter, James Robert	Barker, SA	LP	West, Hon. Stewart John	Cunningham, NSW	ALP
Price, Leo Roger Spurway	Chifley, NSW	ALP	White, Peter Nicholson Duckett, MC	McPherson, Qld	LP
Punch, Gary Francis	Barton, NSW	ALP	Willis, Hon. Ralph	Gellibrand, Vic.	ALP
Reith, Peter Keaston	Flinders, Vic.	LP	Wilson, Hon. Ian Bonython Cameron	Sturt, SA	LP
Robinson, Hon. Ian Louis	Page, NSW	NP	Wright, Keith Webb	Capricornia, Qld	ALP
Rocher, Allan Charles	Curtin, WA	LP	Young, Hon. Michael Jerome	Port Adelaide, SA	ALP
Ruddock, Philip Maxwell	Dundas, NSW	LP			
Saunders, John	Aston, Vic.	ALP			
Scholes, Hon. Gordon Glen Denton	Corio, Vic.	ALP			

PARTY ABBREVIATIONS

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

Second Hawke Ministry

*Prime Minister	The Honourable Robert James Lee Hawke, AC
*Deputy Prime Minister, Attorney-General, Minister Assisting the Prime Minister for Commonwealth-State Relations and Vice-President of the Executive Council	The Honourable Lionel Frost Bowen
*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 and Manager of Government Business in the Senate and Minister for Community Services	Senator the Honourable Donald James Grimes
*Minister for Employment and Industrial Relations and Minister Assisting the Prime Minister for Public Service Industrial Matters	The Honourable Ralph Willis
*Treasurer	
*Special Minister of State and Leader of the House	The Honourable Paul John Keating The Honourable Michael Jerome Young
*Minister for Finance and Minister Assisting the Prime Minister for Public Service Matters	Senator the Honourable Peter Alexander Walsh
*Minister for Foreign Affairs	
*Minister for Education and Minister Assisting the Prime Minister on the Status of Women	The Honourable William George Hayden Senator the Honourable Susan Maree Ryan
*Minister for Resources and Energy, Minister Assisting the Prime Minister and Minister Assisting the Minister for Foreign Affairs	Senator the Honourable Gareth John Evans, QC
*Minister for Trade and Minister Assisting the Prime Minister for Youth Affairs	
*Minister for Primary Industry	The Honourable John Sydney Dawkins
*Minister for Housing and Construction	
*Minister for Defence	The Honourable John Charles Kerin The Honourable Stewart John West The Honourable Kim Christian Beazley The Honourable Christopher John Hurford
*Minister for Immigration and Ethnic Affairs and Minister Assisting the Treasurer	
*Minister for Social Security	The Honourable Brian Leslie Howe The Honourable Peter Frederick Morris
Minister for Transport and Minister for Aviation	
Minister for Sport, Recreation and Tourism and Minister Assisting the Minister for Defence	The Honourable John Joseph Brown
Minister for Health	
Minister for Science and Minister Assisting the Minister for Industry, Technology and Commerce	The Honourable Neal Blewett The Honourable Barry Owen Jones
Minister for Territories	
Minister for Communications and Minister Assisting the Minister for Defence	The Honourable Gordon Glen Denton Scholes The Honourable Michael John Duffy
Minister for Arts, Heritage and Environment and Minister Assisting the Prime Minister for the Bicentennial	
Minister for Aboriginal Affairs	The Honourable Barry Cohen
Minister for Veterans' Affairs	
Minister for Local Government and Administrative Services	The Honourable Allan Clyde Holding Senator the Honourable Arthur Thomas Gietzelt The Honourable Thomas Uren
*Minister in the Cabinet	

THE COMMITTEES OF THE SESSION

FIRST SESSION: THIRD PERIOD

STANDING COMMITTEES

ABORIGINAL AFFAIRS—Mr Blanchard (*Chairman*) Mr I. M. D. Cameron, Mr Campbell, Mr Connolly, Mr Gayler, Mr Hand, Mr Maher and Mr Shipton.

ENVIRONMENT AND CONSERVATION—Mr Milton (*Chairman*), Mr Chynoweth, Mr R. F. Edwards, Mr P. S. Fisher, Mr Gear, Ms McHugh, Mr Miles and Mr Webster.

EXPENDITURE—Mr Mountford (*Chairman*), Mr Beale, Mr R. J. Brown, Mr Cobb, Mr Cowan, Ms Fatin, Mr Free, Mr Hawker, Mrs Kelly (nominee of Chairman, Joint Committee of Public Accounts), Mr Langmore, Mr McLeay, Mr Martin, Mr Simmons, Mr Slipper, Mr Smith (*from 2 June*), Mr Tuckey (*to 2 June*) and Mr Wilson.

HOUSE—Madam Speaker, Mr Blanchard, Mr E. C. Cameron, Mr Katter, Mr Maher, Mr Martin and Mrs Sullivan.

LIBRARY—Madam Speaker, Mr Conquest, Mr Cross, Ms Jakobsen, Mr Maher, Mr Smith and Dr Watson.

MEMBERS' INTERESTS—Dr Klugman (*Chairman*), Mr Adermann, Mr D. M. Cameron, Mr Kent, Mr Lindsay, Mr Maher and Mr Spender.

PRIVILEGES—The Deputy Leader of the Opposition or his nominee, Mr Campbell, Mr Cleeland, Mr Gear, Mr Hodgman, Mr Lindsay (nominee of Leader of the House), Mr Millar, Mr Reith, Mr Simmons, Mr Spender and Mr Tickner.

PROCEDURE—Mr Keogh (*Chairman*), Mr D. M. Cameron, Mr Hodgman, Mr Hollis, Mr Lindsay, Mr McLeay, Mr Millar and Mr Mountford.

PUBLICATIONS—Mr Brumby (*Chairman*), Mr Coleman, Mr Conquest, Mr Dubois (*from 26 May*), Dr H. R. Edwards, Mr Fitzgibbon, Mr Grace and Dr Theophanous (*to 26 May*).

TRANSPORT SAFETY—Mrs Darling (*Chairman*), Mr Downer, Mr Goodluck, Mr Gorman, Mr Hollis, Mr Lamb, Mr McGauran and Mr Milden.

JOINT STATUTORY COMMITTEES

BROADCASTING OF PARLIAMENTARY PROCEEDINGS—Madam Speaker (*Chairman*), the President, Senators Coleman and Watson, and Mr Brumby, Mr R. F. Edwards, Mr Hicks, Mr Jull and Mr Maher.

NATIONAL CRIME AUTHORITY—Mr Griffiths (*Chairman*), Senators Archer (*from 17 April*), Bolokus, Crowley, Haines, Jessop and Missen (*to 17 April*), and Mr Brumby, Ms Duncan, Mr McGauran, Mr MacKellar.

PUBLIC ACCOUNTS—Senator Georges (*Chairman*), the Chairman of the House of Representatives Standing Committee on Expenditure, Senators Cooney, Dame Margaret Guilfoyle, Maguire and Watson, and Mr Conquest (*from 16 April*), Mr Downer (*from 27 May*), Mrs Kelly, Ms Mayer, Mr Nehl, Mr Price, Mr Punch (*to 27 May*), Mr Rocher, Mr Ruddock, Mr Sharp (*to 16 April*), Dr Theophanous and Mr Tickner.

PUBLIC WORKS—Senator Foreman (*Chairman*), Senators Jones and Sheila, and Mr Andrew, Mr Halverson, Mr Hollis, Mr Keogh, Mr Millar and Mr Saunderson.

JOINT COMMITTEES

AUSTRALIAN CAPITAL TERRITORY—Mrs Kelly (*Chairman*), Senators Giles, Lewis, McKiernan (*to 12 March*), Morris (*from 12 March*), and Reid, and Mr Langmore, Mr McArthur, Mr Sharp, Mr Snow and Mr Wright.

FOREIGN AFFAIRS AND DEFENCE—Senator Sibraa (*Chairman*), Senators Bolokus, Crichton-Browne, Elstob, Hill, Jones, MacGibbon, Maguire and Teague, and Mr Baldwin, Mr Beddall, Mr Bilney, Mr Campbell, Mr Charles, Mr Coleman, Mr Cross, Mr Gayler, Mr Hicks, Mr Jull, Mr Katter, Mr Kent, Dr Klugman, Mr Lindsay, Mr MacKellar, Mr Peacock, Mr Robinson, Mr Shipton and Dr Theophanous.

NEW PARLIAMENT HOUSE—The President and Madam Speaker (*Joint Chairmen*), the Minister for Territories, Senators Colston, MacGibbon, Reid, Reynolds, Sibraa and Withers, and Mr Dobie, Mr Dubois, Mr Lee, Mr Lloyd, Mr McLeay and Mrs Sullivan.

JOINT SELECT COMMITTEES

AUSTRALIA CARD—Senator Aulich (*Chairman*), Senators Haines and Puplick, and Mr Blunt, Mr R. J. Brown, Mr Brumby, Mr Porter and Mr Saunderson.

ELECTORAL REFORM—Senator Robert Ray (*Chairman*), Senators Sir John Carrick, Harradine, Macklin and Richardson, and Mr Blunt, Ms Jacobsen, Mr Lamb, Mr Lee, Mr MacKellar and Mr Scott.

TELECOMMUNICATIONS INTERCEPTIONS—Senators Archer, Black, Cooney and Vigor.

VIDEO MATERIAL—Dr Klugman (*Chairman*), Senators Harradine, Reynolds, Walters and Zakharov, and Mr Adermann, Mr Grace, Ms Jacobsen and Mr Jull.

PARLIAMENTARY DEPARTMENTS

SENATE

Clerk of the Senate—A. R. Cumming Thom
Deputy Clerk of the Senate—H. C. Nicholls
Clerk-Assistant (Committees)—A. Lynch
Clerk-Assistant (Table)—P. N. Murdoch
Clerk-Assistant (Management)—T. H. G. Wharton
Clerk-Assistant (Procedure)—H. Evans
Usher of the Black Rod—R. Alison

HOUSE OF REPRESENTATIVES

Clerk of the House—A. R. Browning
Deputy Clerk of the House—L. M. Barlin
First Clerk Assistant—I. C. Harris
Clerk Assistant (Procedure)—B. C. Wright
Clerk Assistant (Committees)—J. W. Pender
Clerk Assistant (Table)—I. C. Cochran
Clerk Assistant (Administration)—M. W. Salkeld
Sergeant-at-Arms—B. L. Simons

PARLIAMENTARY REPORTING STAFF

Principal Parliamentary Reporter—J. M. Campbell
Assistant Principal Parliamentary Reporter—R. T. Martin
Leader of Staff (Committees)—N. Franzi
Leader of Staff (House of Representatives)—B. A. Harris
Leader of Staff (Senate)—K. Shearwood

LIBRARY

Parliamentary Librarian—H. de S. C. MacLean

JOINT HOUSE

Secretary—M. W. Bolton

THE ACTS OF THE SESSION

FIRST SESSION: THIRD PERIOD

- Aboriginal and Torres Strait Islander Heritage (Interim Protection) Amendment Act 1986 (Act No. 83 of 1986)—
An Act to amend the Aboriginal and Torres Strait Islander Heritage (Interim Protection) Act 1984.
- Air Navigation Amendment Act 1986 (Act No. 69 of 1986)—
An Act to amend the Air Navigation Act 1920.
- Apple and Pear Export Underwriting Amendment Act 1986 (Act No. 15 of 1986)—
An Act to amend the Apple and Pear Export Underwriting Act 1981, and for related purposes.
- Appropriation Act (No. 3) 1985-86 (Act No. 30 of 1986)—
An Act to appropriate a sum out of the Consolidated Revenue Fund, additional to the sums appropriated by the Appropriation Act (No. 1) 1985-86, for the service of the year ending on 30 June 1986, and for other purposes.
- Appropriation Act (No. 4) 1985-86 (Act No. 31 of 1986)—
An Act to appropriate a sum out of the Consolidated Revenue Fund, additional to the sum appropriated by the Appropriation Act (No. 2) 1985-86, for certain expenditure in respect of the year ending on 30 June 1986, and for other purposes.
- Appropriation (Parliamentary Departments) Act (No. 2) 1985-86 (Act No. 32 of 1986)—
An Act to appropriate certain sums out of the Consolidated Revenue Fund, additional to the sums appropriated by the Appropriation (Parliamentary Departments) Act 1985-86, for certain expenditure, in relation to the Parliamentary Departments, in respect of the year ending on 30 June 1986.
- Australian Apple and Pear Corporation Amendment Act 1986 (Act No. 16 of 1986)—
An Act to amend the Australian Apple and Pear Corporation Act 1973, and for related purposes.
- Australian Citizenship Amendment Act 1986 (Act No. 70 of 1986)—
An Act to make provision in relation to Australian citizenship.
- Australian Federal Police Amendment Act 1986 (Act No. 35 of 1986)—
An Act to amend the Australian Federal Police Act 1979, and for related purposes.
- Australian Meat and Live-stock Corporation Amendment Act 1986 (Act No. 77 of 1986)—
An Act to amend the Australian Meat and Live-stock Corporation Act 1977.
- Australian Wine and Brandy Corporation Amendment Act 1986 (Act No. 60 of 1986)—
An Act to amend the Australian Wine and Brandy Corporation Act 1980, and for related purposes.
- Barley Research Levy Amendment Act 1986 (Act No. 21 of 1986)—
An Act to amend the Barley Research Levy Act 1980.
- Bounty and Subsidy Legislation Amendment Act 1986 (Act No. 37 of 1986)—
An Act to amend certain Acts providing for the payment of bounty or subsidy.
- Broadcasting and Television Legislation Amendment Act 1986 (Act No. 2 of 1986)—
An Act relating to broadcasting and television.
- Builders Labourers' Federation (Cancellation of Registration) Act 1986 (Act No. 6 of 1986)—
An Act to cancel the registration of The Australian Building Construction Employees' and Builders Labourers' Federation under the Conciliation and Arbitration Act 1904.
- Builders Labourers' Federation (Cancellation of Registration—Consequential Provisions) Act 1986 (Act No. 7 of 1986)—
An Act to enact certain provisions consequential upon the cancellation of the registration under the Conciliation and Arbitration Act 1904 of The Australian Building Construction Employees' and Builders Labourers' Federation, and for related purposes.
- Commonwealth Tertiary Education Commission Amendment Act 1986 (Act No. 3 of 1986)—
An Act to amend the Commonwealth Tertiary Education Commission Act 1977, and for related purposes.
- Community Employment Amendment Act 1986 (Act No. 14 of 1986)—
An Act to amend section 12 of the Community Employment Act 1983.
- Companies and Securities Legislation Amendment Act 1986 (Act No. 68 of 1986)—
An Act to amend laws relating to companies and securities.
- Companies and Securities Legislation Amendment (Futures Industry) Act 1986 (Act No. 74 of 1986)—
An Act to amend laws relating to companies and securities in consequence of the enactment of the Futures Industry Act 1986.
- Copyright Amendment Act 1986 (Act No. 78 of 1986)—
An Act to amend the law relating to copyright.

THE ACTS OF THE SESSION—*continued*

Customs Administration (Transitional Provisions and Consequential Amendments) Act 1986 (Act No. 10 of 1986)—

An Act to enact certain transitional provisions and make certain amendments in consequence of the enactment of the Customs Administration Act 1985, and for related purposes.

Customs and Excise Legislation Amendment Act 1986 (Act No. 34 of 1986)—

An Act to amend the Customs Act 1901, the Excise Act 1901 and certain other Acts.

Customs Tariff Amendment Act 1986 (Act No. 36 of 1986)—

An Act to amend the Customs Tariff Act 1982.

Dairy Industry Stabilization Levy (Termination of Levy) Act 1986 (Act No. 57 of 1986)—

An Act to amend the Dairy Industry Stabilization Levy Act 1977.

Dairy Legislation (Transitional Provisions and Consequential Amendments) Act 1986 (Act No. 59 of 1986)—

An Act to make provision consequent upon the enactment of the Dairy Produce Act 1986 and other related legislation, and for related purposes.

Dairy Produce Act 1986 (Act No. 54 of 1986)—

An Act relating to the Australian Dairy Corporation, the marketing and export of dairy produce and the collection of certain levies imposed in connection with the dairy industry, and for related purposes.

Dairy Produce Levy (No. 1) Act 1986 (Act No. 55 of 1986)—

An Act to impose levies upon the milk fat content of certain dairy produce produced in Australia and a levy upon certain dairy products produced in Australia.

Dairy Produce Levy (No. 2) Act 1986 (Act No. 56 of 1986)—

An Act to impose levies upon certain dairy products that are imported into Australia.

Dairying Industry Research and Promotion Levy Amendment Act 1986 (Act No. 13 of 1986)—

An Act to amend the Dairying Industry Research and Promotion Levy Act 1972.

Dairying Industry Research and Promotion Levy (Termination of Levy) Act 1986 (Act No. 58 of 1986)—

An Act to amend the Dairying Industry Research and Promotion Levy Act 1972.

Departure Tax Collection Amendment Act 1986 (Act No. 38 of 1986)—

An Act to amend the Departure Tax Collection Act 1978, and for related purposes.

Director of Public Prosecutions Amendment Act 1986 (Act No. 88 of 1986)—

An Act to amend the Director of Public Prosecutions Act 1983.

Dried Fruits Levy Amendment Act 1986 (Act No. 22 of 1986)—

An Act to amend the Dried Fruits Levy Act 1971.

Excise Tariff Amendment Act 1986 (Act No. 20 of 1986)—

An Act to amend the Excise Tariff Act 1921.

Federal Airports Corporation Act 1986 (Act No. 4 of 1986)—

An Act to establish a Federal Airports Corporation, and for related purposes.

Fertilizers (Subsidy) Amendment Act 1986 (Act No. 87 of 1986)—

An Act to extend the operation of the Nitrogenous Fertilizers Subsidy Act 1966 and the Phosphate Fertilizers Subsidy Act 1963.

Fringe Benefits Tax Act 1986 (Act No. 40 of 1986)—

An Act to impose a tax in respect of the value of certain fringe benefits provided in respect of the employment of employees.

Fringe Benefits Tax (Application to the Commonwealth) Act 1986 (Act No. 42 of 1986)—

An Act to provide for the notional application of fringe benefits tax in relation to benefits provided in respect of the employment of Commonwealth employees.

Fringe Benefits Tax Assessment Act 1986 (Act No. 39 of 1986)—

An Act relating to the assessment and collection of the tax imposed by the Fringe Benefits Tax Act 1986, and for related purposes.

Fringe Benefits Tax (Miscellaneous Provisions) Act 1986 (Act No. 41 of 1986)—

An Act to make certain amendments consequent upon the enactment of the Fringe Benefits Tax Assessment Act 1986, and for related purposes.

Futures Industry Act 1986 (Act No. 72 of 1986)—

An Act relating to the futures industry in the Australian Capital Territory.

Futures Industry (Fees) Act 1986 (Act No. 73 of 1986)—

An Act relating to fees payable for the purposes of the Futures Industry Act 1986.

Grape Research Levy Act 1986 (Act No. 63 of 1986)—

An Act to impose a levy upon Australian grapes, and Australian grape juice, delivered to processing establishments.

THE ACTS OF THE SESSION—*continued*

- Grape Research Levy Collection Act 1986 (Act No. 64 of 1986)—
An Act relating to the collection of the levy imposed by the Grape Research Levy Act 1986.
- Health Legislation Amendment Act 1986 (Act No. 75 of 1986)—
An Act to amend various laws relating to health, and for related purposes.
- Income Tax Assessment Amendment (Capital Gains) Act 1986 (Act No. 52 of 1986)—
An Act to amend the law relating to income tax.
- Income Tax Assessment Amendment (Research and Development) Act 1986 (Act No. 90 of 1986)—
An Act to provide income tax concessions for expenditure on research and development, and for related purposes.
- Income Tax (Rates) Amendment (Capital Gains) Act 1986 (Act No. 53 of 1986)—
An Act to amend the Income Tax (Rates) Act 1982.
- Income Tax (Securities and Agreements) (Withholding Tax Recoupment) Act 1986 (Act No. 50 of 1986)—
An Act to impose income tax in respect of avoided withholding tax amounts in relation to certain securities and agreements.
- Industry Research and Development Act 1986 (Act No. 89 of 1986)—
An Act relating to financial assistance by the Commonwealth for certain research and development.
- Judiciary Amendment Act 1986 (Act No. 1 of 1986)—
An Act to amend section 69 of the Judiciary Act 1903, and for related purposes.
- Live-stock Export Charge Amendment Act 1986 (Act No. 12 of 1986)—
An Act to amend the Live-stock Export Charge Act 1977.
- Live-stock Slaughter Levy Amendment Act 1986 (Act No. 23 of 1986)—
An Act to amend the Live-stock Slaughter Levy Act 1964.
- Local Government (Financial Assistance) Act 1986 (Act No. 79 of 1986)—
An Act to provide financial assistance for local government by means of grants to the States and the Northern Territory.
- Meat Chicken Levy Amendment Act 1986 (Act No. 24 of 1986)—
An Act to amend the Meat Chicken Levy Act 1969.
- Migration Amendment Act 1986 (Act No. 71 of 1986)—
An Act to amend the Migration Act 1958.
- Ministers of State Amendment Act 1986 (Act No. 26 of 1986)—
An Act to amend the Ministers of State Act 1952.
- Oil Companies (Stock Loss Reimbursement) Act 1986 (Act No. 18 of 1986)—
An Act to reimburse oil companies for losses incurred as a result of those companies having purchased indigenous crude oil at import parity prices during February 1986.
- Parliamentary Commission of Inquiry Act 1986 (Act No. 9 of 1986)—
An Act to provide for the establishment of a Parliamentary Commission of Inquiry.
- Pig Slaughter Levy Amendment Act 1986 (Act No. 25 of 1986)—
An Act to amend the Pig Slaughter Levy Act 1971.
- Protection of Movable Cultural Heritage Act 1986 (Act No. 11 of 1986)—
An Act to protect Australia's heritage of movable cultural objects, to support the protection by foreign countries of their heritage of movable cultural objects, and for related purposes.
- Protection of the Sea (Prevention of Pollution from Ships) Amendment Act 1986 (Act No. 81 of 1986)—
An Act to amend the Protection of the Sea (Prevention of Pollution from Ships) Act 1983.
- Social Security Legislation Amendment Act 1986 (Act No. 33 of 1986)—
An Act relating to welfare benefits and other matters.
- Social Security (Proportional Portability of Pensions) Amendment Act 1986 (Act No. 5) of 1986)—
An Act relating to Social Security.
- States Grants (Education Assistance—Participation and Equity) Amendment Act 1986 (Act No. 65 of 1986)—
An Act to amend the States Grants (Education Assistance—Participation and Equity) Act 1983, and for related purposes.
- States Grants (Schools Assistance) Amendment Act 1986 (Act No. 66 of 1986)—
An Act to amend the States Grants (Schools Assistance) Act 1984, and for related purposes.
- States Grants (Tertiary Education Assistance) Amendment Act 1986 (Act No. 67 of 1986)—
An Act to amend the States Grants (Tertiary Education Assistance) Act 1984, and for related purposes.

THE ACTS OF THE SESSION—*continued*

Statute Law (Miscellaneous Provisions) Act (No. 1) 1986 (Act No. 76 of 1986)—

An Act to make various amendments of the statute law of the Commonwealth, and for related purposes.

Superannuation Legislation Amendment Act 1986 (Act No. 80 of 1986)—

An Act to amend the Superannuation Act 1976 and the Superannuation Act 1922, and for related purposes.

Supply Act (No. 1) 1986-87 (Act No. 43 of 1986)—

An Act to make interim provision for the appropriation of money out of the Consolidated Revenue Fund for the service of the year ending on 30 June 1987, and for other purposes.

Supply Act (No. 2) 1986-87 (Act No. 44 of 1986)—

An Act to make interim provision for the appropriation of money out of the Consolidated Revenue Fund for certain expenditure in respect of the year ending on 30 June 1987, and for other purposes.

Supply (Parliamentary Departments) Act 1986-87 (Act No. 45 of 1986)—

An Act to make interim provision for the appropriation of money out of the Consolidated Revenue Fund for certain expenditure, in relation to the Parliamentary Departments, in respect of the year ending on 30 June 1987.

Taxation Boards of Review (Transfer of Jurisdiction) Act 1986 (Act No. 48 of 1986)—

An Act to make provision in relation to the review of certain decisions relating to taxation, to repeal certain laws relating to taxation, and for related purposes.

Taxation (Interest on Underpayments) Act 1986 (Act No. 47 of 1986)—

An Act to impose an interest charge in respect of underpayments of income tax.

Taxation Laws Amendment Act 1986 (Act No. 46 of 1986)—

An Act to amend the law relating to taxation.

Taxation Laws Amendment Act (No. 2) 1986 (Act No. 49 of 1986)—

An Act to amend the law relating to taxation.

Taxation Laws Amendment (Foreign Tax Credits) Act 1986 (Act No. 51 of 1986)—

An Act relating to foreign tax credits.

Tobacco Charge (No. 1) Amendment Act 1986 (Act No. 84 of 1986)—

An Act to amend the Tobacco Charge Act (No. 1) 1955, and for related purposes.

Tobacco Charge (No. 2) Amendment Act 1986 (Act No. 85 of 1986)—

An Act to amend the Tobacco Charge Act (No. 2) 1955, and for related purposes.

Tobacco Charge (No. 3) Amendment Act 1986 (Act No. 86 of 1986)—

An Act to amend the Tobacco Charge Act (No. 3) 1955, and for related purposes.

Trade Practices Revision Act 1986 (Act No. 17 of 1986)—

An Act to make various amendments to the law relating to trade practices.

Trade Practices (Transfer of Market Dominance) Amendment Act 1986 (Act No. 8 of 1986)—

An Act to ensure that section 50 of the Trade Practices Act 1974 does not apply to certain acquisitions.

Veterans' Entitlements Act 1986 (Act No. 27 of 1986)—

An Act to provide for the payment of pensions and other benefits to, and to provide medical and other treatment for, veterans and certain other persons, and for other purposes.

Veterans' Entitlements (Transitional Provisions and Consequential Amendments) Act 1986 (Act No. 28 of 1986)—

An Act to make certain transitional provisions and consequential amendments related to the enactment of the Veterans' Entitlements Act 1986.

Veterans' Entitlements (Transitional Provisions and Consequential Amendments) Amendment Act 1986 (Act No. 29 of 1986)—

An Act to amend the Veterans' Entitlements (Transitional Provisions and Consequential Amendments) Act 1986.

Wheat Marketing Amendment Act 1986 (Act No. 82 of 1986)—

An Act relating to the marketing of wheat, and for related purposes.

Wine Grapes Levy Amendment Act 1986 (Act No. 61 of 1986)—

An Act to amend the Wine Grapes Levy Act 1979.

Wine Research Repeal Act 1986 (Act No. 62 of 1986)—

An Act to repeal certain legislation relating to wine research, and for related purposes.

Wool Industry Amendment Act 1986 (Act No. 19 of 1986)—

An Act to make provision in relation to wool research and development, and for other purposes.

BILLS OF THE SESSION

FIRST SESSION: THIRD PERIOD

- Aboriginal Land Grant (Jervis Bay Territory) Bill 1986—
Initiated in the House of Representatives. Third Reading.
- Affirmative Action (Equal Employment Opportunity for Women) Bill 1986—
Initiated in the House of Representatives. Third Reading.
- Australian Bill of Rights Bill 1985—
Initiated in the House of Representatives. Third Reading.
- Australian Capital Territory Council Bill 1986—
Initiated in the House of Representatives. Third Reading.
- Australian Capital Territory Council (Consequential Provisions) Bill 1986—
Initiated in the House of Representatives. Third Reading.
- Australian Dried Fruits Corporation Amendment Bill 1985—
Initiated in the House of Representatives. Discharged.
- Australian Institute of Sport Bill 1986—
Initiated in the House of Representatives. Third Reading.
- Australian Institute of Sport (Consequential Provisions) Bill 1986—
Initiated in the House of Representatives. Third Reading.
- Australian National Maritime Museum Bill 1986—
Initiated in the House of Representatives. Third Reading.
- Australian Security Intelligence Organization Amendment Bill 1986—
Initiated in the House of Representatives. Third Reading.
- Bills of Exchange Amendment Bill 1985—
Initiated in the House of Representatives. Third Reading.
- Bounties Bill 1986—
Initiated in the House of Representatives. Third Reading.
- Cheques Bill 1985—
Initiated in the House of Representatives. Third Reading.
- Commonwealth Employees (Employment Provisions) Bill 1985—
Initiated in the House of Representatives. First Reading.
- Criminology Research Amendment Bill 1986—
Initiated in the House of Representatives. Third Reading.
- Dairy Industry Stabilization Levy Amendment Bill 1985—
Initiated in the House of Representatives. Discharged.
- Dairy Legislation Amendment Bill 1985—
Initiated in the House of Representatives. Discharged.
- Dairy Produce Amendment Bill 1985—
Initiated in the House of Representatives. Discharged.
- Dairy Produce Market Support Bill 1985—
Initiated in the House of Representatives. Discharged.
- Environment Protection (Impact of Proposals) Amendment Bill 1986—
Initiated in the House of Representatives. Third Reading.
- Environment Protection (Sea Dumping) Amendment Bill 1986—
Initiated in the House of Representatives. Second Reading.
- Flags Amendment Bill 1985—
Initiated in the Senate. First Reading.
- Foreign Takeovers Amendment Bill 1986—
Initiated in the House of Representatives. Third Reading.
- Human Rights and Equal Opportunity Commission Bill 1985—
Initiated in the House of Representatives. Third Reading.
- Human Rights and Equal Opportunity Commission Amendment Bill 1985—
Initiated in the House of Representatives. Third Reading.
- Human Rights and Equal Opportunity Commission (Transitional Provisions) and Consequential Amendments Bill 1985—
Initiated in the House of Representatives. Third Reading.
- Inspector-General of Intelligence and Security Bill 1986—
Initiated in the House of Representatives. Third Reading.

THE BILLS OF THE SESSION—*continued*

Intelligence and Security (Consequential Amendments) Bill 1986—
Initiated in the House of Representatives. Third Reading.

National Capital Development Commission Amendment Bill 1985—
Initiated in the House of Representatives. Third Reading.

Parliament (Powers, Privileges and Immunities) Bill 1985—
Initiated in the House of Representatives. Second Reading.

Prompt Payment of Commonwealth Accounts Bill 1986—
Initiated in the House of Representatives. Second Reading.

Sex Discrimination (Consequential Amendments) Bill 1986—
Initiated in the House of Representatives. Third Reading.

South Pacific Nuclear Free Zone Treaty Bill 1986—
Initiated in the House of Representatives. Second Reading.

Statutory Declarations Amendment Bill 1985—
Initiated in the House of Representatives. First Reading.

Telecommunications (Interception) Amendment Bill 1986—
Initiated in the House of Representatives. Second Reading.

Trade Practices Amendment Bill 1985—
Initiated in the House of Representatives. Discharged.

Trade Union Training Authority Amendment Bill 1986—
Initiated in the House of Representatives. Third Reading.

Wildlife Protection (Regulation of Exports and Imports) Amendment Bill 1986—
Initiated in the House of Representatives. Third Reading.

Friday, 23 May 1986

Madam SPEAKER (Hon. Joan Child) took the chair at 10 a.m., and read prayers.

ADJOURNMENT OF THE HOUSE: DAIRY LEGISLATION

Suspension of Standing and Sessional Orders

Motion (by Mr Young) proposed:

That—

- (1) standing order 48A (adjournment of House), as amended by sessional order, be suspended for this sitting, and
- (2) in relation to the proceedings on the following Bills, so much of the standing and sessional orders be suspended as would prevent the Leader of the House making one declaration of urgency and moving one motion for the allotment of time in respect of all the Bills:

Dairy Produce Bill 1986;

Dairy Produce Levy (No. 1) Bill 1986;

Dairy Produce Levy (No. 2) Bill 1986;

Dairying Industry Research and Promotion Levy (Termination of Levy) Bill 1986;

Dairying Industry Stabilization Levy (Termination of Levy) Bill 1986; and

Dairy Legislation (Transitional Provisions and Consequential Amendments) Bill 1986.

Mr SINCLAIR (New England—Manager of Opposition Business) (10.02)—This is yet another illustration of a country which has run amok, with a Government that does not know where it is going or what it is up to. We began the week with the country in disaster, with the banana republic syndrome alive and well. The bull had well and truly grabbed the Treasurer (Mr Keating) by the tail. This motion today is designed yet again to restrict the opportunities for members to debate issues that are of fundamental importance. Today we have a package of dairy legislation—not one Bill but six. We will be allowed only a restricted amount of time to debate them. There will be no opportunity for members who are affected electorally by this measure to give the matter adequate consideration.

We well understand that the only reason the motion has been moved is that the Government has not been able to get its act together. For example, it is really quite incredible that, over this past week, having had nine months to introduce the legislation on capital gains tax, the Government did not have the explanatory memorandum ready to present to the House. Today we will be expected, in the course of a few

hours, to deliberate on measures that will affect the lives and livelihoods of thousands of dairy farmers around this nation. The Opposition does not accept that it is necessary to have a guillotine affecting these measures.

Of all the measures that have been before the Parliament, the changes introduced in this area demonstrate as much as anything that the Government does not know where it is going. We should understand that this is about the third separate package that has been presented to us in this area. The industry is still far from happy. Many people in various States see the Government's intrusion as preventing altogether their opportunity to carry on their business as they would wish. We are concerned that all the issues relating to the measure should be adequately debated, but with a guillotine it is impossible to do so. On that basis the Opposition does not support the motion and will vote against it.

Question put:

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

The House divided.

(Madam Speaker—Hon. Joan Child)

Ayes	69
Noes	52
Majority	17

AYES

Baldwin, P. J.	Keating, P. J.
Beddall, D. P.	Kelly, R. J.
Blanchard, C. A.	Kent, L.
Blewett, N.	Keogh, L. J.
Bowen, Lionel	Klugman, R. E.
Brown, Robert	Lamb, A. H.
Brumby, J. M.	Langmore, J. V.
Charles, D. E.	Lee, M.
Charlesworth, R. I.	Lindsay, E. J.
Chynoweth, R. L.	McHugh, J.
Cleeland, P. R.	McLeay, Leo
Cross, M. D.	Maher, M. J.
Cunningham, B. T. (Teller)	Martin, S. P.
Dawkins, J. S.	Mayer, H.
Dubois, S. G.	Mildren, J. B.
Duffy, M. J.	Milton, P.
Duncan, P.	Morris, Allan
Edwards, Ronald	Morris, Peter
Fatin, W. F.	Mountford, J. G.
Fitzgibbon, E. J.	O'Keefe, N. P.
Free, R. V.	O'Neil, L. R. T.
Gear, G.	Price, L. R. S.
Gorman, R. N. J.	Punch, G. F.
Grace, E. L.	Saunderson, J.
Griffiths, A. G.	Scholes, G. G. D.
Hand, G. L.	Scott, J. L.
Holding, A. C.	Snow, J. H.
Hollis, C.	Staples, P. R.
Howe, B. L.	Theophanous, A. C.
Humphreys, B. C. (Teller)	Tickner, R. E.
Hurford, C. J.	Uren, T.
Jacobi, R.	West, S. J.
Jakobsen, C. A.	Wright, K. W.
Jenkins, H. A.	Young, M. J.
Jones, Barry	

NOES

Adermann, A. E.	Hodges, J. C.
Aldred, K. J.	Hodgman, W. M.
Andrew, J. N. (Teller)	Hunt, R. J. D.
Blunt, C. W.	Jull, D. F.
Brown, N. A.	Lloyd, B.
Burr, M. A.	McArthur, F. S.
Cadman, A. G.	McGauran, P. J.
Cameron, Donald	MacKellar, M. J. R.
Cameron, Ewen	McVeigh, D. T.
Cameron, Ian	Miles, C. G.
Coleman, W. P.	Millar, P. C.
Conquest, B. J.	Moore, J. C.
Cowan, D. B.	Nehl, G. B.
Dobie, J. D. M.	Peacock, A. S.
Downer, A. J. G.	Reith, P. K.
Drummond, P. H.	Robinson, Ian
Edwards, Harry	Rocher, A. C.
Everingham, P. A. E.	Ruddock, P. M.
Fife, W. C.	Sharp, J.
Fischer, Tim	Shipton, R. F.
Fisher, Peter	Sinclair, I. McC.
Goodluck, B. J.	Slipper, P. N.
Hall, Steele	Tuckey, C. W.
Halverson, R. G.	Watson, David
Hawker, D. P. M.	Webster, A. P.
Hicks, N. J. (Teller)	Wilson, I. B. C.

PAIRS

Hayden, W. G.	Shack, P. D.
Cohen, B.	Smith, W.
Darling, E. E.	Braithwaite, R. A.

Question so resolved in the affirmative.

DAIRY LEGISLATION

Declaration of Urgency

Mr YOUNG (Port Adelaide—Leader of the House)—I declare that the following Bills are urgent Bills: Dairy Produce Bill 1986, Dairy Produce Levy (No. 1) Bill 1986, Dairy Produce Levy (No. 2) Bill 1986, Dairying Industry Research and Promotion Levy (Termination of Levy) Bill 1986, Dairy Industry Stabilization Levy (Termination of Levy) Bill 1986 and Dairy Legislation (Transitional Provisions and Consequential Amendments) Bill 1986.

Mr Cadman—It is impossible to hear.

Madam SPEAKER—Order! If honourable members drop the level of conversation a bit, everybody will be able to hear.

Mr Cowan—We are very interested in these Bills; we are very concerned about the dairy industry and we want to talk about it. We have not heard what the Leader of the House has said.

Madam SPEAKER—Will the honourable member resume his seat? We will check about the microphones.

Mr Donald Cameron—On a point of order, Madam Speaker: Honourable members have not heard what they are being asked to—

Madam SPEAKER—Order! The honourable member will resume his seat. The question is: That the Bills be considered urgent Bills.

Question resolved in the affirmative.

Allotment of Time

Mr YOUNG (Port Adelaide—Leader of the House) (10.13)—I move:

That the time allotted in connection with the Bills be as follows—

Would the honourable member for Moreton please listen?

Madam SPEAKER—If honourable members stop speaking the House will be able to hear. Honourable members have just complained about not being able to hear.

Mr YOUNG—I move:

That the time allotted in connection with the Bills be as follows:

- (1) Dairy Produce Bill 1986; For the remaining stages, until 4.00 p.m. this day.
- (2) Dairy Produce Levy (No. 1) Bill 1986; For the remaining stages, until 4.05 p.m. this day.
- (3) Dairy Produce Levy (No. 2) Bill 1986; For the remaining stages, until 4.10 p.m. this day.
- (4) Dairying Industry Research and Promotion Levy (Termination of Levy) Bill 1986; For the remaining stages, until 4.15 p.m. this day.
- (5) Dairy Industry Stabilization Levy (Termination of Levy) Bill 1986. For the remaining stages, until 4.20 p.m. this day.
- (6) Dairy Legislation (Transitional Provisions and Consequential Amendments) Bill 1986; For the remaining stages, until 4.25 p.m. this day.

In so moving, I say that the Opposition and the Government members are aware, of course, that the Government has had an additional discipline placed on it in terms of getting the business through the House. We are not setting a particularly onerous task in terms of legislation that is coming before the House. The business we have set down this week and next week is of particular urgency because the coalition has decided that it will not deal with any legislation in the Senate which the Senate receives after next Thursday. That is the decision that the Opposition has to sit with. All the business set down for this week and all the business that is set down for next week will have to be completed by next Thursday night because the Opposition—the Liberal Party of Australia and the National Party of Australia—have decided to break another convention, and that is that the Senate will not deal with legislation which passes through the House of Representatives after next Thursday night. It is a matter of urgency that

this Government must deal with the legislation set down. It may be that in the next session the Opposition will decide that it will deal only with matters that go through the House of Representatives in the first four weeks of the sitting, in which case we will have to compress all the legislation into the first four weeks. The Opposition should have realised what it was doing when it took the decision, which imposes a new restriction on the Government. It will just have to live with the consequences. The consequences of its decision are that members of the House of Representatives will have less time to debate these Bills than they otherwise would have had.

Mr SINCLAIR (New England—Manager of Opposition Business) (10.16)—It had not been my intention to respond, but the Leader of the House (Mr Young) has stated an entirely incorrect version of the facts. It should be understood that this Government cannot get its act together. All that babble and rabble on the other side who are temporarily sitting on the Government benches should understand that if those few sitting on the front bench cannot get their legislative program right, if all those Caucus committees cannot conclude their deliberations sufficiently early for them to come into this place and be considered adequately so that they can be passed by the Senate in a reasonable time, they can expect that restraints such as those in the resolution to which the Leader of the House referred will continue to be imposed on them.

The purpose of the Senate resolution is to tell the Government to pull its finger out and to get its work done. What the Government is doing is essentially sitting on its hands. It is not prepared to undertake a proper and correct basis for consideration of serious matters which affect the people of Australia. The only way in which the Senate and this place can adequately consider legislation and get their work done is for members of the Government, instead of tripping away overseas, to stay in Australia. We have the Prime Minister (Mr Hawke) out in the boondocks of China; I am delighted to see the Minister for Immigration and Ethnic Affairs (Mr Hurford) here today, but he has been away; the Minister for Foreign Affairs (Mr Hayden) is away. If they do not want to have guillotines, Ministers should stay in Australia, conclude their work and give the Parliamentary Counsel instructions. Nobody in this place would then be in the position of having to have such a ridiculous guillotine motion as this before them for consideration. The only reason for the guillotine is that the Leader of the House has not been able to

marshal his troops. We know that the Prime Minister has lost control. We know that the telephone has taken over from the Cabinet table. We know that no longer are matters of very significant public importance being considered in the way they should be. As far as this House is concerned, we are not prepared to take the consequences and have guillotines imposed on us simply because the Government is not doing its job adequately, quickly, or in time.

The purpose of this motion is not in any way related to the suggestions the Leader of the House has put forward; it is entirely related to the Government not getting its act together early enough, not getting the legislative instructions to the Parliamentary Counsel on time. We are here this morning just because the Government could not get its act together. Consequently, we have a motion which will give minimal time for debating a very serious package of Bills. We do not accept the admonition from the Leader of the House, and we commend the Senate for trying to bring the Government under some sort of disciplinary approach.

Mr SCHOLES (Corio—Minister for Territories) (10.19)—Having listened to the Leader of the National Party and Manager of Opposition Business (Mr Sinclair), we can understand why those opposite are in opposition. At least he had the common decency to laugh while he was making that stupid statement.

Mr TUCKEY (O'Connor) (10.20)—Madam Speaker—

Mr Wright—Are you cartoon time?

Madam SPEAKER—Order!

Mr TUCKEY—You will never make a cartoon, son; you are so irrelevant. Madam Speaker—

Madam SPEAKER—Order! Is the honourable member for O'Connor speaking to the motion before the Chair?

Mr TUCKEY—Yes, certainly, Madam Speaker. The Leader of the House (Mr Young) has said that debate on these measures will be curtailed because of decisions taken in the Senate. These measures are the result of an announcement in this Parliament on 19 September 1985. Furthermore, you got your instructions from Bill Kelty on 3 February 1985 when he made his speech to the Socialist Forum and he spelt out the tax measures chapter and verse. You have known since 3 February 1985 what you were going to do, and you still have not got the legislation passed. That is a fact: You got your instructions on 3 February 1985. You can

read in the *Sydney Morning Herald* that Bill Kelty spelt out his instructions to you at the Socialist Forum in Melbourne. Why are you wasting all that time getting your Bills together? The capital gains tax has been imposed on Australians—

Mr O'Keefe—I take a point of order, Madam Speaker. These comments are not only irrelevant; they are mendacious.

Madam SPEAKER—Order! The honourable member will resume his seat.

Government members interjecting—

Madam SPEAKER—Order! If honourable members on my right will be quiet, they will save some time.

Mr TUCKEY—Madam Speaker, the capital gains tax has been imposed on Australians since 19 September. This legislation has just seen the light of day, and you are going to use this sort of excuse. You could have brought it in on the first day of this sitting. You have had since 19 September. In fact, I repeat that you have had since 3 February 1985, when Bill Kelty told you what you were going to do. That was five months before your tax summit, when your blooming arrogant Treasurer (Mr Keating) told you he had his cart running on four wheels. That was the situation.

Mr Robert Brown—I take a point of order, Madam Speaker.

Mr TUCKEY—Is it hurting, Robert? Is it hurting?

Madam SPEAKER—Order! If the House will be quiet, the Chair might hear the point of order from the honourable member for Charlton. Members on my right are not assisting the Chair.

Mr Robert Brown—Madam Speaker, my point of order concerns the fact that the honourable member for O'Connor is casting very serious aspersions against you as Speaker, because he is saying that 'you' received 'your' instructions from Mr Kelty.

Madam SPEAKER—Order! The honourable member will resume his seat.

Mr TUCKEY—Thank you, Madam Speaker. Might I repeat: So you did. Bill Kelty laid your instructions down on 3 February 1985.

Madam SPEAKER—Order! The honourable member for O'Connor should speak through the Chair.

Mr Robert Brown—I take a point of order, Madam Speaker. My point of order is quite

clear. Honourable members are required to speak to and through the Chair.

Madam SPEAKER—I have just reminded the honourable member for O'Connor to speak through the Chair.

Mr Robert Brown—The honourable member should be required to withdraw.

Madam SPEAKER—The honourable member will resume his seat.

Mr TUCKEY—Madam Speaker, let me address it to you—and I am sure that you did not get your instructions at that time. I am referring to the Ministers and others who have had all that time to bring this important legislation down. The Treasurer gave us his brown paper bag lecture again today. Where do they think their fringe benefit taxes are going to end up? They will end up right in that brown paper lunch bag. It will be the working people who pay them. Do they think the big companies are going to lower—

Madam SPEAKER—Order! Will the honourable member for O'Connor speak to the motion before the Chair?

Mr TUCKEY—Yes, Madam Speaker. We have suddenly been put under all this pressure to try to carry out the business of the Parliament. We have only been here for the last three months! During all that time we have been given very little legislation. All of a sudden, all these very difficult things have hit the people of Australia. We would like to explain to Labor members that their fringe benefits tax will end up in those brown paper lunch bags, because the big companies will increase their prices. They will not reduce their dividends; they cannot afford to with the company takeover situation that Labor members now tolerate. They will do that. The point I am making is—

Madam SPEAKER—Will the honourable member stick to the matter before the Chair?

Mr TUCKEY—The point I am making is that it is in Labor members' own interests to give us the time to debate these matters. They first knew on 3 February 1985 that they were going to enact this legislation. As I am worried that the honourable member for Charlton is going to get tired jumping up and down, I will give him a break and sit down.

Mr YOUNG (Port Adelaide—Leader of the House) (10.25)—in reply—It is interesting to see how the Manager of Opposition Business, the right honourable member for New England (Mr Sinclair), and the honourable member for

O'Connor (Mr Tuckey) have done everything possible to stop their colleagues from the National Party of Australia talking about this dairying legislation. We could have been debating it 20 minutes ago. The Opposition has used up all this time because it knows that the essence of this debate will be a vote of congratulations for the Minister for Primary Industry (Mr Kerin), who has done such an excellent job in the dairy industry, the sugar industry and the beef industry. He is the best Minister for Primary Industry that this country has ever seen.

Let me tell honourable members something else. When members of the coalition in the Senate decided not to deal with new legislation after next Thursday night they did not tell this mob here; they just voted on it in the Senate and told them the result. So when the Manager of Opposition Business said that he supports his colleagues in the Senate, he supports them *de facto*, because he was not asked for his views. He was told what they would do. This is the role the Opposition gave the Senate in 1975: It placed the Senate on a pedestal by saying that the Senate is more important than the House of government, the House of Representatives.

This session of Parliament has been a far busier session than the Fraser Government ever had. It will sit for 11 weeks and it will deal with a multiplicity of legislation, something which the Fraser Government never did. I will tell honourable members something else. I can recommend some reading to honourable members over the weekend. I am reading Patrick O'Brien's book on the Liberal Party of Australia and I recommend it to everybody. I have just got to the stage when, after the 1983 election, Malcolm wrote to Reg Withers apologising for sacking him. Reg said: 'Too bloody late, mate'. I suggest that honourable members opposite read that book on the Liberal Party so that they can see how it carried out its policies as promised by the governments of 1975-77 and 1977-80.

The Opposition has deliberately taken up the time of the House. This matter could have been dealt with by three minutes past 10 but the Opposition decided that it did not want to put up all its donkeys from cockies corner to argue with the Minister for Primary Industry.

Mr Cowan—Madam Speaker, I raise a point of order. We do not mind being called the donkeys from cockies corner but we do want to be recognised as people who look after the farmers.

Madam SPEAKER—Order! There is no point of order.

Mr YOUNG—I was out on farms for only six years; I did more work then than all of those blokes put together. At least I was working; those blokes were sitting on the bales watching me. I am sure that we can accommodate all those who want to speak on the dairying legislation; we have until twenty-five minutes past four to debate it. As for the honourable member for O'Connor, as Arfur would say to Terry, 'He's a bit radio rental'.

Question resolved in the affirmative.

DAIRY PRODUCE BILL 1986

[COGNATE BILLS:

DAIRY PRODUCE LEVY (No. 1) BILL
1986

DAIRY PRODUCE LEVY (No. 2) BILL
1986

DAIRYING INDUSTRY RESEARCH AND
PROMOTION LEVY (TERMINATION OF
LEVY) BILL 1986

DAIRY INDUSTRY STABILIZATION
LEVY (TERMINATION OF LEVY) BILL
1986

DAIRY LEGISLATION (TRANSITIONAL
PROVISIONS AND CONSEQUENTIAL
AMENDMENTS) BILL 1986]

Second Reading

Debate resumed from 7 May, on motion by
Mr Kerin:

That the Bill be now read a second time.

Madam SPEAKER—I understand that it is the wish of the House to debate order of the day No. 1, the Dairy Produce Bill 1986, concurrently with orders of the day Nos 2 to 6, the Dairy Produce Levy (No. 1) Bill 1986, the Dairy Produce Levy (No. 2) Bill 1986, the Dairying Industry Research and Promotion Levy (Termination of Levy) Bill 1986, the Dairy Industry Stabilization Levy (Termination of Levy) Bill 1986 and the Dairy Legislation (Transitional Provisions and Consequential Amendments) Bill 1986. There being no objection, the Chair will allow that course to be followed.

Mr HUNT (Gwydir) (10.30)—The Opposition does not oppose the Dairy Produce Bill 1986, the Dairy Produce Levy (No. 1) Bill 1986, the Dairy Produce Levy (No. 2) Bill 1986, the Dairying Industry Research and Promotion Levy (Termination of Levy) Bill 1986, the Dairy Industry Stabilization Levy (Termination of Levy) Bill 1986 and the Dairy Legislation (Transitional Provisions and Consequential Amendments) Bill 1986. Last May the Opposition took a strong

stand in defence of the Australian dairy industry, a stand which is fully vindicated by these revised dairy marketing Bills. The return of these Bills in a form more acceptable to the dairying industry is a salutary political lesson for the Hawke Labor Government. Honourable members will recall that the faked breakthrough in the talks on a national marketing plan two days before the Victorian election dissolved into thin air soon after the Cain Government was re-elected by a bare margin.

Mr Tim Fischer—It was a sham.

Mr HUNT—It was a sham.

Mr Hawker—It was a con, a real con.

Mr HUNT—It was a disgrace. It was the greatest political con trick ever played upon people in that State. In its place came a draconian set of Bills which threatened to decimate the \$340m export sector of our dairy industry and send hundreds, if not thousands, of producers to the wall. No wonder this country is in such difficulty with balance of trade deficits. No wonder the Treasurer (Mr Keating) is talking about Australia being likely to become a banana republic unless it improves its performance. When a government pays such scant regard to an export industry and treats the seventh largest export industry of this country in the way in which it attempted to treat it last year with its dairy legislation, there is no doubt that it has no real concern about the export sector of Australian industry.

If that legislation had passed the Parliament it would have gravely impaired the efficiency of an important domestic and export industry which has already rationalised from 49,000 to 19,000 farms in 30 years. It would have created untold social hardship to thousands of dairy farming families, but clearly this Government could not have cared less because they were only farmers. The Opposition sought the removal of anti-industry provisions in the Bills last May, and with the support of the Australian Democrats in another place we stopped the so-called Kerin plan in its tracks.

Mr Cunningham—Ha, ha! What a joke!

Mr HUNT—That is true. The honourable member laughs. The chairman of a parliamentary committee of the Australian Labor Party is running around the countryside trying to shore up some confidence in a Party that has kicked in the teeth the farm industries of Australia, causing so much hardship and heartbreak amongst the families that are struggling to make ends meet. Our action gave the industry two

vital breaks. It gave some breathing space to the industry. The industry also had a far stronger hand with which to go back to the negotiating table with the Hawke Labor Government. The Opposition and the Democrats saved producers tens of millions of dollars through its actions in this Parliament. This could not have come at a more important time for the industry. This year dairy farmers will each earn an average net income of \$4,400 for their 12 months' work—a quarter of average weekly earnings.

Mr Nehl—Not enough.

Mr HUNT—As the honourable member says, it is not enough. Dairy farmers' incomes will be at levels that the Australian Council of Trade Unions would not accept in a fit. Both the Opposition and the industry have every reason to be pleased with our achievement on behalf of the Australian dairy industry, the manufacturers and the employees that work within the industry. In a letter to me this week the President of the Australian Dairy Farmers Federation, Mr Pat Rowley, told me:

In summary, the legislation now before the Parliament is not perfect but is vastly superior to that which was before us this time last year.

In money terms, it will be worth tens of millions of dollars more to the industry.

On behalf of the Australian Dairy Farmers Federation I would like to thank you for the part you played in bringing this about.

At this point, it is appropriate that I pay strong tribute to the untiring efforts of Mr Rowley, his predecessor, Mr Bennett, and the countless other industry leaders and executive officers who have given so much of their time and resources to negotiate a more acceptable marketing plan on the industry's behalf. Their job has not been easy. They have had to marry the vastly different interests of producers in various States—a job which was made ever so much harder by the antagonistic attitudes of some Labor State governments. The efforts of these industry chiefs have been, simply, quite outstanding.

Unfortunately, the Hawke Labor Government can take little credit. It has played the dairy farmers as political pawns and fools. The farmers were led to believe that they had won their long-awaited agreement between the State governments when Premier Cain intervened in a blaze of publicity, two days before his election. Once again, primary producers have found that the Australian Labor Party cannot be trusted. Less than three weeks after the Victorian election, the farmers were dumped.

The Federal Minister for Primary Industry (Mr Kerin) claimed in a stroke of blinding en-

lightenment that the plan settled three weeks earlier on the eve of the Victorian election had some 'internal inconsistencies'. That plan had been under negotiation for two years! This Hawke Labor Government stands condemned for its blatant expediency at the cost of the producers. No sooner was the industry dumped than the Kerin plan hit the Parliament. I cannot recall a more savage, anti-industry piece of legislation than the Kerin plan in its original form. Producers were given no time to adjust to the sudden abandonment of mechanisms which had been in place for many years.

Mr Hawker—Less than two months.

Mr HUNT—Exactly. The stated aim was to cut production, but the real thrust was to dampen an inflation rate now running at three times the Western world average by reducing the domestic price of dairy products.

Mr Peter Fisher—It is a consumers' Bill.

Mr HUNT—That is what it is—a consumers' Bill to satisfy the provisions of the accord. That is what it is all about.

Mr Cunningham—Ha, ha!

Mr HUNT—The honourable member for McMillan can smile; he can laugh. He is a decent fellow, but how can he live with people who are ripping the insides out of those good people he represents down in the McMillan electorate? Let me remind him and the House that a bottle of fresh milk, delivered daily to the home if required, still costs less than 50c. Using 1970 as a base of 100, the price of milk has risen to 341 and butter to 260 in 15 years. The consumer price index over that time has risen to 389. In other words, the dairy industry has taken a real price cut over the past 15 years.

I refuse to accept that the efficient farm industries should be attacked in order to cut Labor's inflation rate. We will fight such moves all the way. Last year, in an act of conciliation, the Australian Dairy Farmers Federation agreed to negotiate on the Minister's plan. It is pleasing that the Opposition's stand on the three major areas of contention with the original Kerin plan has borne fruit. Two of our amendments sought an orderly phase-out of product levies. This has been achieved. We also sought to delay the abolition of export pooling for two years.

By deferring the Bills we have achieved 15 months, which has at least given producers some time to anticipate the changes and adjust their on-farm planning. Equally, manufacturers and exporters have had the chance to study the changes and adjust their decisions accordingly.

This may be seen in part in recent co-operative mergers, notably in Victoria. Since moving those amendments, the Opposition has consistently supported the industry on other remaining matters, including an increase in the domestic value of leivable products and the insertion of a safety clause governing the all milk levy.

Under this Government domestic product prices have remained frozen for four years. I think the last rise was in December 1982. Yet this Government, with its policy of indexation of wages, with what it says is its concern for the working people of Australia, was prepared to let prices in the dairy industry stay pegged for a four-year period. No wonder there has been so much antagonism and anger. When the Prime Minister (Mr Hawke) went to Echuca and met a dairy farming family, no wonder he came back emotionally distressed. He was in the home of that Echuca family. He could see the difficulties under which they were struggling. The Prime Minister was moved——

Mr Nehl—But only while the cameras were on him.

Mr HUNT—I would give him more credit than that, because he came back and made some rather irrational decisions. In a state of emotion, he sacked the Secretary to the Department of Primary Industry. If he had sacked the Minister for Primary Industry he might have done justice, but he sacked the Secretary—he got rid of him. He did that to try to salve his conscience. I think his conscience was moved after he had spoken to the family and seen the distress in their eyes and the rather sad circumstances of their lives.

Under this Government domestic product prices have remained frozen for four years. The industry will not forget that. In this legislation modest price rises have been achieved of about 5 per cent for butter and 8 per cent for cheese. Big deal! That is the only increase over a four-year period. But the industry is thankful for small mercies from this lot. The comfort or safety clause was fought all the way by the Government. The clause is designed to protect those States which will be net payers into an all-milk levy fund should sections of the industry attempt to trade manufacturing milk interstate on to liquid milk markets. As late as 25 February, the date of the Minister's so-called settlement of negotiations on these Bills, he was still kicking and squirming, although he refused to go personally into print. I quote from the *Australian Financial Review* of the following morning:

Mr Kerin's spokesman—
whoever that was—

said that there were technical problems associated with writing market protection into the legislation, because infringements of markets are hard to define legally.

To that I say: What rot! All States support the inclusion of clause 6 in the Dairy Produce Levy (No. 1) Bill. We can only speculate as to why the Minister reacted in such a negative manner to this request for a levy safeguard. This legislation has not obtained the full approval of the industry but, under the circumstances, it has been accepted by the Dairy Farmers Federation as a compromise. The Opposition is not dissatisfied with the final outcome. Clearly, the Bills are preferable to the Minister's threat at one point to abandon all the legislation and let the industry crash. The benefit of the Opposition's actions can be summarised in these words: Some measure of stability and predictability.

Mr Beddall—Unnecessarily delayed.

Mr HUNT—I think I covered that. I have said that if the Government's legislation had gone through both Houses last year the honourable member for McMillan (Mr Cunningham) would certainly not have been back in this Parliament after the next election. There would have been a wholesale crisis in the Australian dairy industry. Farmers would have walked off their farms and workers would have walked out of the dairy factories. Jobs would have been lost and the sixth or seventh largest export industry in Australia would have been decimated. That was the way the Government would have treated them, because they were farmers—because they were farmers and not members of the Australian Council of Trade Unions. The industry will now be better exposed to world markets. Producers will maintain a self-help arrangement to ensure that the oversupplied world product markets and corrupted world prices do not undermine the manufacturing or the product sector. Stability is likely to come through a levy on all milk which cannot exceed 45c per kilogram butterfat. This will replace current stabilisation levies.

I would expect that the operative levy rate, to be struck next month by the Australian Dairy Corporation with advice from the Australian Dairy Industry Advisory Council, to be in the vicinity of 1.5 to 1.7c per litre, depending on the butterfat content. These levy proceeds are paid into a market support fund that will be distributed by the Corporation on the basis of an assessed 30 per cent of the average export price for declared dairy produce over the coming year. While this will give stability to the export sector,

it also will introduce a new reward for initiative. The exporter will receive the 30 per cent premium—say, \$750 a tonne of butter—on top of the world price. This is eminently sensible at a time when export markets have been saturated with dairy produce from other suppliers—produce which, in some cases, enjoys subsidies exceeding 100 per cent. Europe alone holds some 100 million tonnes of butter in store, some of which is more than two years old.

That brings me to the next point that I want to raise, because I think that this legislation needs to be put in the context of what has happened in the last day. This morning I have been informed that there has been a sudden increase in the level of European payments for the export of cheese into the Japanese market. The Japanese market is Australia's most important export market. The increase in European payments will drop the price of cheese into the Japanese market by at least \$100 a tonne. It is a change which will be of great concern to the manufacturing side of the dairy industry and, I am sure, of great concern to those manufacturing industries in Victoria. We are told that this has been done to compensate the Europeans for the exchange rate movements between European currencies and the Japanese yen that have occurred in recent months.

Prior to this week the European subsidy on 10 lines of cheese—danbo, edam, fontal, fontina, gouda and a whole list of others—was running at 326 European currency units per tonne. This week the subsidy has leapt through the roof. For those 10 lines of cheese, the export refund is now 774 ECUs per tonne. This represents an increase this week of 448 ECUs or 137 per cent. In Australian dollars the subsidy to the Europeans has increased from \$440 a tonne to \$1,043 a tonne. For the crucial cheddar cheese line, which is the most important export line to Japan, the news is still worse. From Monday the refund to the Europeans has rocketed from 332 to 905 ECUs per tonne. In Australian dollars that is an increase from \$435 a tonne to \$1,221 a tonne.

Mr Ian Robinson—Is that the success of the Prime Minister's visit?

Mr HUNT—It could well be. This is an increase in the restitution of 180 per cent. We cannot hope to compete against the devastating subsidies of other nations unless this Government acts immediately to get off the farmers' backs. It seems extraordinary, after the Prime Minister's recent visit to Europe and his meeting with the European Economic Community, that

we should have this devastating news that will have a very serious effect on the returns likely to be received by the manufacturing sector in this country.

Mr Cunningham—How much has our cheese gone up in Japan in the past six months?

Mr HUNT—It will drop by at least \$100 a tonne and that will have a very serious effect on the honourable member's industry in Victoria. So it is no laughing matter. If the honourable member thinks it is a laughing matter, I suggest that he get in touch with the Australian Dairy Corporation and find out for himself how concerned it is. This week's news of the European attitude pours further cold water on suggestions of a breakthrough from the recent ministerial talks of the Prime Minister. The Government has made little progress in its negotiations with our trading partners.

Instead of the Minister trying to be a smart ass and releasing the Opposition's discussion paper, as he did at the New South Wales Dairy Farmers' Association conference in Sydney the day before yesterday, he would be wise to quietly read the policy points in that paper and to help the farmers by reducing the costs that the Government is imposing upon the inputs being used by farmers. I think it has backfired on him. I do not think I could ever have attracted the sort of publicity for the policy that he has, because of the way in which he released it. The Minister said that the primary industry policy fell off the back of a truck, but he launched it off the back of a truck to the media in Sydney. He should not only launch it, but also read it and take from it to try to overcome some of the very serious problems confronting the farm sector, to reduce their costs of production, at least to help them become more competitive against the actions of the European Economic Community such as I have mentioned this morning. It is time that his Government took meaningful action to restore what it has taken away in Budgets and to alter the whole thrust of its monetary, wages and tax policies and the way in which those policies are bringing great burdens of cost upon the agricultural sector. There is no other answer at the moment. The time for a lot of talk and nonsense has passed. What is needed now is action.

I mention also that under the new arrangements that will be introduced under this legislation further assistance will be given to the exporting sector of the industry. A 30 per cent premium will be paid over and above the world price, which is established by a formula spelt

out in the legislation. I believe that a degree of stability will be given to the manufacturing or dairy produce end of the industry in this legislation, provided the Government takes the necessary decisions to help reduce the costs of the industry in the production area and, secondly, continues very strong negotiations to try to bring about more rationality in the international trade area.

I am pleased that the Commonwealth underwriting is maintained, even if it is at 85 per cent instead of 90 per cent of the long term average export price. A separate new potholing mechanism will be funded by the industry through its Market Support Fund. The potholing complements underwriting in that, until now, the underwriting has been triggered only when the full year export returns have dropped below 90 per cent of a three-year average return. This has meant that severe but short term falls in export returns have not been compensated if the full year average prices remained above the 90 per cent level. The potholing mechanism will effectively counter short, sharp cuts to returns. Payments from the Market Support Fund will be triggered if the export return temporarily falls below 85 per cent of the Bureau of Agricultural Economics' estimate of the long term average price.

I note that the Minister has not specified operative rates for the four levies which will be struck under the new legislation. I understand that the operative rates will be struck early next month, within the maximum rates of 45c per kilogram butterfat for the market support fund, 5.5c for promotion, 2.5c for research and 2.5c towards the operation of the Australian Dairy Corporation. Several complaints have been lodged with me over the industry's decision to use butterfat content rather than volume as the levy base. Against these views, experience overseas has shown that milk can be de-watered in an effort to cut levy payments. As the Australian Dairy Farmers Federation points out, it is logical that the levy should be imposed on the same units in which farmers are paid. There is growing support at a national industry level for a shift towards a levy base which combines milk-fat and proteins and which may prove to be the most equitable solution. I will be watching progress on this matter with interest.

In summary, these Bills are far better than those which the Minister sought to ram through the Parliament last year. It is both pleasing and gratifying that the actions taken by the Opposition have resulted in more equity for this impor-

tant industry. There can be no doubt that the Opposition has given dairy farmers new stability and predictability within their industry. This legislation is a lesson to the Hawke Government. It cannot treat Australian farmers with contempt, as it has in the past, and expect to escape the consequences.

I turn briefly to the other main aspect of these Bills; that is, the changes to the Australian Dairy Corporation. In short, the ADC is to be restructured in line with reforms to the statutory marketing authorities as announced by the Minister on 29 January. On previous occasions in this place I have supported the general thrust of the reforms, and I indicate now that the Opposition accepts the proposed changes to the Corporation. The main question arising is whether the incoming Chairman should be a producer. Although I will not seek to move an amendment on this matter, it would be helpful if the Minister could indicate in his response that he will listen closely to the wishes of the industry and act accordingly. I note that the new selection committee will have four producer representatives out of five, and I commend the Minister for that. A major breakthrough is the consultative mechanism in the Bills whereby on important issues the Corporation will consult the Council of the Australian Dairy Industry Conference. Again, this has been achieved largely through the strengthened hand of the industry as a result of the Opposition's actions.

At this point it is appropriate that special tribute be paid to the efforts of ADC Chairman, Mr Malcolm Vawser. His contribution over the past seven years has been nothing short of outstanding. Mr Vawser has demonstrated leadership and an effectiveness in his post for which all people engaged in the industry can be very grateful.

It is relevant to look ahead to the future of our industry. There is no doubt that we must retain a healthy, viable export component to take advantage of the inevitable growth in world markets. Many of our current problems have resulted from the subsidy policies of the EEC. There were hopeful signs that the common agricultural policy was beginning to break down under its own weight and that world agriculture may come under the full provisions of the General Agreement on Tariffs and Trade. Recent events make one wonder whether that will occur, but if it does occur Australian farmers must be positioned to take advantage of any world market recovery and any relaxation in the impediments to world trade at the present time.

Our best prospects in the immediate future lie with the markets in Asia and other regions outside Europe. Our products are of high quality and we are relatively close to half the world's population.

It is important, however, to monitor this legislation closely. We will be doing that with the industry to make sure that the new marketing arrangements perform as we expect that they should. Notwithstanding these words of caution, I am pleased to see a negotiated settlement to the dairy marketing issue after such a long and exhausting battle. I wish the Bills a speedy passage and look forward to their enactment prior to the implementation date for many of the provisions, 1 July.

Mr CUNNINGHAM (McMillan) (11.00)—I support the Dairy Produce Bill, the Dairy Produce Levy (No. 1) Bill, the Dairy Produce Levy (No. 2) Bill, the Dairying Industry Research and Promotion Levy (Termination of Levy) Bill, the Dairy Industry Stabilization Levy (Termination of Levy) Bill and the Dairy Legislation (Transitional Provisions and Consequential Amendments) Bill, which have been reintroduced by the Government following efforts in the last 12 months to have them passed and having had them blocked in the Senate by the Opposition. We have just listened to the honourable member for Gwydir (Mr Hunt) having a very long and drawn out speech on these Bills. He hardly touched on the real issues involved. The main and basic objective of the legislation is the development of a more efficient and profitable dairy industry, an industry able to respond quickly to changing market conditions and technology. Only by achieving this objective can we maintain the largest possible Australian dairy industry that would be viable at an acceptable level of industry assistance.

On the domestic market, the industry must be able over time to defend its position on the basis of its competitiveness. Anyone who seeks to deny the fact of the closer economic relations agreement with New Zealand is putting his head in the sand. On the export market, the industry must strive to exploit the most profitable markets and minimise sales that are a net loss to Australia. How do we meet those objectives? First, modification of present arrangements is sought so that producers and manufacturers can reap the benefits of their decisions. I refer to the replacement of current stabilisation arrangements with a uniform level of assistance for all products, the financing of market support in the least distortionary way by a levy on all milk, the

reform of the Australian Dairy Corporation to upgrade its effectiveness—I notice that the honourable member for Gwydir touched on that matter for about one minute although it is possibly one of the main areas of support for the industry—the protection of local industry against unfair import competition, the progressive reduction in domestic price support to no higher than import parity with New Zealand and complementary measures which include increased government support for research marketing innovation and adjustment.

I would like to go back over a couple of those points. I believe, and the Government believes, that the modification of the present arrangements so that producers and manufacturers can reap the benefits of their decisions is the main modification being sought by the Government for the industry, one that should have been put in place many years ago. The industry has been bogged down in regulation—we could call it National Party agrarian-type socialism—under which all sorts of pooling systems were operating, levies were imposed for all sorts of reasons and there was cross-subsidisation to the point where the industry was completely stifled and factories had no initiative whatsoever to invest in new machinery. Conglomerates, co-operatives and private industry grew to the point where the total industry was in absolute chaos, producing products that nobody wanted, with no marketing and no sales.

It was incumbent upon a government—and it took a Labor government to take the initiative—to put these things right. It is not that we are introducing a lot of new legislation. In fact, we are pulling down a lot of the regulation that had been imposed by previous conservative governments at the behest of the National Party. By pulling down those regulations we are able to institute into the industry a lot of initiatives, new development and new technology. We have been able to create a situation whereby the industry can really get behind the newly formed Australian Dairy Corporation. It will be able to advise that Corporation because of its new structures and go from strength to strength. Today, even 12 months after the announcement of the Kerin scheme, we do not have piles of unwanted products sitting in store houses. This legislation will only put in place what the industry has been doing since last July and will carry out the very things that this Government and the industry believe should be done.

The honourable member for Gwydir in his speech was clearly talking from the past and in

the dark. The Victorian dairy industry is probably the most progressive and efficient in Australia. It is the most geared to the market-place. It is the biggest exporter, and the most efficient producer. The Victorian industry had to call a special conference last year to tell its leaders and the National Party that it wanted to support the Kerin-style proposals and to put them into operation. From that day we have seen the National Party and the Liberal Party decide that they had better come in behind what the Government was doing and stop their procrastination.

Let us look at some of the issues. Let us look at the market support arrangements. The domestic price structure will be supported principally through market support payments on exports of dairy produce. As we have said, these will be funded through the market support levy on fat in all milk. The rate of payment will normally be 30 per cent of the estimated average export price for prescribed products; that is, the major products. Also, a supplementary market support payment will be made on exports of dairy products. This will be funded by product levies on domestic sales of butter and cheese. These levies and consequent payments will decline in stages from 1 July 1987. The rate of supplementary payments for prescribed products will in most cases be a percentage of the estimated average export price. The Australian Dairy Corporation will determine prescribed and non-prescribed products and the rate of market support payments for non-prescribed products. Payments for non-prescribed products such as milk and whey proteins, evaporated milk and baby powders are expected to be based on their content of milk fat and non-fat solids, that is, their protein content. Non-cheddar cheese exports are expected to receive payments equal to cheddar but adjusted for moisture content.

There are new underwriting arrangements for the industry. The Government will continue to underwrite or guarantee returns from exports of major dairy products as it does under the present arrangements for butter, butter oil, cheddar-type cheeses, skim milk and buttermilk powder, casein and whole milk powder. However, the basis of underwriting will change from the present system of underwriting 90 per cent of the three-year average of export returns to a new system under which we will underwrite 85 per cent of the trend price. The trend price will be a value that the Bureau of Agricultural Economics estimates would have been obtained for the year if export prices were in their longer term trend line, using actual export returns for the past seven years and the estimated average export

price in the year of underwriting. Any government underwriting payments will be paid to the Market Support Fund. This new system will align with the potholing element of the market support arrangements and will assist the industry better than do current arrangements in the present international price cycle downturn.

Another area that has been raised very strongly with the Government over a long time is domestic price support values; what we now call the DPSVs. In the dairy industry one has to get to know some of the abbreviations to understand what it is all about. We have had a lot of discussion in the past about the domestic value for levy purposes or DVLPs. Under the current arrangements, the ones about which we have been talking for the last two or three years, domestic prices are underpinned by stabilisation levies on domestic sales which, together with the assessed export prices, or AEPs, provide so-called domestic values for levy purposes, with the levy being distributed over all sales to provide an equalised return. Under the new arrangements, the domestic price support values for skim milk powder, whole milk powder and casein will be set by the sum of the average export price, the market support payment and the supplementary market support payment, resulting in domestic price support values equal to or greater than the old DVLPs.

For butter and cheese, however, the sum of the average export price and the two market support payments is likely to be less than their current DVLPs and requires a product levy to reach a domestic price support value equal to the current DVLPs. The product levies for butter and cheese will be used to provide supplementary market support for exports of all dairy products. The cheese levy will be reduced on a six-monthly basis from 1 July 1987 to zero by 1 July 1989. The butter levy will be reduced to half its initial rate by 1 July 1989 and will be reviewed in 1988-89. To help provide a smooth transition to the new arrangements, the Government has agreed to set initial rates of product levies so that the new domestic price support values for butter and cheese will exceed the current DVLPs by 5 per cent and 8 per cent respectively.

In other words, the Government has agreed that there should be a lift in the DVLPs, to use the old terminology, of 5 per cent and 8 per cent respectively. The honourable member for Gwydir tried to take credit for that in his speech. He well knows that that will fall on deaf ears in the dairy industry because, as far as the dairy industry is concerned, the Opposition has op-

posed this type of legislation all the way through. Even last year when the Victorian dairy industry put its position very clearly, the Opposition came back with what it called the Rowley plan, a plan which the National Party was pushing. The industry could not agree to that plan and once again the Opposition had to go back and negotiate on the Kerin proposals. The Kerin proposals are being discussed in the Parliament today and they are going to be in place by 1 July.

It is good to hear that the honourable member for Gwydir, on behalf of the Opposition, at last has conceded that the legislation will be beneficial to the industry and that the industry is already working to those proposals. I will use a few minutes of my speech later to detail some of the reasons why the industry is working so much better today. The matter of the levy being based on milk fat and not on volume was raised with me, in particular, and with the task force of the Prime Minister (Mr Hawke) that I have the privilege of chairing. I have been getting around Australia and talking to different industries and that matter was raised with us while we were in Queensland. The reasons are quite clear. Most farmers at the moment are paid on milk fat delivered. It is desirable, therefore, to align collections of the levies with milk fat rather than with whole milk. Also, experience in Europe with levies based on milk suggests that problems could arise due to milk being dehydrated. That was also mentioned by the honourable member for Gwydir. It is good to see that he does agree with us in that regard.

In future, the industry may move to a compositional system of payments, wherein farmers may be paid on milk fat and protein content—what is better known as solids non-fat. When that occurs the Government will consider basing levies on the compositional basis. We are quite happy to make the adjustment when the industry can come up with a better formula. Some of the other areas of great importance in the legislation relate to the Australian Dairy Corporation: Who will be in charge, who will advise the Dairy Corporation and how much control will the Government still have in this industry. They are vital issues. I believe we are taking steps in this regard which will put this industry into a position where it will be responsible for its own future, it will be responsible for making its own decisions and it will be less reliant upon government direction. When I get around in my electorate—I have been to three meetings in the last four months in relation to the dairy industry—it does surprise me that, in direct contrast to what was organised against us 12 months ago when

the sides of cars were being kicked in by thugs when the Minister for Primary Industry (Mr Kerin) visited my area, I can now go to meetings in my area where the farmers are quite rational. The farmers in Victoria, and I believe right throughout Australia, have seen through the sort of proposals and the sort of campaign that was being waged 12 months ago and they are now quite clearly behind what the Government is doing. They are prepared to initiate the new initiatives.

In my area and in the area of Gippsland people are now prepared to establish new cheese factories. Three factories have already been established since the Kerin plan was announced. Factories today are not producing those products which were based on levies and pooling before and which were sitting in storehouses. Factories were getting paid to produce the product, paid again to reconstitute it and then paid to store it at the farmers' expense. Farmers have woken up to the National Party, in my area at least. I can guarantee that because I can attend a meeting anywhere in my electorate today and at those meetings have resolutions carried congratulating us on getting a job done and on getting it done well.

Finally, I move on to just a couple of points on the Australian Dairy Corporation and where the industry will fit into this in the future. The executive council of the Australian Dairy Industry Conference has been recognised by the Government as the peak industry council best able to provide industry policy advice to the Government and with which the Australian Dairy Corporation will consult on its activities. In other words, the industry will have a very active part to play. The Australian Dairy Corporation will be required to consult with the council on the development of its corporate and operational plans and it will report annually to a meeting of the Australian Dairy Industry Conference on its operations. The council will also approve the scope of ADC trading activities and certain kinds of directions that the Australian Dairy Corporation can make in regard to exports and will be consulted on the criteria that the Corporations will use in directing exporters to consult with the Corporation on their export intentions. In other words, factories and exporters will not be able to go ahead and produce products and then pass the economic effects of bad decision making across to somebody else and ask the farmers to pay for it in the long run.

The legislation enables the council to make recommendations to the Government in respect

of the rate to be prescribed for the Corporation levy which funds the Australian Dairy Corporation. Additionally, the council will also be able to make recommendations in respect of the prescribed rate of promotion and research levies. The restructuring of the Australian Dairy Corporation will be done by a selection committee which will comprise a presiding member chosen and appointed by the Minister, and four members nominated by the executive council. The council will also be able to express its non-confidence in the Corporation, in which case the Minister is empowered to terminate the appointment of one or more of the appointed members of the Corporation.

Expenditure from the dairy industry fund, administered by the Australian Dairy Corporation, in most cases will be subject to ADIC approval. It is quite clear from the direction that the Government is taking that the dairy industry in Australia can now look forward to developing itself and the industry into the next century. We have thrown off the shackles of the regulations imposed upon the industry for so many years—regulations which have restricted the industry and which have imposed costs upon the industry to the point where it was choking on its own performance. We are no longer witnessing in dairying areas four and five milk trucks driving up and down the one road, burning up fuel and destroying roads maintained by local government, to pick up milk from the one dairy farmer simply because there was no rationalisation of that process. A lot of that milk was being taken to factories which were producing products far beyond the expected markets for those products.

In my area there was the particular instance of two factories which in the last 12 months rationalised—one a proprietary and one a co-operative. We did not need to legislate for that to happen. The factories knew that was going to happen and they worked towards it. One particular factory now picks up the milk in that area and that double cost of cartage is cut out. Another factory ceased making butter as soon as the day arrived when it no longer had a profitable market for that butter. It transferred the milk down the road to another factory which had very profitable products which were sold in the United States of America.

These are the sorts of things that have happened under the legislation proposed under the Kerin plan. We will have an industry which will be able to compete with the New Zealand industry under our closer economic relations policy. We will not be a target now for New Zealand

in the manufacturing sector of Australia. Our industry in Victoria will not have to worry to the point where under the old proposals, as costs and prices increased, it was pushed into a very poor marketing situation and its markets in Australia—Sydney, Melbourne and Brisbane—were becoming clear targets for the New Zealanders who were able to produce in a more efficient manner. We now have a similar system to New Zealand. We are competitive and I believe that this legislation will put the Australian dairy industry into a very healthy position in the future and it will start to restore some of the confidence in the parts of rural Australia where it is badly needed. I strongly support the legislation.

Mr DRUMMOND (Forrest) (11.19)—A lot of what the honourable member for McMillan (Mr Cunningham) said in the early part of his address was quite true and accurate. The industry has fallen into some degree of chaos, particularly in Victoria, I suggest, and maybe to a lesser extent in Tasmania, but for him to lay that on previous Federal governments is a bit unfair. There are some areas in Australia where the dairy industry is not in chaos and is enjoying a fairly prosperous period. I refer to the industry in Western Australia. What has been the difference between Western Australia and Victoria? Why has this occurred? It occurred because at least 10 years ago Western Australia made a deliberate effort to rationalise its industry. In Western Australia there is a three-price scheme and everyone has a share of these different prices. It is an entitlement or quota scheme. We have a price for our liquid milk, we have a price for our white milk products, and then we have an end price. People can produce as much as they want but, as a true indication of what that milk is worth, since there is no domestic market for it gets a return of something like 5c to 10c a litre because that is the least one would expect on the export market. So production in Western Australia has been limited to profitable areas of return.

It might have been a good idea if many years ago New South Wales and Victoria has got together. It might be one of the frailties of our State systems; we have two completely different dairy industries. Each is a child of the State. We have a one-price system in Victoria where the production has not been limited. The return has been equalised between all products, whether for the liquid milk market, the domestic manufacturing market, or the export market. So what has happened in Victoria? We have increasing production and, of course, diminishing prices as

world markets have collapsed. I will return to the Western Australian position in a minute.

I am fearful of this legislation. I appreciate that the industry throughout Australia and the Government have finally come to a compromise agreement on the way we should go. The compromise has been reached because of the difficulties of the industry being able to get together. It comprises five or six industries throughout Australia, and I briefly described the Western Australian and Victorian industries. It is a compromise position. I am fearful of this legislation because, quite frankly, I believe that the very basis of it, which aims to tie the Australian domestic prices to world traded prices, is wrong. There is no such thing as a world traded price. Maybe we can try to relate it to New Zealand's export price, but that is not a true price because it is controlled by the Brussels price. There is no dairy products futures trading or commodities trading on international markets, in the way wheat, grain, metal or anything else is traded. There is no such thing because it is a corrupt market. That situation developed because nations such as those in the European Economic Community and the United States of America—in fact almost every nation in the world, including Australia—wished to be self-sufficient, particularly in all forms of dairy products. This has led to a remarkable self-sufficiency in the EEC, but in its rush to become self-sufficient it has ended up with quite a surplus.

Only about 4 per cent of all dairy products produced in the world today are actually traded. Other than in New Zealand and Australia, which have been fairly great exporting nations in dairy products over the years, dairy products are traded because people want to get rid of their surplus. We have a situation where the big producers in the European Economic Community overproduce by about 2 or 3 per cent, which is a tremendous volume. In fact, that 2 or 3 per cent is as much as Australia and New Zealand produce all up—not what they export, what they produce. Those nations do not mind what price they get for their product. They do not care; it is not essential. They just want to get rid of that product. So at no time is the price of that product tied to a real price. Consumers in Australia pay for their dairy product something like 60 per cent of what the consumers in the EEC and America pay for their product. Our consumers are getting a reasonably cheap product. As the honourable member for Gwydir (Mr Hunt) has mentioned, milk is a nutritious product and one could live longer on it than on any other substance if that was the only thing one had. It is

far cheaper than coke, beer, or anything else, and the manufacturers do not have to go through the machinations of the milk industry to produce the product. We have to have a cow in the field, we have to get the milk out of the cow, and the milk has to go to the factory. To produce a bottle of coke, there is a factory somewhere, a bottle is filled with water, a bit of something else is poured into it, and there it is. Yet it is a lot more expensive than milk.

The consumers of the EEC, America and the other exporting nations with which we have to compete—it is not just New Zealand—are paying at least 40 per cent more for their dairy product than Australian consumers are. Yet we are saying that we have to tie our industry to the world traded price of their surplus. Why do we not tie our price, as is normal with most cases of dumping, to what is reasonable for those consumers to pay in their country? The main reason why we have a regulated industry is to see that people have fresh milk every day, all year round, and at a reasonable price. It is not for the protection of the dairy farmer.

The concept of building this efficient and profitable industry, as the Minister for Primary Industry (Mr Kerin) said in his speech, around world traded prices of dairy products is just a nonsense. No longer will we have pooling, no longer will we have allowances. I agree that a lot of those things had to be tidied up, but it will surely lead to a situation where the exporters will find it very difficult to get a reasonable price because he will not have the capacity to wait for a sale. I believe production in Australia will increase in the short term because there will be no clear market signals to the producer. Remember that we have to get a General Agreement on Tariffs and Trade minimum price—we are a party to GATT. Exporters will find it increasingly difficult to get a reasonable price and they will naturally look to our domestic market. If this happens we will see the undercutting of the price of butter, cheese and so on, and that is probably what the Government wishes to achieve.

Mr Cowan—Western Australia has always looked after the market there.

Mr DRUMMOND—That is true. As the honourable member for Gwydir said earlier, it really is consumer legislation. Undercutting will start in the domestic market because there will be no allowances and no pooling. What will a factory do? It will have to get into the international market-place to try to undercut, which will lead to lots of bad blood with New Zealand. If the

factory cannot sell its product it will have to look to the internal market.

Those are the broad concerns I have about the legislation and the way in which the dairy industry is expected to go. I also make the point that if world prices continue to move down or collapse over a period—I understand that the legislation covers the underwriting—the 130 per cent of world trade prices becomes a lesser figure and therefore the all-milk levy becomes less. For instance, the levy was estimated to be 1.8c per litre in January 1986 with GATT minimum holdings and the dollar at 70c. With the European Economic Community selling under GATT price and with the Australian dollar at US74c, the levy will be under 1.3c. So as the international export markets decrease, so will the levy and so will the assistance to exporters.

I turn briefly to the position of Western Australia. My State has never been an exporter of dairy products, but many years ago it made a deliberate attempt to put its own industry in order. It introduced a scheme, which it has modified over the years, whereby every dairy farmer participates and has a quota of liquid milk for local consumption and a quota for whitegood products. His return for the milk he has left—and he can produce all he wants to—reflects the true market export price. We have never been a burden to the eastern States. In fact, we are an importer of eastern States' products. We import something like 70 to 80 per cent of our butter, cheese and other manufactured dairy products. The Western Australian farmers are finding it very difficult to understand why they, having put their house in order, will be required under this legislation to give to their eastern States cousins some \$4,500 per farm. That is what the net cost of the levy will be to the average farm in Western Australia.

Because the Western Australian dairy industry's record, because of its isolation and because it has never been a burden on the Australian dairy industry or the Australian community, I plead that it be given special consideration. I think that it would be possible and reasonable to establish a special mechanism whereby an amount of money equivalent to the levy collected could be returned to Western Australia. I do not think there is any sound economic reason for Western Australia to accept this plan. However, we agree that it is a national plan and that we cannot just chop one State out of it. The moneys raised in Western Australia should be returned to Western Australia. Clause 94 of the Dairy Produce Bill deals with market support

payments, but another section could be added to in order to recognise the need to make a disability payment if a State is disadvantaged.

Given our location, any significant reduction in the production of milk in Western Australia could jeopardise the continued availability of fresh milk and short life products to consumers throughout Western Australia. As honourable members know, Western Australia is a long way from the eastern States. It is isolated from the rest of Australia and is not contributing to the national dairy marketing problems. The prices of all milk and cream products, including long life products, entering Western Australia for sale would appropriately reflect retail prices for those products in their State of origin. This legislation should contain a mechanism to allow the State Minister to suspend arrangements if, in his opinion, milk or cream were dumped in Western Australia.

I am sure that the Opposition would have put before the Parliament an amendment such as I have suggested. However, understanding that the Minister had said that there was no way he would accept any amendments to the legislation, the Opposition felt reluctant to do so. I understand that the Minister has received very strong representations from Western Australia, particularly from the Western Australian Government, which is of his political complexion. I ask him whether he would consider, even at this late stage, introducing such an amendment to this Bill in the interests of equity for the producers of Western Australia. I guess it would really be in the interests of the consumers of Western Australia, because there is no way that producers in Western Australia can stand this imposition and they will seek a rise in the price of liquid milk. As a result, the consumers of Western Australia will be paying this levy to farmers in Victoria, who claim that they are the most efficient in Australia.

Mr BEDDALL (Rankin) (11.35)—It is with great pleasure that I rise to support these long overdue Bills introduced by my colleague the Minister for Primary Industry (Mr Kerin). It will come as no surprise to anybody who has followed the dairy industry debate that these Bills represent the most comprehensive changes to the Australian dairy industry ever undertaken by a Federal government. After years of neglect by the National and Liberal parties, the Australian dairy industry had reached the position where the industry faced total collapse. The prospect of interstate trade wars was almost a reality and the industry itself was bitterly divided.

When the Minister sought to bring about changes to the dairy industry over 12 months ago, he met with massive resistance from those sections of the industry with a vested interest. These vested interests had manoeuvred themselves into positions of influence in the industry's peak councils. They convinced the Australian Democrats in the Senate that the original Kerin plan did not have the support of the dairy industry and the initial legislation was rejected. These vested interests made the claim that they could come up with a far better dairy industry plan, and so the Government agreed to listen to their proposals. It is now a matter of history that the so-called Rowley plan has been consigned to the scrap-heap, as it should have been. The Rowley plan would have benefited only the large producers with financial resources far above those of the ordinary family dairy farmer. This plan, which was thankfully rejected by the industry, was based on rolling entitlements that would have enabled the privileged dairy farmers of the Australian industry to keep over-producing so that the extra production could be allocated as entitlement at the end of each year. Therefore, after three years the entitlement would have been assessed not on realistic levels of production but on the increased production that had been financed from other sources.

There are seven major elements of this legislation: A cessation of export pooling; replacement of current stabilisation arrangements; market support arrangements; progressive reduction in domestic price support; protection of the local industry against unfair import competition; upgrading of the Australian Dairy Corporation to enhance its effectiveness and accountability; and special assistance for market innovation and research. There are many vital elements to this Bill, perhaps none more important than the reform of the Australian Dairy Corporation. As I have moved around my electorate of Rankin talking to dairy farmers and dairy co-operatives, I have encountered a great deal of criticism of the current Australian Dairy Corporation. It has been regarded by the industry as ineffectual in promoting Australian dairy products on the world market. A much enhanced Australian Dairy Corporation will be able to seek out world markets. If the dairy industry is to survive, it must be aggressive on world markets despite the unfair practices it will encounter from our competitors. It cannot sit back in the hope that Australian dairy products will sell themselves.

The other major item which has raised most controversy in relation to this legislation has been the all milk levy that will be used to

underwrite the export market. The market support fund will be financed from the dairy product levy which will apply to all milk produced on or after 1 July 1986. Under the new levy arrangements, the amount of levy payable by a producer will depend on the amount of milk fat contained in his milk. Under current arrangements, where a producer delivers whole milk to a processor, the levy is calculated at a rate per litre regardless of fat content; only where the producer delivers cream is the levy to be based on fat content. The change to a standard milk fat basis arises from a decision to base the market support levy on milk fat and the desirability of having a standard base for all levies on milk. The Bill provides a clause to cover the situation where it has not been possible to ascertain the milk fat content. This clause should only have to be resorted to for a small proportion of Australian production since most milk payment systems require the recording of milk fat content.

The Bill specifies maximum rates for all milk fat levies with the operative rates to be set by regulation. For market support levy, the maximum rate of levy is to be 45c per kilogram of milk fat, which is equivalent to 2c per litre for milk of average fat content. In the case of the research levy, the maximum rate specified corresponds to the maximum rate of 2.5c recently set in the Dairying Industry Research and Promotion Levy Amendment Act 1986. The maximum rates for the promotion and corporation levies are respectively 5.5c per kilogram fat and 2.5c per kilogram fat.

I could not address myself to any dairy legislation before this House without some comment on the mismanagement of the industry in my own State by the scandal-ridden National Party Government led by an irrelevant aging premier. The dairy industry in Queensland has suffered the worst effects of political patronage. The Gold Coast Mafia of the National Party has 80 per cent of the market milk whereas the poor struggling farmers supplying the Warwick Co-operative in my electorate of Rankin are lucky to reach 40 per cent. In previous speeches in this Parliament I have fully documented the types of scandals that have existed in Queensland under the National Party State Government.

The Minister and his Department might be interested in investigating the case of the Gold Coast Dairy Co-operative run by a Mr Hollindale, who is a close personal friend of the Queensland Minister for Local Government, Main Roads and Racing, Mr Hinze. On 3 September 1985 the State member for Archerfield,

Mr Henry Palaszczuk, stated that the Gold Coast Dairy had avoided paying its correct amount of levy on dairy products to the Commonwealth. The story has not been denied by the State Minister for Primary Industries, Mr Turner, so I shall outline it for the Minister. The Gold Coast Dairy produces about 500 tonnes of skim milk powder which, in the 1984-85 financial year, attracted a levy of \$474 a tonne. Over a 12-month period the levy totalled \$237,000. If the dairy's failure to pay its levy has been going on for a number of years, the Commonwealth could be owed as much as \$1m. I believe that the Minister should investigate these allegations.

One of the few favoured co-operatives in Queensland, the Gold Coast Dairy has recently ensured the closure of a small country co-operative in nearby Beaudesert. There is a stench about the Gold Coast Dairy. Its leading players and suppliers go to the very heart of the Queensland National Party hierarchy. The Minister will be doing us a favour if he ensures that the Gold Coast Dairy is paying its correct amount on leivable product, particularly under this legislation. Levies appear to be the core of the problem in the dairy industry today. Farmers in Warwick in my electorate and in Beaudesert would be advantaged by the maximum 2c per litre all milk levy as proposed by the Minister's plan. I am reliably informed from sources within the industry that up to 60 per cent of farmers pay no milk levy at all.

I turn now to the Dairying Industry Research and Promotion Levy (Termination of Levy) Bill. I ask the Minister to give me an assurance that this money will be correctly audited each year. I do so because of the situation within the Queensland Dairymen's Organisation in which cheques of up to \$500,000 are alleged to have been misappropriated. Every dairy farmer in Queensland has to belong to the Queensland Dairymen's Organisation. Apparently the National Party is against compulsory unionism except where it applies in the dairy industry. Each dairymen pays \$85 a year to belong and there are 2,500 Queensland dairymen, so the extent of the apparent irregularities will not escape the Minister. I find the incident amazing because the accounts should have been audited yearly and, surely, the cheques were countersigned by the chairman or a senior executive member. If not the Minister should ask: Why not? Just as the Queensland dairymen need to be reassured about the accounting procedures in their own organisation, I am sure that the Queensland dairymen will want to be assured that government money targeted for research in the industry actually

ends up there. Many Queensland dairymen believe that their hard won \$85 is little more than a campaign contribution to the National Party. Their newsletter, *Queensland Dairy Farmers*, makes no honest attempt at impartiality. Any observer would have thought that an industry suffering as much injustice as the Queensland dairy industry would be pressing the State Government for much needed reform. Instead, all the vitriol is reserved for this Government and this Minister.

These Bills are designed to give the industry a better support mechanism. I am certain that they will achieve that. I particularly welcome the abolition of the allowances which have enabled Victorian manufacturers to sell butter in Queensland more cheaply than in Victoria. My producers on the southern Darling Downs will eagerly welcome that proposal. It is, nevertheless, a reality that, in spite of all the assistance, farmers will still leave the industry. The Government has done a great deal in the rural reconstruction scheme and the rural adjustment scheme to ensure that financially hard-pressed farmers are cared for. In Queensland, because of the generosity of the Federal Government, almost \$38.824m has been accumulated in these two funds. Unfortunately, on its own budget estimates, the Queensland National Party Government plans to receive \$29.718m from farmers and is expected to spend only \$32.48m. In reality, the Queensland Government will only dip into its massive accumulations by \$2.763m.

It is time the Queensland Government emptied out these hollowed logs and tried to give genuine assistance to Queensland farmers. The figures show that the Queensland Government is profiteering while farmers go to the wall. These actions contrast with the rural policies of this Government. Our concern is for the efficient management of rural industries. I support the Minister in these Bills and hope the Opposition will distance itself from its Queensland colleagues and do something for all dairy farmers and not just the favoured few.

Mr MILES (Braddon) (11.45)—One is amazed that such important legislation for the dairy farmers of Australia is being guillotined through this House today. One comes into the House and hears the honourable member for McMillan (Mr Cunningham) say: 'It took a Labor government to initiate these changes'. That is absolute rubbish. It is the industry which initiates these changes and they would not have occurred had the Opposition not opposed the measures in the Senate in 1985. The honourable

member for Rankin (Mr Beddall) said that this is the most comprehensive change ever made by a Federal government. It is absolutely incredible when governments laud themselves and it is really the industry which comes up with the initiatives and ideas to restructure its plan. The Government wants to heap praise on itself whereas in actual fact the ideas and creativity come from other people.

Mr Ian Robinson—The Kerin plan was rejected.

Mr MILES—That is right. As the honourable member says, the Kerin plan was rejected outright by the farmers of Australia. Today six Bills, the Dairy Produce Bill, the Dairy Produce Levy (No. 1) Bill, the Dairy Produce Levy (No. 2) Bill, the Dairying Industry Research and Promotion Levy (Termination of Levy) Bill, the Dairy Industry Stabilization Levy (Termination of Levy) Bill and the Dairy Legislation (Transitional Provisions and Consequential Amendments) Bill, are before the House. They are designed to implement new marketing arrangements for the Australian dairy industry and to alter the structure and functions of the Australian Dairy Corporation. They will replace the legislation brought before this House in May last year and amended in the Senate. Because the Opposition opposed the legislation that would have had a severe fall-out effect on the dairy industry and its families, the Government has now modified its legislation. Although a safety clause has been inserted and the outstanding matter of an increase in price of certain manufactured products has been overcome to the satisfaction of the Australian Dairy Farmers Federation, the legislation has no satisfactory mechanism to reduce the production of milk. Such a mechanism was regarded by many in the industry to be a necessary step towards placing the industry on a more stable footing with better long term prospects.

The dairy industry in Australia has undergone an enormous rationalisation in recent years. In the last 20 years the number of dairy farms has declined by 73 per cent, from 49,000 in 1964 to an estimated 18,300 in 1985. Direct employment has fallen by over 60 per cent in the last 30 years and the number of factories has declined by over 30 per cent in the last 10 years. Yet this industry continues to be a vibrant one that earns in excess of \$350m in exports and the value of total dairy production exceeds \$1 billion per annum. Due to the nature of the products of the industry, it remains a State based industry that has focused its attention on the fresh milk

markets of the more populous areas of each State.

The industry can be divided into two sectors—the liquid fresh milk market and the manufacturing market. The historical development of the industry that has been controlled by the States has meant that Victoria and Tasmania manufacture by far the majority of their milk whilst States such as New South Wales and Western Australia manufacture less than 50 per cent of their milk. Thus the burden of lower returns from the manufactured milk sector has previously fallen more heavily on Victorian and Tasmanian farmers than on farmers in other States.

However, it is the manufactured products such as cheese, butter, casein and milk powder that earn the export dollar that is so vital to Australia, particularly when our trade balance is in the red to the tune of \$1.5 billion.

This legislation will place a financial burden on the producers of New South Wales and Western Australia in particular, and that raises an important principle that governments of all shades and colours should give credence to, that is, where an industry is to be restructured for the overall benefit of the nation those areas that are disadvantaged by the restructuring should have available to them resources that would minimise the dislocation and social upheaval in families that may be caused by such restructuring. The overwhelming majority of Australians accept that Australia has a major task ahead of it to restructure its economic base so that it is more competitive in world markets. Although the Leader of the Opposition (Mr Howard) has been constantly pointing to the practical measures that would lead the economy in the right direction, it was only last week that the Australian Labor Party gave even any semblance of recognition that a problem existed. The Treasurer (Mr Keating) then used irresponsibly colourful language, saying that Australia was heading towards being a banana republic. The dairy industry most likely would not be in need of Federal Government intervention if Australia had remained competitive in the world market for dairy products.

We cannot place all the blame on the corrupted policies of the European Community. Some of the difficulties of this industry can be laid squarely at the feet of the Government's policies. How can this Government have the gall to burden farmers with a capital gains tax, which was introduced into this House last night, at a time when they are already experiencing severe financial hardships? This Government has shown

little concern for the productive sector of the economy. Dairy farmers are skilled operators who cope with a tedium of routine that many Australians have rejected. Yet it is these people who are at the base of Australia's wealth-creating export commodities.

In this area I commend the industry initiative of an all-milk levy that is designed to support returns to producers who sell to the lower priced manufacturing markets. That is where we earn our export income. There is no funding from the Commonwealth for this initiative. It is, therefore, particularly commendable because it shows a very tangible way that the dairy industry is not looking for easy options and Government handouts. It is realistic in facing the present economic difficulties of its members and has faced the issue with a boldness that shows that farmers are confident in their ability to compete with world market forces that are operating at present.

The new marketing arrangements are, however, going to affect the Western Australian industry and some moves are expected from the Western Australian Government to exempt Western Australian dairy farmers from the levy on all-milk products. If we are to have a controllable and orderly restructuring of the dairy industry, the rules have to apply to everybody involved. Yet I hasten to add that a mechanism of support must be found to ease the transition for those more seriously affected—the Western Australian, Queensland and New South Wales farmers in this instance. I am acutely aware of the severe disruption that can occur when restructuring for the benefit of the nation as a whole affects particular regions of the nation.

The closer economic ties and relationships which we have with New Zealand overall have probably been beneficial to Australia as a whole but northern Tasmania, which includes the electorates of Bass, Braddon and part of Lyons, has been seriously affected. Perhaps this was one of the first attempts by governments to restructure in a major way for the benefit of the nation, but very little understanding of the affected regions was shown. There was no realistic appraisal by the Government of the pain that was caused to northern Tasmania by restructuring under the CER legislation. This legislation again raises the issue that certain regions will be affected. Governments should give cognisance to that and try to help these areas adjust.

We must restructure our industries, our individual enterprises and the economic base of Australia and make our industrial relations, wage

fixing and training structures more flexible so that industries can be far more responsive to changing factors in the market-place. We all agree with that. At the same time, ways must be sought to help those who are detrimentally affected. In this case I call on the Government to consult the industry and to seek ways in which families of Western Australia can be assisted in making a readjustment of their loss, on average of between \$4,000 to \$5,000 in income in this legislation's first year of operation. If wage earners around Australia were to have their income dropped by \$80 a week they would realise that it would create severe problems for them in their home budgets. The principle I have outlined should be etched into the minds of Government Ministers so that as the process of restructuring gathers momentum, as inevitably it will and must, the small people will not be ignored. There are some small people in the dairy industry in Western Australia, New South Wales and Queensland who could well be ignored in this legislation.

It is easy for people in government who draft policies to forget the real world of competition and hardship that can be caused when governments change direction. This Government to date has shown little practical concern for helping the productive sector cope with its radical changes. It is always interested in taxing the hard working, productive sector of Australia. The entrepreneurs of this country are given minimal incentive by this Government while it redistributes wealth to the consuming sector of the economy as if money grows on trees. If it had not been for the strength and determination of the dairy industry's leadership and the Opposition's sound judgment in the Senate, dairy farmers and their families would have had the impost of an uncaring, unsympathetic Kerin plan foisted on them. The Opposition supports the legislation because marked changes have occurred which will give a degree of security to the hard working dairy farmers to plan for the future. That would not have occurred if the 1985 legislation had been passed unopposed.

Mr FITZGIBBON (Hunter) (11.58)—I thank the Lord that the dairy farmers in the Hunter electorate have more sense than some politicians. They would have laughed at some of the biased nonsense spoken by the previous speaker, the honourable member for Braddon (Mr Miles). I am very pleased to have the opportunity to speak in support of the Dairy Produce Bill 1986, the Dairy Produce Levy (No. 1) Bill 1986, the Dairy Produce Levy (No. 2) Bill 1986, the Dairy Industry Research and Promotion Levy

(Termination of Levy) Bill 1986, the Dairy Industry Stabilization Levy (Termination of Levy) Bill 1986 and the Dairy Legislation (Transitional Provisions and Consequential Amendments) Bill 1986.

This is the second time we have had dairy legislation before this House. It is important to stress that this legislation has been achieved after widespread and lengthy consultation between Federal and State governments and, more importantly, with State representatives of the industry itself. The dairy industry supports this legislation and, if a bipartisan approach can be achieved, will be able to face the future with a degree of confidence that has not been possible in the past.

The legislation provides the greatest scope for long term gains in economic efficiency. The principle objective is the development of a more efficient and profitable dairy industry which is able to respond quickly to changing market conditions and technology. The reforming of the Australian Dairy Corporation can do nothing but enhance the Corporation's ability to maximise its market opportunities, despite the fact that it faces a difficult market situation. The dairy industry has been in the doldrums for such a long time. The industry in the past has failed to agree on the direction legislation should take. The Kerin plan was defeated in the other place, the Rowley plan was defeated by the Victorians, and today we are now able to debate this legislation knowing that it has the support of the industry. I believe that this legislation will give the industry the impetus it needs to get its act together, decide where it is going and move into more profitable areas of export, thus ending the turmoil that has prevailed for so many years.

As I have said in this House before, the electorate of Hunter has a large dairy farming and manufacturing industry, and long before I was elected to represent the electorate of Hunter, dairy farmers there saw the need to rationalise, and many opted out of the industry. Today the Hunter is left with some of the most modern and efficient dairy farms in the whole of Australia, and I assure those farmers that I sincerely believe that this legislation will not harm them. Instead, it will bring long term benefits by maintaining the largest Australian dairy industry that is viable, at an acceptable level of industry assistance. The domestic market must be able to defend its position on the basis of its competitiveness and the export market must strive to exploit the most profitable markets and minimise sales that are a net loss to Australia.

I circulated this legislation to a number of people in the Hunter electorate involved in the industry to gauge their opinion of how the legislation would affect them. I take this opportunity to express my deep appreciation to Singleton Shire President, Councillor Neil McNamara, who is also a dairy farmer; Mr Bruce Payne, General Manager of the Hunter Valley Dairy Co-operative Co. Pty Ltd, at Hexham, and Mr Bob Baldwin of the Singleton branch of the Hunter Valley Dairy Co-op; Mr Bruce Whitten of 'Anembo', Denmam, who has been most helpful; Mr Bruce Russell of 'Rockley', Singleton; Mr Arthur Burns, also of Singleton; Mr Peter Doyle of 'Eden Vale', Vacy; and others who found the time in their busy lives to consider the legislation and let me have their comments.

Overall, the comment was that the legislation was well presented, and all acknowledged that it did have industry support from Mr Jack Eggert of the New South Wales Dairy Farmers Association. Some farmers expressed concern. One farmer expressed concern about the closer economic relations trade agreement with New Zealand and interpreted the second reading speech of the Minister for Primary Industry (Mr Kerin) to mean that the Australian domestic market milk price would be reduced to the price in New Zealand. However, the legislation does not intend to reduce the Australian domestic market milk price. In fact, the Federal Government has no control over domestic milk prices; they are the province of State governments.

What the legislation seeks to do is progressively reduce the domestic price support to not higher than the price level at which New Zealand dairy products could be sold in Australia on a fair trade basis. In other words, there will be no price support beyond that level. The legislation also says that under the closer economic relations trade agreement with New Zealand, we should try to bring our dairy products into line with New Zealand, so we become more competitive on international markets. Domestic milk prices recently went up in Victoria and Western Australia, and I believe they are due to go up in New South Wales today. This is the result of industry pressure on State governments to increase the price.

As all honourable members are aware, the industry is divided into two distinct sections—one is the fresh milk market and the other is the not so profitable manufacturing milk market. We export most of our manufactured milk, but, under the existing arrangements we often export at a loss, on already oversupplied international

markets. Under the new arrangements, producers and manufacturers can reap the benefits of their own decisions. By replacing the current stabilisation arrangements with a uniform level of assistance for all products, we will get rid of the distortions that exist. People will be encouraged to be more efficient, to not over-produce, and to choose the right product to gain the best returns.

From two dairy farmers in the Hunter Valley came the comment that they were concerned about the levy being on kilogram of milk fat content rather than by volume. They specifically mentioned that jersey cows tend to produce milk with a higher content of milk fat than other breeds. However, most farmers are paid on milk fat content and technical reports on production of milk cattle indicate that although the milk fat content of milk produced by certain breeds of milk cattle is higher than others, the production of milk fat per cow is not significantly different.

The market support levy on all milk recognises that under the current arrangements various methods have determined the rate of payment, and this has differed from State to State. The new arrangement recognises these differences and the Government has tried to choose the method that is simplest and that is acceptable to the industry; the method which has the least number of enforcement problems.

It could be argued that a levy on milk should be based on milk fat content and the solids non-fat content of milk, the same as in the European Economic Community countries. But the Australian manufacturers pay their suppliers on milk fat content only and have testing facilities for milk fat only. Installing testing facilities for solids non-fat content could cost the industry millions of dollars. If the industry can come up with a better formula, I know that the Minister will be prepared to listen. As has been mentioned by other honourable members, particularly the honourable member for McMillan (Mr Cunningham), other formulae are being considered.

Another dairy farmer expressed concern about over-production by the Victorians, and he felt that the levy might induce the Victorians to go on producing more and more manufactured milk on an already over-supplied market, and then ask for an increase in the rate of the levy. The Government cannot set controls on production. The legislation seeks to reduce the gap between returns for fresh market milk and manufactured milk, thereby reducing the incentive for farmers to move into the fresh milk market. In a way,

this is a bit of a transfer to the Victorians by increasing their income from manufactured milk products, but at the same time it takes pressure off the domestic milk market. It creates stability and reduces the likelihood of a trade war between the States. Nobody in the industry wants that.

If there are no arrangements in place, all dairy farmers would be out of pocket, there would be market wars and the only ones to benefit would be the consumers, and of course the New Zealand dairy industry. I guess some dairy farmers are worrying unnecessarily about an increase in the levy. The levy could be increased only if the industry requested such an increase.

Another comment related to the 60-day delay in lifting the levy—the comfort clause. Here again, it was acknowledged by all farmers—all dairymen—that this comfort clause allowing for a 60-day delay had the agreement of the industry. Having a 60-day delay and also a mechanism whereby agreement from the other States is required allows for a cooling-off period and will certainly stop people from overreacting.

Victorians realise that there is nothing to be gained from a milk war. They have just as much to lose as their colleagues in other States. What the Victorians want—what all dairy farmers should want—is to have in place some sort of orderly marketing system. For this to happen they realise that they must try to lower their production to meet market-place demands. I believe that dairy farmers, not just in the Hunter electorate, not just in New South Wales, but in all other States, have shown a great deal of common sense, and I believe that this legislation will be beneficial for all dairy farmers. This legislation will be beneficial because it provides for orderly marketing arrangements and presents a better balance of equity. That better balance and those improved marketing arrangements will benefit the entire industry.

Another farmer in the Hunter electorate expressed concern about the research levy rate. Again, the dairy farmers realise that the industry as a whole has agreed to that rate. They have nothing to fear because the industry sets the levy. Today, when we are facing difficult marketing situations, research is the light at the end of the tunnel. Every dairy farmer must realise that it is only by lifting our research activities that the industry will be able to develop new products which are more profitable. The whole spectrum of research benefits farmers and manufacturers alike and has the potential to increase

significantly returns to the individual dairy farmer and to the whole industry.

As was outlined by the Minister for Primary Industry in his second reading speech, export pooling arrangements will cease so that exporters become more market responsive. By replacing the current stabilisation arrangements with a more uniform level of assistance, a more profitable mix of production will be encouraged. The new market support arrangements will be financed by a levy on all milk production. The local industry will continue to be protected against unfair import competition, and assistance is to be made available for specific purposes; namely, for adjustment, marketing innovation, research, and dairy underwriting. All these measures, along with others contained in the Bills, should place the Australian dairy industry in a much better position to adjust to market signals. They will ensure that the industry has a long term viable future, after years and years of worry. Not through any fault of this Government but because of a reluctance on the part of previous governments, the dairy farmers have been through periods of uncertainty and turmoil. Hopefully, those periods of uncertainty will come to an end.

Despite what some honourable members opposite had to say in their own petty little way, everybody within the dairy industry knows that the Minister for Primary Industry has done an absolutely marvellous job—he has probably taken ten years off his life—in bringing together this excellent dairy legislation package. His success has been outstanding. He has been able to bring the industry together, as it has never been brought together before, to reach agreement on this legislation. I commend the Minister—a great Minister for Primary Industry—and I commend the Bills to the House.

Mr LLOYD (Murray) (12.15)—Like the dairy farmers of Australia, the Opposition, while not being actually enthusiastic about the legislation, will not oppose it because it is seen as the best possible compromise at this time. I suggest to the honourable member for Hunter (Mr Fitzgibbon), who named certain dairy industry leaders in his electorate, that their attitude may more accurately be described as accepting the inevitable compromise rather than really being in favour of this legislation.

The Dairy Produce Bill, the Dairy Produce Levy (No. 1) Bill, the Dairy Produce Levy (No. 2) Bill, the Dairying Industry Research and Promotion Levy (Termination of Levy) Bill, the Dairy Industry Stabilization Levy (Termination

of Levy) Bill and the Dairy Legislation Transitional Provisions and Consequential Amendments) Bill, which are before us today, are definitely better than the legislation presented 12 months ago by the Minister for Primary Industry (Mr Kerin). To say that this legislation is part of the Kerin plan and to say that it is in any way the same as the legislation introduced last year is not only an exaggeration but also most unfair both on the Minister and certainly on the dairy industry because of the improvements that have been made in that time. Because of the inability of the industry—it is no criticism of the industry to say that—in a most complex situation to present a united and better proposal than that which we have now, it certainly is the best the industry can expect. For that reason it has the overall support of or, if you like, lack of opposition from the industry around Australia. It is certainly better to have this legislation in place for the next season than to continue with the present arrangements, particularly when the Minister has the ability to change or modify those arrangements, as he did for this current season, and thus reduce their value. Deferring that legislation for 12 months, which was spear-headed a year ago by the shadow Minister for Primary Industry, the honourable member for Gwydir (Mr Hunt), in association with the dairy industry, has been of tremendous value to the industry around Australia not only because of the additional income to the industry but also because of the better scheme that we have now.

This is important legislation in that not only does it provide some stability for the industry and is a reasonable compromise between conflicting interests; it is also a step towards a more national industry. It is certainly the best hope that the industry has of maintaining stability on a national basis and of preventing a destructive interstate price war, which the great majority of Australian dairy farmers, including those in Victoria, do not want to happen. I want to pay a tribute to Pat Rowley, the Chairman of the Australian Dairy Farmers Federation, a man who has been very patient, very tolerant and very understanding of the complications and complexities in the industry. He is a great industry leader. As a Victorian dairy farmer and a representative of more dairy cows, if you like, than any other member of the House of Representatives, I certainly pay him that tribute.

Nevertheless, this legislation is less than the industry needs and deserves. The price increases to be allowed of 5 per cent for butter and 8 per cent for cheese will be the first increases for four years. They are under half the increase in salar-

ies and wages that the great majority of Australians have received in that four-year period. In that time there has been a dramatic increase in the government taxes and charges that have been inflicted on the dairy industry and on rural industry generally in Australia. That has also been highlighted by the shadow Minister for Primary Industry. The legislation also provides less than the industry needs and deserves in that the underwriting level has been reduced from the coalition level of 95 per cent to 85 per cent. I acknowledge that in some ways it is a better form of underwriting, but the fact that there is never likely to be any government commitment indicates what sort of weak underwriting it will be.

Another factor is the closer economic relations arrangement with New Zealand, as now redefined by the Minister for Primary Industry. When CER was negotiated with New Zealand some years ago the dairy industry, to its credit, in co-operation with the Australian Government, the industry in New Zealand and the New Zealand Government, made an arrangement for a percentage of cheese to come into Australia from New Zealand. Beyond that, for any basic change to occur in dairy trade between the two countries required the agreement of both industries and, through them, of both governments. That was to be a permanent part of the agreement. Yet at the National Agricultural Outlook Conference last year we heard for the first time from the Minister for Primary Industry that that would no longer be the case. The arrangement was to be redefined to allow for a phase-out situation which would basically require an open-door policy with New Zealand by 1990 to 1992. That is certainly not what the industries of both countries negotiated just a few years before.

I believe that the fourth point of genuine criticism about this legislation is that the chairman of the revised, the reformed or the re-worked Australian Dairy Corporation should be a dairy farmer. That is so in the case of the Australian Wool Corporation; it is so in the case of the Australian Wheat Board. It should equally be so with the Dairy Corporation.

The all-milk levy of up to 2c a litre or, transcribed, to a maximum of 45c per kilogram of butterfat, is a step towards a more national industry. The comfort or escape clause which is part of the all-milk levy, which allows for the termination of the levy if there is a breakdown in the arrangements by the unauthorised interstate trade in milk is something in which both I and, I believe, the majority of my dairy farmers

accept. I believe that it is both pointless and unfair to continue a levy if the reason for its being there has not been met. If there is a breakdown because of the entry of unauthorised interstate milk, I think that it is completely pointless to continue that levy and that, therefore, the comfort clause is appropriate. That all-milk levy is really an insurance premium paid by those in the protected part of the dairy industry of Australia. It is a premium paid by those who supply a large percentage of their milk to the city or market milk sector of the industry. It is their insurance premium paid against the breakdown of the separation of pricing between manufacturing milk and market milk.

Such an arrangement will bring financial pain to those dairy farmers who specialise in city milk production. At the estimated introductory rate of 1½ to 1.7c per litre, I am told that it will cost the average dairy farmer in that situation \$4,000 to \$5,000. I acknowledge that that will mean real financial pain for those dairy farmers and that it could force some of them to leave the industry. It will be of value to the manufacturing milk dairy farmers in Victoria, Tasmania and parts of New South Wales and South Australia. However, I say that it is the minimum insurance premium necessary to provide stability in the industry.

In the Murray River area, a dairy farmer farming immediately south of the Murray River compared to a dairy farmer farming immediately north of the Murray River receives a dramatically reduced net income for producing the same product of the same standard. To me, as an Australian, in this day of refrigerated milk, this is an absurdity. The same situation does not apply to the fat lamb producer of Australia. The same situation does not apply to the beef cattle producer, the grain producer and those who make manufactured products, et cetera.

The comparison with New Zealand in this regard is quite interesting at present. I am advised that because of the termination of the very dramatic subsidies paid to New Zealand dairy farmers through the supplementary minimum price scheme the price paid to New Zealand dairy farmers in the coming season will fall by about 25 per cent, from \$NZ4 per kilogram butterfat to about \$NZ3 a kilogram. What is interesting about that is that New Zealand also has a separate city milk sector and a separate manufacturing milk sector, as does Australia. In New Zealand the city milk sector producers will suffer a drop of 6c a litre in what they receive for their milk next year because that amount

approximates the fall in what the manufacturing dairy farmers in New Zealand also will receive. In other words, they acknowledge the danger once the price for milk in the city milk sector gets too far away from that price paid for milk for the manufacturing sector. They believe that the insurance premium necessary for them to maintain their specialist role—their special sector of the market—is worth far more than 1½c a litre; they believe it is worth 6c a litre. The pain that the New Zealand dairy farmers will suffer next year with a drop of about 25 per cent in their price actually happened to the manufacturing dairy sector farmers not only in Victoria but elsewhere in Australia three years ago. That pain of being confronted with the corrupted international dairy markets has intensified since then, and net returns to dairy farmers who supply manufacturing milk are now about 40 per cent less than what they were three years ago. That is exposure to the world market. That is exposure to market forces. That represents far more exposure to those manufacturing milk producers than for those who are able to concentrate on producing city milk.

I make the point that the greater the differences between the manufacturing milk price and the city milk price, the greater the danger of a breakdown in this arrangement. Therefore, I think that there is a responsibility on the State pricing authorities to ensure that if they believe it is worthwhile to maintain a stable industry and for them to be able to maintain specialist sectors of the industry in those States, that price gap cannot be allowed to increase.

Mr McGauran—Gippsland demands it.

Mr LLOYD—The point made by the honourable member in regard to Gippsland is very appropriate. Apart from me in my electorate, the honourable member for Gippsland probably represents more dairy cows than anyone else in Australia and the two most efficient sectors of the dairying industry in Australia. For anyone in Queensland, for example, to say that it is unfair that Victorian dairy farmers should continue to produce milk because they have not adjusted to the market is like the Gippsland dairy farmer saying in turn: 'We used to produce sugar down here but we gave it away because it was more efficient to produce sugar in Queensland'. I think we should look at the dairy industry in the same way.

I make the point, on the question of adjustment, that in the Victorian situation not only has there been the pain of adjustment to a 40 per cent drop in net returns over the last few

years and hundreds of dairy farmers leaving the industry in that time, but also in the city milk sector of the industry in Victoria it can be seen that Victoria had a phase out arrangement over a 10-year period to end its milk quotas in order to rely on a price incentive to enable it to provide enough milk in those more difficult times of the year. That 10-year period has just finished. Quite a number of Victorian dairy farmers will cease production because they have been in that high priced specialist sector. Victorian dairy farmers ask why the other eastern States do not put their own city milk sectors in more efficient order and make them as efficient as they can by doing the same thing as has been done in Victoria. I personally believe that both Queensland and New South Wales could continue to produce all the milk they need for their own city milk requirements 12 months of the year by using a price incentive system rather than a quota system, and in a far more efficient way.

My last point is that when one talks about fair competition in the industry—we are talking about it now—one also has to include fair competition from overseas. We talk in particular in this regard about cheese imports from Europe—not just from the European Economic Community. We are not talking just about subsidised imports; we are talking about the addition of additives and preservatives to those products—additives and preservatives which are banned in Australia because they are considered a danger to the health of the people of Australia. We have been told—I have tended to accept this—that because the pure food Act powers are under the control of the States rather than the Commonwealth, we have to wait for the model food legislation—which is taking some years to come through, but which is on its way—when we will be able to do something on a uniform basis. We will then be able to say that that cheese coming from France will no longer be allowed in because it contains a preservative which we consider to be injurious to our health in Australia.

That explanation was fine until 8 May, when in this place the Prime Minister (Mr Hawke), in response to a good question asked by the honourable member for Wannon (Mr Hawker) in relation to contaminated foodstuffs from the area contaminated by the Chernobyl nuclear disaster in the Union of Soviet Socialist Republics, said:

the Department of Health asked the Australian Customs Service to hold all food consignments which left the potentially affected countries on or after 25 April. Should it prove necessary, the Department will establish a mechanism for monitoring these partic-

ular food imports with the Customs Service . . . As the Department gets further information, those controls will be adjusted if necessary.

Suddenly, out of the blue, we have a Commonwealth power. We have a Commonwealth power to stop dangerous food substances coming into this country. What the hell! Consider all the time that we have lost with not having the power to stop the import of these dairy products containing additives. If honourable members believe that I am joking, I will inform them of something that happened in California recently. Cheese imports to the United States from the Bessnier cheese company of France caused the death of 85 people in California last year. In response to a question on notice from me as to whether any of the cheese from this same company was coming in to Australia, the answer was yes. What are we doing about it? We found out that it is not the same brand, but everybody knows that different brands are put on the same production line, depending on the country to which the brand is going. That is all that has been done, other than to refer it to the States to see whether they want to check it. Australian consumers are being exposed to great dangers and this is a specific example of the great danger of injurious foods—in this case, cheese—being imported. I conclude by making the point that when we talk about fair competition we are talking not just about fair competition for the dairy industry in Australia but about fair competition from New Zealand and particularly from Europe. Fair competition does not mean just price, it means the quality of the product. I support the legislation.

Mr SNOW (Eden-Monaro) (12.31)—The Dairy Produce Bill, the Dairy Produce Levy (No. 1) Bill, the Dairy Produce Levy (No. 2) Bill, the Dairying Industry Research and Promotion Levy (Termination of Levy) Bill, the Dairy Industry Stabilization Levy (Termination of Levy) Bill and the Dairy Legislation (Transitional Provisions and Consequential Amendments) Bill include some small but very significant changes to the Bills dealt with by the Parliament last year. Consultation between the industry and the Government has led to this legislation which, while based substantially on previous legislation, is far more widely accepted. I congratulate the industry and the Minister for Primary Industry (Mr Kerin) for their interminable patience and preparedness continually to discuss, probe and rehash the various proposals.

The Bills provide for a number of changes which will overcome many, if not all, of the inefficiencies of the present arrangements. Firstly,

the overall aim is to turn our attention to the more profitable export markets and to discourage sales to the loss making markets. Secondly, the Bills will improve the accountability to the industry of the Australian Dairy Corporation. Thirdly, instead of a range of different levies, charges and support rates for different products, the Bills provide for an all milk levy. There will be no artificial or contrived distortions to the market signals.

Because any change creates uncertainty and confusion, the initial market support rate will be set at 30 per cent, which closely parallels the current export pooling figure. This rate can be altered by mutual agreement between the Corporation and the Council of the Australian Dairy Industry Conference. The industry will decide its own rate, not members of parliament or bureaucrats. To assist the transition further, a supplementary series of payments will be made. These will decline over time as the levies which are used to fund them are reduced. As with most changes, a lot depends on consistent economic policies by the government of the day. In that light, one potential trouble spot in the arrangements is the concept of reducing domestic price support until it is in accord with a fair New Zealand price. This could be a problem if wages and government charges are not kept stable, as they have been under the Hawke Labor Government.

The Minister's motives in leading up to this legislation over years rather than months have never been doubted by the industry leaders, right through the discussions. In public and private discussions the Minister dealt with the interests of the industry, consumers and the Government with honesty and discernment, but above all with wisdom based on his wide knowledge and experience of the industry. Having been involved in extensive discussions, lobbying and sheer hard work with many industry leaders, I see this legislation, the end result, as a direct consequence of vigorous work by people such as Pat Rowley, the President of the Dairy Farmers Federation; Clay Manners; and Phillip Armstrong and his associates from Bega Co-op Society Ltd. Pat Rowley, on behalf of the Australian Dairy Farmers Federation, has thanked me for my work. More importantly, he has said that the package of legislation will be worth tens of millions of dollars more to the industry.

I return to the point I made concerning the problem of the effect of possible wage and price changes on the industry and the potential trouble spot in reducing domestic price support until

it is in accord with a fair New Zealand price, unless we have that stability. I remind my colleagues and listeners of the rampant and hap-hazard wage and price movements during the Fraser years. Without a wage policy or an accord, oil refinery workers at that time were able to gain large wage increases because the oil companies, which could pass on costs to the farmers, fishermen, truckies and the general motoring public, capitulated to their demands.

The latest Opposition policy on industrial relations would make things worse and I believe that it could have a significant effect on the dairy industry. The proposal in the coalition policy to replace award rates with negotiated rates between employers and employees would lead to even higher wages for those earners with industrial muscle, lower wages for those workers in the country who have no industrial muscle and more of the old Fraser-Howard wage price spirals nationally. This would hinder, or perhaps even obliterate, the competitive aim of a reduction in domestic price support.

One of the most significant factors of this Bill is the improved market signals which will result from it. Current underwritten prices are 90 per cent of a three-year average. This allows the underwriting mechanism to be triggered as prices decline after a period of buoyant prices. This could and did occur even though the absolute prices were relatively good. On the other hand, if prices declined gradually over a long period, the mechanism was not triggered. This not only deprived everyone involved of a proper price for their product but also masked any market signals.

The two major problems which have been collectively perceived by the industry in Victoria and New South Wales are the need for an initial domestic price increase and the need for protection from market disruption by people selling in desperation at below the cost of production and distribution or a little above that cost. In the light of that, the Government has allowed for a domestic market price increase. The Government has agreed to implement a domestic market price increase for butter and cheese effective from 1 July. The Australian Dairy Corporation had recommended a 5 per cent increase in butter prices and an 8 per cent increase in cheese prices, and the Government has accepted the ADC's recommendation. If we are to allow those domestic market price increases, we need to balance them with an escape clause to offset the anxiety in some States of supporting the export of dairy products by a levy on all milk in the event of a collapse in market milk prices. The

Government has agreed to insert an escape clause in clause 6 of the Dairy Produce Levy (No. 1) Bill. The inclusion of that clause in the legislation is endorsed by all State dairy farmer organisations.

World milk production is currently around 500 million tonnes, 60 per cent of which is produced in three regions; the European Economic Community, the United States of America and the Union of Soviet Socialist Republics. The majority of milk produced in those countries is consumed within those countries; only 6 per cent enters the world trade. Historically the European Economic Community has been the major stockholder and the major exporting region, accounting for about half of global stocks. Relatively low economic growth in the major importing countries, together with their debt servicing problems, has seriously affected the trade patterns of the European Economic Community. In 1983 production exceeded consumption by approximately 21 million tonnes, which is 19 per cent of its total annual output. Some idea of the impact that has had on world markets can be seen by considering that in 1984 the European Economic Community sold 222 kilotonnes of butter to the Soviet Union at prices below the General Agreement on Tariffs and Trade minimum. It is estimated that at present international stocks of butter are at a level of 1.2 million tonnes. Where would the world, and particularly the European Community be without preservatives?

I turn to Australia's position in world trade. We are a relatively small exporter of dairy products. About a quarter of our output is exported, but that accounts for only between 2 per cent and 8 per cent in various world product markets. Our dairy industry represents between 6 per cent and 8 per cent of rural production. That is still a major component of the economy. It also represents 3 to 4 per cent of Australia's exports. The Australian dairy industry is extremely efficient. The milk yield per cow, for instance, has increased by 18 per cent since 1970. Australia is internationally accepted as being the most efficient milk producer. I have had great pleasure in representing the most efficient producers within Australia in spite of what our Victorian colleagues have said. I refer to those in the south coast area—the Bega Valley Shire, the Eurobodalla Shire and the City of Shoalhaven.

Part of the problem leading up to this legislation is that the pattern throughout Australia is extremely uneven. Hence the different responses to this legislation, even today. Even within politi-

cal parties we have seen different responses to the legislation. Seventy-three per cent of our national output goes into manufacturing milk, yet in Victoria manufacturing milk constitutes 87 per cent of output. Further insight into our unbalanced production pattern can be gained by comparing the two major milk-producing States—New South Wales and Victoria. Victoria produces 57.6 per cent of total milk output, representing 28 per cent of total market milk sales and 68 per cent of manufacturing milk. On the other hand, New South Wales output represents 16 per cent of total production, being 35 per cent of all market milk sales and only 9 per cent of the manufacturing milk. Victoria produces 68 per cent of the manufacturing milk and New South Wales produces 9 per cent.

As can be seen from the broad range of figures that I have cited, Australia is only a relatively small participant in the world trade. As a result, we are at the mercy of large—albeit relatively inefficient—producers such as those in the European community and the United States of America. We also have our own unbalanced internal production pattern with different areas concentrating on different sectors of production. For this reason, I believe it is vital that we overhaul our markets and our production strategies. These Bills seek to do just that. The dairy industry traditionally has been one of boom or bust. To quite an extent it is in the export area that a lot of problems have been created. Our consumption has been fairly stable and our growth has been fairly predictable.

Legislation before us today is designed gradually to move away from the low-priced end of the market and to stop exports of products at below cost, discourage the processors and co-operatives from taking milk at any price—even as low as perhaps one cent a litre, just to take it from the producer—concentrate our efforts on the more lucrative areas and make the market signals to our producers much clearer and at a much earlier stage. Surely this is much fairer to them as well as to the consumer. To sum up the words of Pat Rowley, the President of the Australian Dairy Farmers Federation, in money terms this legislation will be worth tens of millions of dollars more to the industry. I have great pleasure in supporting the Bills before the House.

Mr DEPUTY SPEAKER (Mr Cowan)—I call the honourable member for Berowra.

Dr HARRY EDWARDS (Berowra) (12.45)—Thank you, Mr Deputy Speaker—

Mr DEPUTY SPEAKER—Order! It being 12.45 p.m., the debate is interrupted in accord-

ance with sessional order 101A. The debate may be resumed at a later hour. The honourable member will then receive the opportunity to continue his speech.

Sitting suspended from 12.45 to 2 p.m.

QUESTIONS WITHOUT NOTICE

ANZUS TREATY

Mr PEACOCK—My question is directed to the Acting Prime Minister. I draw his attention to Press reports, the first of which emanated in the Hobart *Mercury* on Monday of this week following the State Labor Conference, indicating that a member of the Australian Labor Party national foreign affairs and defence platform committee had said that the ANZUS Treaty would soon be replaced by two separate agreements with the United States of America and New Zealand. Bearing in mind that this platform committee also comprises Ministers Beazley, Hayden and Evans, will the Acting Prime Minister confirm that two such agreements are being or have been drafted; and, if so, why the Parliament and the people of Australia have not been told that ANZUS, our most basic defence treaty, is to be scrapped?

Mr LIONEL BOWEN—It must be clearly understood that in the process of policy formulation there are committees of the parties that make suggestions which even the Liberal Party of Australia at times is not prepared to accept. I can understand that there might be a view that there is a need to talk about ANZUS in another form. It is certainly not official. From the Government's point of view there has been no recommendation.

Mr Peacock—There are Ministers on the committee.

Mr LIONEL BOWEN—That does not mean a lot in terms of the recommendation. We are a very democratic party and everybody has a right to express a point of view. ANZUS is a very important aspect of treaty organisations in the whole of the Pacific region. The Prime Minister has already indicated the support of the Government for the continuance of that treaty. I would think it would require strong evidence to suggest that it might be altered in any way.

As honourable members will be aware, the Government has already indicated that it is very anxious to ensure that there is continued peace and stability in the whole of the Pacific region. ANZUS is a very important part of that. The honourable gentleman would be aware that in

parts of the world, not only in the Pacific, it is recognised that there is concern about nuclear weapons and matters of that nature. The whole question of whether there has been some defect in ANZUS, which I do not think there is, was the concept of visiting nuclear powered warships. A problem which has attracted public opinion in New Zealand is the tendency to perhaps talk about ANZUS in a form other than allowing nuclear armed warships to visit its ports. I think that is the whole weakness of the structure. I would have thought that if the United States had had a chance to discuss this matter in a better atmosphere than apparently occurred at the time we would have found that the New Zealand people fully support close collaboration with the United States in stability and peace in the whole of the Pacific region. The one concept that seemed to concern them was the fact that there might have been nuclear powered warships visiting their country.

I know that is a distinction the honourable gentleman would be able to understand. The United States was not prepared to identify its warships on the basis that they would become vulnerable. No other power in the world identifies its nuclear armed warships, so for that reason there is a very clear understanding why the United States is reticent to disclose the identity of weaponry on its ships. For that reason I do not think the honourable gentleman should be unduly concerned about whether there would be any weakening of ANZUS. In my view, the Government is firmly committed to ANZUS. Of course, in party deliberations in a democracy there are different points of view, all of which must be listened to, but from the point of view of a committee making recommendations to a national conference I would not give the recommendations any greater weight at this stage.

WAGE INCREASE

Mr ALLAN MORRIS—My question is addressed to the Minister for Employment and Industrial Relations. Is it a fact that the Government and the Australian Council of Trade Unions, in recognition of the inflationary and other effects of devaluation, have made submissions to the Australian Conciliation and Arbitration Commission that would reduce the next wage increase by 2 per cent? Is it also a fact that Australian unions and workers in general have accepted the need for this discounting of the next wage increase? Can the Minister advise the House what action the Government is taking to attempt to ensure that other people working in Australia in professions, in executive positions

and in the various other areas not covered by the national wage case have their income increases discounted by 2 per cent? Will the Minister further advise the House whether the many professional and business organisations who are calling on the Government to cut real wages further are making any real effort to achieve at least the 2 per cent discounting agreed to by the Government and the ACTU?

Mr WILLIS—The answer to the first two parts of the honourable member's question is, of course, yes. As a consequence, it is likely that, as in the current national wage case, the outcome will be an adjustment of wages of at least 2 per cent less than the increases that would come with full indexation. So we see that there is a considerable adjustment taking place with the agreement of the ACTU and the trade union movement. The thrust of the honourable gentleman's question is, of course, one with which the Government very much agrees. If there is to be restraint exercised by wage and salary earners it is very important that restraint is exercised by all sections of the community. That is something that was unanimously agreed to by all parties at what was a summit in this chamber in 1983.

Since that time action has been taken by the Government to try to ensure that there would be restraint in the environment of wage and salary earners, and that there be restraint by other income recipients. In that respect, action has been taken to establish a number of tribunals to look at establishing the fees in relation to some of the professions. I refer to the Pharmaceutical Benefits Remuneration Tribunal; the Federal Costs Advisory Committee, which determines solicitors' cost scales in the Federal legal jurisdiction; the medical fees inquiry, which this year unfortunately has been walked away from by the Australian Medical Association and its surgeons—the Government has made a decision of its own in that respect for this year, but prefers the inquiry approach—and also in relation to pathology services.

In respect of all of those tribunals or fee setting processes there have been two elements to the consideration. In all those cases it has a member of the Arbitration Commission who has formed the tribunal or inquiry which has looked at fees in two respects: One is a net income component and the other is a professional costs component. In both those respects they have had regard to wage fixing principles; that is, they have adjusted costs only where they have moved in line with wages, where they are wage costs. In respect of net incomes they have looked at

the reason for those incomes to increase in line with movement for wage and salary earners. So the members of those tribunals have had very much in mind the need for the national wage fixing principles to apply in those areas.

Reviews have also been conducted of fee setting processes for various other professionals such as architects, consulting engineers, accountants, dentists, quantity surveyors and veterinarians, and one review will start shortly on land surveyors. All those have been conducted by members of the Arbitration Commission, with the agreement of the professions, and have generally been established to ensure that the fee setting processes are such as to mean that the general principles applying to wage and salary earners apply in these areas to the extent that it is appropriate. That has given substantial assurance that in the area of the professions there has been that close association of principles applying in the professional fee setting area with wage and salary earners.

In relation to executive remuneration, the Advisory Committee on Prices and Incomes has kept a close watch on that with available material and has also commissioned some material. Over the period we have been in government, broadly speaking executive remuneration has been moving in line with that of wage and salary earners. We will be keeping a close check on that to ensure that that will continue to be the case. An examination of profits, dividends and investment has been conducted, which has shown that restraint has been exercised generally in respect of dividend policy. We would also expect that to continue. It is also establishing a measurement of profits and an agreement to a voluntary standard within the accounting profession in respect of the use of that measurement of profits. We hope that that will be achieved in the near future.

Finally, in relation to price restraint let me say that the Prices Surveillance Authority has, of course, been established. That body was instructed by the Treasurer last year to ensure that the policy it pursued in respect of pricing matters which come before it was such that prices did not increase in excess of movements in unit costs. That is a general principle which appropriately applies, and rightly so.

So, a number of processes have been established to try to ensure that restraint is exercised across the board. Of course, I note the objections of members of the Opposition who do not care about what happens to the incomes of others. They think that restraints should apply to wage

and salary earners. They do not give a damn what happens in respect of other areas and believe that people can do as they like. That, of course, is not a policy which is accepted by the Government. We will be continuing to monitor this area and, if further steps are needed to ensure that restraint is exercised in the non-wage income area, we will take those steps.

TAXATION REFORM

Mr HOWARD—My question is addressed to the Treasurer. I refer the honourable gentleman to the Prime Minister's enunciation last year of nine fundamental principles of tax reform. In particular I refer him to the fourth and eighth of those principles. The fourth principle read as follows:

Any reform must lead to a simpler system, which therefore all Australians can understand easily.

The other principle is:

Any reform must provide the best possible climate for investment, growth and employment in Australia.

I ask the Treasurer: By what stretch of imagination can the fringe benefits tax legislation of 139 pages, the capital gains tax legislation of 103 pages, the negative gearing legislation of 47 pages, and the other legislation introduced last night of 77 pages, meet the Prime Minister's criteria for sensible tax reform? Furthermore, will the Treasurer indicate whether his inability to provide the Parliament with explanatory memoranda for the capital gains tax and the foreign tax credit legislation is due to administrative incompetence, or is it the sheer complexity of the legislation which is defying proper explanation?

Mr KEATING—Just on the last point, the Government provided the Opposition with all of the documentation it had three hours before I presented the Bills last night, including the Bills themselves and those explanatory memoranda which were available. The reason that the other material is not available is not just that we have had continual difficulties in getting all of this drafted but also that there have been industrial problems in the printery this week. I might just add that, despite the wailing by the honourable member for Mackellar last evening, and despite the fact that the Government provided these things to Senator Messner three hours later, when I provided a briefing on the Bills this morning by tax officers, the honourable member for Mackellar never even bothered to turn up. So what about that? A couple of staff people arrived. Although the honourable member has made such a brouhaha about it, he did not even

have the decency to turn up and listen or ask a question. This really meant that he was trying to make a cheap political point rather than learn something, which I understood was his attitude in the first place.

Let me deal with the first question. This man who made a swill of the Australian tax system and who was dragged into doing something about it by the McCabe-Lafranchi report and the report of the Costigan Royal Commission on the Activities of the Federated Ship Painters and Dockers Union, now wishes to refer to the Prime Minister's nine principles in respect of tax reform as some sort of reason why the Government should not move on tax avoidance in the fringe benefits area and why the Government, in a capital scarce country, ought not to do something about the proper placement of capital rather than seeing it squandered, by tax driven decisions, in areas of tax free capital gains. What we see is the Opposition using any port of call to continue its barrage and its sham of a policy for its inaction of years gone by in terms of fairness, equity and decency in the tax system.

The Leader of the Opposition referred to the number of pages in the 'Fringe Benefits Tax—a Guide for Employers'. Obviously, there are a lot of different kinds of fringe benefits and the booklet devotes a couple of pages to each one. I would have thought that the fact that there are so many pages was one of the reasons why the former Treasurer should have moved against it. The fact that a couple of pages are devoted to each fringe benefit is the reason why there are so many pages. Those pages are designed to help people and to tell taxpayers and companies what their obligations are. There is no point in Opposition members manufacturing mock indignation about some burdens being placed on employers by their having to read these documents or their being forced to attend to these matters. We all know that employers have had cheaper labour than they would otherwise have had by using the fringe benefit mechanism. They have been able to engage the service of people without paying higher levels of remuneration because they have been able to split between the employer and the employee what would otherwise have been the tax payable. The only people who have had to bear the burden of that are the ordinary men and women—the ordinary taxpayers—of this country who have had to pay for all of the fringe benefits of higher income taxpayers, for whom paying tax was always optional under the coalition Government. The coalition Government was never interested in closing tax loopholes; it always left them open

like some sort of tax collander for people to fall through. Thus higher income earners have not had to pay their fair share of tax, while every other person has had to pay it.

Apparently, the morality of tax law is now to be measured on the basis of how many pages the Government requires business people to read. That is the apologia: The reason why we should not move on tax reform is that we ask somebody to read a 100-page booklet about fringe benefits from which he has massively benefited. If that is the standard of coalition morality on tax policy it is no wonder that the coalition is still in opposition. If it keeps to that standard of morality it will stay there.

AUSTRALIAN COMMONWEALTH GAMES TEAM

Mr STAPLES—Has the attention of the Minister for Sport, Recreation and Tourism been drawn to Press reports that the Australian Commonwealth Games team is in serious financial difficulty and that Australian athletes may have to miss the Games?

Mr JOHN BROWN—I am aware of reports, particularly a very florid article on the front page of the *Telegraph* this morning which is a fairly cheap beat-up. I can assure the House that officers of the Australian Sports Commission have been in touch with the Commonwealth Games Association and are monitoring this matter closely. I think everybody would understand that the Commonwealth Games Association, given the time scale, has had difficulty in raising the money that it may have required because it is competing with the America's Cup, bicentennial projects and also the 1992 Olympic Games for funding. Thus, it is in a difficult climate for raising funds. However, my advice is that support has picked up well. With the campaign it has been running for the sale of \$25 bonds through the stock exchanges—with the advantage, I might add, of taxation deductibility provided by the Government, and in particular the Treasurer; it is the first time ever that this benefit has been available for either the Commonwealth Games or the Olympic Games—the Australian Commonwealth Games team is well on track and there is certainly no question of athletes being left behind.

I should also add that the Australian team, which comprises 310 competitors and officials, represents the largest Australian team ever to go to a Commonwealth Games or Olympic Games. Given the extraordinarily successful results we had in Brisbane, we hope to leave Edinburgh

with the highest swag of gold medals. I think it is also worth making the point that the taxpayers of Australia, through the Federal Government, have contributed \$900,000 to the funding of the Commonwealth Games team. This is the largest amount ever contributed to such a team; in fact, it was the amount asked of us by the Commonwealth Games Association. We all know that this team will give of its best: I am sure that it will perform in a way that will bring pride to every Australian. I hope that the newspaper article this morning, as florid and as misleading as it was, will engender even more support from the commercial and private sector in Australia, and in particular from private citizens, to see that this team, which promises so much, is at least properly funded.

FRINGE BENEFITS TAX

Mr HUNT—I refer the Treasurer to the situation of a wheat farmer who has one employee and whose family lives in rent free accommodation on the property. If the value of the employee's accommodation is assessed at \$60 a week and his use of power, fuel, farm vehicles, et cetera is assessed at a further \$60 a week, will the employer's tax liability increase by about \$3,000 per year under the fringe benefits tax? In view of the fact that the average wheat farmer is already suffering record losses in income and is paying excessive interest rates on record indebtedness, is the Treasurer concerned about the consequent increase in unemployment in rural areas and the inability of farmers to continue to employ people?

Mr KEATING—The Government has made the fringe benefits tax arrangements on housing in rural Australia extremely concessionary. It has done so in consultation with the various industries concerned. It has taken in all cases what could reasonably be believed to be the lowest possible basis of valuation for rental purposes and fringe benefits provided. It is on that basis that we are confident that no liability imposed on a member of a business providing fringe benefits in the accommodation area in this way is unduly harsh. I am not in a position to do the calculations the honourable gentleman requires of me on my feet, except to give him that assurance.

COMMONWEALTH TAXATION LAWS: CLAIMS BY QUEENSLAND PREMIER

Mr HUMPHREYS—Is the Treasurer aware of claims by the Queensland Premier that he plans to break Commonwealth taxation laws?

What is the Government's reaction to these claims?

Mr KEATING—I am aware of the Queensland Premier's comments. I regard it as a matter of great regret that so senior an Australian politician should be driven to make the remarks he has. It highlights the double standards we have had from the Queensland Premier to find that, in urging people to law and order and to obey the rule of law, the only laws he feels he ought to be obeyed are his laws. I urge honourable members to remember his attitude two years ago when the Queensland coal companies tried to reduce the onerous burden of the \$200m a year rail freight export taxes and the Premier's reply to them. I remind honourable members of his attitude towards Queensland motorists when hit by increases of up to 400 per cent in compulsory third party insurance. Those motorists were threatened by the Premier, who abused everybody who said that they may not pay the increases.

The other thing I found regrettable in the Premier's fulminations this morning was that he did not have the decency to indicate that the earnings of these revenue measures are totally revenue neutral to the Government and are all returned in lower marginal rates of tax. We heard nothing from the Queensland Premier about the reduction in the top marginal tax rate from 60 per cent to 49 per cent. We heard nothing from him about the removal of the double tax on dividends or the provision of the full imputation system for Australian business. The Premier has been fulminating about the cost to business of the fringe benefits tax but has failed to mention the provision of a full imputation system, the second such system in the world, at a company tax rate of 49 per cent and not 65 per cent, and reductions in the top marginal rate from 60 per cent to 49 per cent and, in the other step, 46 per cent and 48 per cent to 40 per cent. He did not have the decency to mention that. Of course the reason the Premier is concerned about the consequence of the tax upon the Queensland Public Service is obviously the size and the cost of Public Service fringe benefits in Queensland which State taxpayers are being asked to bear. For instance, his own aircraft, which costs \$8m a year—

Mr Griffiths—How much?

Mr KEATING—It costs \$8m, but does not operate under rules like those applying to Royal Australian Air Force aircraft. Secondly, it is well known that there is a secret Public Service Board report circulating in Brisbane detailing the mas-

sive abuse of fringe benefits in the Queensland Public Service. Three-quarters of government vehicles in Brisbane are used for no more than transporting public servants to home and back, and of course the recent Australian Bureau of Statistics numbers emphasise the size of his public sector in Queensland, which is running a 1985-86 borrowing requirement of \$1.615 billion. When extrapolated to all of Australia, that is the equivalent of a Commonwealth borrowing requirement of a massive \$10 billion—which of course is twice what the Commonwealth borrows. So that gives us some indication of the size of the public sector in Queensland. Yet this is from a Premier who is always urging everyone else to reduce the size of government. He has this whopping public sector deficit and borrowing requirement up there and has abused taxpayers' funds by providing fringe benefits, on which he now has to pay the Commonwealth tax. To find that he is going about the place urging people to break the law when he has for years urged everyone else to accept the rule of law, reserving to himself the right to abuse anyone who dares not pay Queensland taxes, all rings rather hollow. Perhaps this is best summed up by today's leader in the Brisbane *Courier-Mail*, headed 'Facing the economic Truth', which, in speaking about the Queensland economy, says:

Of course, there are lies, damned lies and statistics. But the Liberal Party in Queensland has produced a set of economic indicators which suggest, rather forcibly, that the economy is in crisis. Queensland has the highest unemployment rate in mainland Australia and the lowest number of tertiary education students. As well, the State has had no increase in full-time employment, it is the only State where juvenile unemployment has increased, the only State which has experienced a percentage decrease in new housing starts and the lowest increase in new vehicle registrations.

Other indicators are equally gloomy: Queensland has experienced the greatest percentage increase in bankruptcies, the second worst decrease in private capital investment and the greatest number of days lost through industrial disputes.

Of course, the Premier managed to produce his own set of statistics: Queensland has the highest growth rate and the lowest State taxes. More importantly, however, he accused the Liberals of siding with Labor 'to knock Queensland'. This is unfortunate, because it demonstrates a reluctance on the part of both the Premier and the Queensland Government to accept the facts before their eyes.

The *Courier-Mail* has been known to be fairly supportive of the Premier in the past. This is a damning indictment of his administration and, coming as it does on the heels of his urging of people to break the laws of the land, the Commonwealth laws, and saying that his own Government will not pay the tax on the fringe

benefits handed out willy-nilly by him and his Ministers to their employees, gives the Queensland public some indication of the kind of leadership and the morality of the leadership it is currently getting from the Queensland Premier.

DRUGS

Mr SHARP—Does the Minister for Health still hold the belief that he has expressed repeatedly over a number of years that it is wrong for marihuana to be outlawed and that people should be allowed to grow marihuana in their own back yards? If the Minister believes in the legalising of marihuana, how does he accommodate this with his position as the Government's Minister in charge of the drug offensive? Does he realise that by allowing people to grow cannabis plants in their own back yards he must be advocating the legislation of such hard drugs as hash and hashish oil which, along with marihuana, are products of the cannabis plant?

Dr BLEWETT—In the past I have expressed views about the controversial issue of the decriminalisation of marihuana. However, as Health Minister of this country and as a member of the Cabinet, I am bound to take into consideration the long term effects of marihuana on health. Quite clearly, in the material that has been prepared under my authority in relation to the national campaign against drug abuse, which the honourable member has used every opportunity to denigrate, we have tried to provide people with factual, realistic information about drugs. We believe that, provided the correct information is given throughout the campaign, that information will be respected. In the material that has been put out in relation to cannabis, we have pointed out the distinction between cannabis and some of the hard drugs, but at the same time we have recognised some of the long term effects on people's health of the use of cannabis.

HOUSING: OPPOSITION POLICY

Mr LEE—My question is addressed to the Minister for Housing and Construction. What effect would the implementation of the Opposition's policy on housing and construction, as announced yesterday, have on the housing industry and on first home buyers?

Mr WEST—When the Opposition policy document came into my hands for the first time last night, I took some convincing that it was a genuine document. The document is so inept and shoddy in its presentation and so shallow in its content that it is hard to believe that a major political party in this country could actually put out such a poor and amateurish presentation

with such shallow content. It has absolutely no costing and no figures whatsoever. One can look through the entire length of the document and nowhere is there to be found any consideration of the financial effects of the changes to policy that the Opposition suggests. It has all the hallmarks of being put out in great panic. Each page is headed 'Draft Copy No. 9' and dated 17 February. This is the policy document that was put around the Press Gallery last night.

As we now have the benefit of being able to peruse Draft Copy No. 9, dated 17 February, the obvious question that any interested observer would have to ask is: What have the Opposition and the torpid shadow Minister for Housing and Construction been doing since 17 February? It is pretty obvious that they believe that nothing much has happened in the area of housing since 17 February. There I was, sitting in my office, waiting for the phantom front bench leaker to strike again, when suddenly my Press officer rushed in and said: 'Minister, have a look at this dynamic document. We have an Opposition policy document which is Draft Copy No. 9 and dated 17 February. It has just been released'. Let us have a look at the document and see what it says. The first thing we see—

Opposition members interjecting—

Mr WEST—As I have said, it has all the hallmarks of being pushed out in panic. Honourable members opposite really have some problems with leaks. By George, they have some problems with leaks. I hope that they can hunt down the culprit. Let us look at what the document proposes. The first thing the document sets out to do is to abolish the first home owners scheme. Let me explain what the first home owners scheme has achieved. Because it makes available a substantial lump sum and a continuing interest rate subsidy, that scheme has made it possible for 200,000 low and middle income earners to aspire to their own homes in this country. We have paid out—and have a commitment to pay out over the next five years—\$900m already. Why, even in the electorate of the honourable member for Deakin an amount of \$2.6m has been committed. In the electorate of Bennelong an amount of \$1.5m has been paid out, and—wait for it—we have paid out \$6m in the electorate of New England. What has the National Party got to say about this attack on the low income aspirants to a home?

I do not want to see Australia's working class home aspirants disadvantaged because of the abolition of the first home owners scheme. However, what do the right honourable member for

New England and other members of the National Party have to say about the effect of this on the rural poor in their own electorates when, already, an amount of \$6m has been allocated to low and middle income earners in the New England electorate as a result of this scheme? Do members of the National Party simply want to abolish the first home owners scheme?

Let us look at what the policy document proposes in addition to this sabotage. It also sets out to eliminate the tied grants under the Commonwealth-State Housing Agreement. Let us look at what the tied grants are. There are five tied grants. The first is the mortgage and rent relief scheme which was first implemented by the Fraser Government back in 1982 during its period of high interest rates. The mortgage and rent relief scheme does what its name implies and extends assistance to those who are in trouble in paying out their mortgage and meeting their rent requirement. The second tied program is the crisis accommodation program. Honourable members opposite are going to abolish that program. This program makes short term accommodation available to the poor and homeless. The third program the Opposition would set out to abolish is the local government and community housing program. Let us see what the Australian Association of Local Government Organisations and all the local government institutions around Australia will have to say about this. Let us see what all the community housing organisations will have to say. The second last program which the Opposition proposes to abolish is the Aboriginal rental program. This is the special Aboriginal program for which we have increased funding by 60 per cent since we achieved office.

Mr Sinclair—Wind up.

Mr WEST—The Opposition proposes to abolish the Aboriginal rental program. The fifth program that Opposition members propose to abolish when they abolish the tied grants is the pensioners rental program. The Opposition ought to be thoroughly ashamed that it could produce such a vicious document.

Mr Sinclair—On a point of order, Madam Speaker: I draw your attention to a practice that the Minister, when in opposition, sought to canvass frequently during the course of Questions without Notice, and that is, if it is necessary for a Minister to make a statement time will be provided in the Parliament for that statement to be debated. Questions without Notice are not for the purpose of giving a protracted explana-

tion of this order. I suggest that it is about time that the Minister drew his answer to a close.

Madam SPEAKER—Order! There is no point of order. I have pointed out to the House repeatedly that, if honourable members wish to limit the time that a Minister takes to answer a question, they may do so through the House of Representatives Standing Committee on Procedure. The Chair has no authority to limit the time. The Chair can ask only that the Minister be relevant.

Mr WEST—The Opposition ought to be ashamed that it has kept its supporters waiting for 18 months and then has come out with a policy that is so poor in its presentation and so shallow in its content. The Opposition requires a really good shakeup to get rid of the current batch of dullards and loafers who make up its front bench, which can produce such an atrocious, foul and despicable document that it hopes to pass off as a housing policy document.

MAINTENANCE PAYMENTS

Mr MacKELLAR—I ask the Minister for Social Security. Does the Government intend to deduct at source court-directed maintenance payments from the incomes of defaulting non-custodial parents?

Mr HOWE—I thank the honourable member for his question because it is an important issue for this Parliament and is certainly relevant, as the Minister for Finance said yesterday, to the care of children of sole parents. Every honourable member will know that the children of pension beneficiary families, particularly the children of sole parent families, are the poorest children in the Australian community today. One of the disturbing things that have occurred in the discussion that has taken place around Australia on this issue, particularly on the part—as Senator Walsh said yesterday—of the National Party of Australia rednecks, has been the suggestion that somehow the responsibility for this poverty lies very much with the 90 per cent of supporting parents who are women, with little or no attention being given to the fact that liable parents, the vast majority of whom clearly are men, are not taking the responsibility that they ought to take to maintain at a reasonable level the children for whom they have responsibility.

The Government has had this matter under consideration for a period and hopes to resolve its approach to it in the lead-up to this year's Budget. We are looking at a number of alternatives, including the national maintenance collection agency approach which was the subject of

a Government report. We have been looking also at the New Zealand liable parents contribution scheme. Last week I was in New Zealand and had discussions with the Minister for Social Welfare and had the opportunity to talk to people in New Zealand about that scheme. We are looking also at some other alternatives which would include that which was implied in the question; that is, the withdrawal of income at source. Whatever is the outcome of these deliberations, we have a situation in which there is great poverty. We believe that people ought to be brought to account on the question of individual responsibility and that the Federal Government ought to take the lead in this matter.

I cannot say any more than that, except that I believe this is a very important issue. I know that there have been some very interesting debates in the Senate. I hope that when the Government is able to bring back a report to the House we will be able to get very broad support, in particular from those outspoken members of the National Party who have suggested that there are matters of individual responsibility in this area. I hope also that all members of parliament will consider the issues when the Government has determined its position, because this matter is extremely important to the Australian community.

SOLOMON ISLANDS

Mr MILDREN—I direct the attention of the Minister representing the Acting Minister for Foreign Affairs to the appalling loss of life and destruction of property in the Solomon Islands in the wake of Cyclone Namu. Will the Minister indicate the most recent information on the situation in the Solomon Islands? Will he also indicate what action the Australian Government has taken to provide emergency relief measures in the devastated areas and what information he has regarding the safety of Australians in the Solomon Islands? Finally, will he indicate whether the Government would be prepared to support community groups should they organise disaster relief appeals for the victims of Cyclone Namu?

Mr BARRY JONES—Following an improvement in the weather on 21 May, the Solomon Islands Government began assessing the damage. A further assessment of the situation will take some time. To date, 71 deaths have been reported but there is as yet no official confirmation. The latest information available indicates that the magnitude of devastation is far greater than originally estimated and that at least 90,000 people are homeless. The Prime Minister, in his

message to the Solomon Islands Prime Minister, has given an assurance that Australia will continue to do all that it can to assist in this hour of crisis. At the request of the Solomon Islands Government, Australia is providing relief assistance in the form of helicopters with winches, shelter materials, water containers, first-aid material, food—particularly rice—a generator and other electrical equipment, blankets and cooking utensils. Three Australian Hercules transport flights have already arrived in Honiara from Australia and a fourth and fifth Hercules are on their way to Honiara with additional supplies. An Australian airport engineer has been airlifted to Honiara to assist in assessing airport conditions. A Caribou aircraft left Townsville for Honiara this morning to assist in the distribution of supplies in the outer islands.

Early next week additional Royal Australian Air Force aircraft will be required, and the defence forces will respond as required. The Royal Australian Navy is preparing to send two vessels—HMAS *Flinders*, which we hope will arrive shortly after the weekend, and HMAS *Stalwart*, which will arrive early next week—with a large volume of supplies. The emergency relief assistance to the Solomon Islands is co-ordinated by the Australian Development Assistance Bureau in collaboration with the Australian Natural Disasters Organisation. They are in constant touch with the Australian High Commissioner in Honiara. Until now, all requests of the Australian Government by the Solomon Islands Government have been met, and the Australian Government will respond as required. The High Commissioner advises that all Australians in Honiara are safe but contact with outer islands is still difficult. I will seek what advice I can about the relationship of private donor organisations but, naturally, this is a community responsibility. It cannot just be a government matter. I am sure that this is something which has the full support of all parties in the House.

PETITIONS

The Clerk—Petitions have been lodged for presentation as follows and copies will be referred to the appropriate Ministers:

International Year for Repairing the Earth

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. This petition of concerned Australian citizens respectfully points out:

That, for our survival, an effective Worldpeace Initiative needs to be established which will work towards mutual understanding, world disarmament, economic well-being for all and full employment. This Initiative

will help to ensure a sustainable society conserving natural resources, and revitalising soils essential for growing a plentiful and healthy food supply and tree cover. By achieving these objectives, Australia can set an example for the rest of the world to follow.

Your petitioners therefore humbly pray that your Honourable House will:

1. Propose to the United Nations General Assembly that 1989 be declared International Year for Repairing the Earth.
2. Implement action programs leading up to 1989 which will include:
 - (a) Actively supporting the International Year of Peace in 1986 by reducing our military expenditure by at least 10% and allocating this to fund environmental repair programs;
 - (b) Implementing national recycling programs to reuse water, and to compost into hygienic humus all presently wasted sewage-sludge and organic garbage mixed with fine ground powder from mineral-rich gravels and rocks, to use as a natural fertiliser in revitalising impoverished soils;
 - (c) Developing national employment programs to give priority to irrigation systems and the planting and growing of forests, food-producing trees and other crops to assist the greening of Australia.

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

by Mr Dubois, Dr Harry Edwards, Ms McHugh, Mr Staples, Mr Webster and Mr Wilson.

Petitions received.

International Year for Repairing the Earth

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. This petition of concerned Australian citizens respectfully points out:

That, for our survival, an effective Worldpeace Initiative needs to be established which will work towards mutual understanding, world disarmament, economic well-being for all, fulfilling employment, a sustainable society conserving natural resources and revitalising soils essential for growing a plentiful and healthy food supply and tree cover. By achieving these objectives, Australia can set an example for the rest of the world to follow.

Your petitioners therefore humbly pray that your Honourable House will:

1. Create an Australian Ministry for Peace specifically devoted to peace-building and the non-violent resolution of conflict;
2. Convene a national Summit for Survival to discuss the issues of world disarmament, security and national and international co-operation;
3. Support the United Nations World Disarmament Campaign by allocating the equivalent of at least 10% of our military expenditure to fund peace activities;

4. Actively assist the International Year of Peace in 1986 by initiating programs for peace education, self help development and environmental repair;
5. Develop national employment programs to give priority to the planting and growing of forests, food-producing trees and other crops to assist the greening of Australia.
6. Implement national recycling programs to reuse water and to compost all presently wasted domestic sewage-sludge and organic garbage with mineral-rich gravel dust, a by-product from rock quarries and mines, into hygienic humus, a natural fertiliser, for use in revitalising impoverished soils.
7. Propose to the United Nations General Assembly that 1989 be declared International Year for Repairing the Earth.

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

by Mr Wilson.

Petition received.

Pensions

To the Honourable the Speaker and the Members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens respectfully sheweth that your petitioners are gravely concerned at the failure of the Government to honour its election promises to pensioners.

In particular those promises relate to the following commitments:

1. That within three years of its election to office, a Hawke Labor Government would raise the level of the standard pension to 25% of average weekly earnings;
2. That the lag time between the announcement of the Consumer Price Index figures and the subsequent adjustment of pensions would be reduced to one month, and
3. That the disproportionate tax burden borne by low income earners would be lifted.

None of these promises has been honoured to date.

Your petitioners are extremely angry at the failure of the Government to live up to its commitments and, as in duty bound, will ever pray that these serious omissions will be given the attention they deserve.

by Mr Katter, Mr Mountford, Mr Nehl, Mr Ian Robinson, Mr Snow and Mr Webster.

Petitions received.

International Year for Repairing the Earth

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. This petition of concerned Australian citizens respectfully points out:

That deterioration of the total global environment is continuing at an increasing rate; that important environmental resources vital to human livelihood such as trees, soil and water are decreasing at an alarming rate; that there is a need for educating all people to assume a greater responsibility for the conservation, sustainable use and maintenance of vital resources; that dynamic

a Government report. We have been looking also at the New Zealand liable parents contribution scheme. Last week I was in New Zealand and had discussions with the Minister for Social Welfare and had the opportunity to talk to people in New Zealand about that scheme. We are looking also at some other alternatives which would include that which was implied in the question; that is, the withdrawal of income at source. Whatever is the outcome of these deliberations, we have a situation in which there is great poverty. We believe that people ought to be brought to account on the question of individual responsibility and that the Federal Government ought to take the lead in this matter.

I cannot say any more than that, except that I believe this is a very important issue. I know that there have been some very interesting debates in the Senate. I hope that when the Government is able to bring back a report to the House we will be able to get very broad support, in particular from those outspoken members of the National Party who have suggested that there are matters of individual responsibility in this area. I hope also that all members of parliament will consider the issues when the Government has determined its position, because this matter is extremely important to the Australian community.

SOLOMON ISLANDS

Mr MILDREN—I direct the attention of the Minister representing the Acting Minister for Foreign Affairs to the appalling loss of life and destruction of property in the Solomon Islands in the wake of Cyclone Namu. Will the Minister indicate the most recent information on the situation in the Solomon Islands? Will he also indicate what action the Australian Government has taken to provide emergency relief measures in the devastated areas and what information he has regarding the safety of Australians in the Solomon Islands? Finally, will he indicate whether the Government would be prepared to support community groups should they organise disaster relief appeals for the victims of Cyclone Namu?

Mr BARRY JONES—Following an improvement in the weather on 21 May, the Solomon Islands Government began assessing the damage. A further assessment of the situation will take some time. To date, 71 deaths have been reported but there is as yet no official confirmation. The latest information available indicates that the magnitude of devastation is far greater than originally estimated and that at least 90,000 people are homeless. The Prime Minister, in his

message to the Solomon Islands Prime Minister, has given an assurance that Australia will continue to do all that it can to assist in this hour of crisis. At the request of the Solomon Islands Government, Australia is providing relief assistance in the form of helicopters with winches, shelter materials, water containers, first-aid material, food—particularly rice—a generator and other electrical equipment, blankets and cooking utensils. Three Australian Hercules transport flights have already arrived in Honiara from Australia and a fourth and fifth Hercules are on their way to Honiara with additional supplies. An Australian airport engineer has been airlifted to Honiara to assist in assessing airport conditions. A Caribou aircraft left Townsville for Honiara this morning to assist in the distribution of supplies in the outer islands.

Early next week additional Royal Australian Air Force aircraft will be required, and the defence forces will respond as required. The Royal Australian Navy is preparing to send two vessels—HMAS *Flinders*, which we hope will arrive shortly after the weekend, and HMAS *Stalwart*, which will arrive early next week—with a large volume of supplies. The emergency relief assistance to the Solomon Islands is co-ordinated by the Australian Development Assistance Bureau in collaboration with the Australian Natural Disasters Organisation. They are in constant touch with the Australian High Commissioner in Honiara. Until now, all requests of the Australian Government by the Solomon Islands Government have been met, and the Australian Government will respond as required. The High Commissioner advises that all Australians in Honiara are safe but contact with outer islands is still difficult. I will seek what advice I can about the relationship of private donor organisations but, naturally, this is a community responsibility. It cannot just be a government matter. I am sure that this is something which has the full support of all parties in the House.

PETITIONS

The Clerk—Petitions have been lodged for presentation as follows and copies will be referred to the appropriate Ministers:

International Year for Repairing the Earth

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. This petition of concerned Australian citizens respectfully points out:

That, for our survival, an effective Worldpeace Initiative needs to be established which will work towards mutual understanding, world disarmament, economic well-being for all and full employment. This Initiative

Ensuring no additional cut-backs will be made to the portfolio of Veterans' Affairs.

Reviewing the previous cut-backs in such areas as the travel allowances, dental scheme and repatriation pharmaceutical benefits scheme.

Proceeding with abolishing more stringent conditions applying to the granting of the TPI pension.

by Mr Blunt and Mr Reith.

Petitions received.

Fuel Prices

To the Honourable the Speaker and members of the House of Representatives in Parliament assembled. The petition of the undersigned shows:

That the Hawke Government should;

pass on the full benefit of lower international oil prices on 1 March 1986;

not increase or extend fuel taxes; and

maintain its tax cut commitments.

Your petitioners humbly pray that the Hawke Government honour its commitment to the Import Parity Pricing policy.

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

by Mr Braithwaite and Mr Fife.

Petitions received.

Superannuation

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament. The petition of the undersigned citizens of Australia showeth:

That many Australian wage and salary earners and self-employed persons do not enjoy secure retirement incomes provided by superannuation; and

That the Government issued in December 1985 Guidelines for the implementation of the proposed productivity decision by the Conciliation and Arbitration Commission and draft Operational Standards for Superannuation schemes.

Your petitioners therefore humbly pray that the Government:

1. Guarantees to every employee the right and freedom to select the superannuation scheme of his/her choice.
2. Protects the individual exercising that freedom of choice from any coercion, influence or other pressure which may be applied by any employer, association or trade union.
3. Will recognise only those schemes which provide genuine superannuation and reject those schemes which do not provide for—
preservation of benefits to retirement
vesting of employer contributions on a reasonable sliding scale

equal employer and employee Trusteeship control to ensure security of investments.

And your petitioners as in duty bound will ever pray. by Mr Goodluck and Mr Miles.

Petitions received.

Housing-Related Poverty

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled.

This petition of citizens of Australia shows that—

Approximately 100,000 Australians live on the verge of homelessness, dependent on Government resources to survive, or sleep out of doors or in refuges.

Over 700,000 households, or in excess of 2 million Australians, are living below the poverty line after paying their rent or mortgage costs.

In addition, there are thousands of households with special needs, such as the disabled, who are not well catered for in the private sector but who nevertheless require suitable housing.

Waiting lists for public housing have almost doubled in the past five years to 146,000 by June 1985. The list is expected to grow to some 250,000 by 1990.

We therefore ask that the Australian Government, as a highest priority

undertake a campaign to bring the issue of poverty and, in particular, housing-related poverty, to the attention of the Australian public

increase expenditure on public housing through the Commonwealth State Housing Agreement, by at least 15% annually in real terms

increase rent relief payments for those on low incomes in the private rental market

use its influence with State and Territory governments to encourage them to increase their expenditure on public housing.

by Mr Jenkins and Mr Staples.

Petitions received.

Nuclear Disarmament

To the Speaker and Members of the House of Representatives in Parliament assembled. This petition of the undersigned citizens of Australia shows that

in this International Year of Peace, 1986, the world needs a Nuclear Test Moratorium by the United States, the Soviet Union, France and other nuclear-testing powers

that such a moratorium would create a favourable climate and basis for the negotiation of a Comprehensive Nuclear Test Ban Treaty

that such a Moratorium and Comprehensive Nuclear Test Ban Treaty would

be the first vital step to nuclear disarmament
impede the development of new nuclear weapons
decrease the reliance upon an unstable nuclear strategy
inhibit the spread of nuclear weapons.

Your petitioners therefore ask that the Australian Government be urged to

1. Use its influence with the United States Government to encourage it to join the moratorium on nuclear testing begun by the Soviet Union on 6 August 1985.
2. Use its influence in all forums to encourage other nuclear nations to join the Nuclear Test Moratorium.
3. Use its influence in all forums to encourage non-nuclear nations to demand the establishment of a Nuclear Test Moratorium and Comprehensive Nuclear Test Ban Treaty.

by Mr Jenkins and Mr Staples.

Petitions received.

Nuclear Free Zones

To the Honourable the Speaker and the Members of the House of Representatives in Parliament assembled. The humble petition of citizens of Australia shows—

That the people of New Zealand and the New Zealand Government have given an example to the world in their efforts to achieve a nuclear free South Pacific, and such decision being endorsed by the people at a general election.

Your petitioners therefore pray that the Australian Government support the principled stand taken by the New Zealand Government and urges it to condemn any efforts by the U.S. Government to impose economic or other sanctions on New Zealand in retaliation for their stand on nuclear vessels.

We further urge the Australian Government to urgently implement its policy to promote the development of zones of peace and nuclear free zones in the Indian and Pacific Oceans.

by Mr Kent and Mr Staples.

Petitions received.

Port Arthur Conservation and Development Project

The Honourable the Speaker and Members of the House of Representatives Parliament House, Canberra A.C.T. 2600.

The humble petition of the undersigned citizens of Australia respectfully showeth: The future of work at Port Arthur and Tasman Peninsula to conserve historic sites and present them to the public is under grave threat due to the proposed termination of the Port Arthur Conservation and Development Project on June 30th 1986.

Your petitioners therefore humbly pray that the Federal Government in acknowledgement of the national significance of the historic remains on Tasman Peninsula, provide appropriate financial support for the continuation of the Port Arthur Conservation and Development Project in cooperation with the Tasmanian State.

by Mr Burr.

Petition received.

Australian Bill of Rights Bill

To the Honourable the Speaker and Members of the House of Representatives. The petition of the undersigned respectfully sheweth that the Bill of Rights is not supported by the people of Australia, and calls on the Government to:

Delay proclamation of the Bill until all matters of contention are settled by national referenda, and that:

- (1) Matters of States rights, property rights, rights of the newborn, the right not to belong to unions, among other issues, have not been submitted to the people of Australia to decide, and that;
- (2) No Australian Bill of Rights should depend on any foreign convention for its basis in Australia law.

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

by Mr Cadman.

Petition received.

Television Standards and Screening Hours

The Honourable the Speaker, and Members of the House of Representatives, of the Parliament of Australia assembled:

We, the undersigned, plead that Parliament becomes aware that the Public has no legal right to influence the setting of Standards for Television Programming, that we deplore the new Standards which came into force on 1 February, and that we call on Parliament to amend the Broadcasting and Television Act 1942, section 16 (2), so that the Australian Broadcasting Tribunal, when determining Television Standards, and screening hours, shall consult with the Australian people:

because at present the Tribunal is compelled by law to consult only with television stations on these matters,

because the new Standards are a result of such consultation, and have already been implemented without public discussion,

because the new Standards are ambiguous, and without definition,

because the new Standards are composed of modifying terms which circumvent the proscriptions,

because the media is only motivated by aspirations of pecuniary superiority,

because, in contrast, the public is only motivated by their wish to exercise pastoral care over the nurturing home environment of their children,

because we believe that the Standards wrongly ascribe extreme importance to 'the storyline' of a film screened,

because we believe that the Standards wrongly ascribe total unimportance to the effects of viewing, especially violent films, on the young, the impressionable, the immature, the unstable, or the socially disadvantaged,

because we refuse to accept the media-imposed assessment of community standards,

and because we wish to impart our demand to be consulted, our demand to have legal status in deci-

sion-making, and the right to counsel those whose decisions so deeply affect our homes.

Your petitioners therefore humbly pray that you will give this matter your earnest attention.

And your petitioners as in duty bound will ever pray.
by Ms Fatin.

Petition received.

Death Penalty

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled: The humble petition of the undersigned citizens of Australia respectfully showeth:

That there has been an alarming increase in crimes of violence in Australia causing fear and distress to the elderly, the weak and the defenceless in our society.

Your petitioners therefore humbly pray that the death penalty be introduced in cases where murder can be clearly proved beyond shadow of doubt.

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

by Mr Goodluck.

Petition received.

Chernobyl Nuclear Disaster

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The petition of the undersigned respectfully showeth:

That after the nuclear disaster which occurred at Chernobyl, in the Soviet Union, on 26 April 1986, Poland, a neighbouring country, was the most affected by radioactive fallout.

That the Soviet Union did not warn the neighbouring countries of radioactive danger until at least 48 hours after the accident, thus delaying any precautions being taken by the populations of those countries.

That the Soviet Union Government be held responsible for all health and material damage to the Polish people.

That all nuclear reactors in the Soviet Union be subjected to international control.

Your petitioners most humbly pray that the House of Representatives in Parliament assembled should do all in its power and authority, through the Government of Australia, to alleviate the suffering of the Polish people and to ensure that the negligence of the Soviet Union in the operation of nuclear reactors be condemned world wide, and that the Soviet Union Government be held responsible for all damage to health and property of countries affected by the nuclear disaster at Chernobyl.

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

by Mr Hodgman.

Petition received.

Family Allowances

To the Speaker and Members of the House of Representatives in Parliament assembled.

We the undersigned are deeply concerned that any proposal by the Government to adopt a flat rate family

allowance scheme would cause considerable hardship to low income families.

Your petitioners therefore humbly request that the House of Representatives, in Parliament assembled, urge the Government to give due consideration to the effects of such a proposal on Australian families.

And your petitioners as in duty bound will ever pray.
by Mr Humphreys.

Petition received.

Television Services: Brisbane

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled.

We the undersigned believe that the quality of reception of the Brisbane SBS UHF television station is of a very poor quality in many of the Brisbane suburbs.

Your petitioners therefore humbly pray that the House of Representatives in Parliament assembled urge the Government to erect a translator capable of providing a service comparable to that of the major cities in Australia.

by Mr Humphreys.

Petition received.

Identity Cards

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The petition of the undersigned shows:

That the proposed introduction of compulsory identification (ID) cards should be reconsidered and rejected because the system:

- (a) is not a cost-effective method of reducing tax evasion and social security fraud and, to the contrary, in the form proposed will facilitate such evasion and fraud;
- (b) will constitute an unwarranted infringement of individual privacy by the aggregation of a wide variety of personal information of a private nature;
- (c) will cause a further large and costly growth in the bureaucracy and burden on the taxpayer; and
- (d) cannot be guaranteed against misuse for purposes other than for which their introduction is stated to be intended and in fact will provide the opportunity for blackmail and other forms of misuse.

And your petitioners humbly pray that the problems which identification cards are intended to reduce should be attacked by other, more effective and less obnoxious methods.

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

by Mr Kent.

Petition received.

Proposed Medicare Office: Wyong, New South Wales

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament: The petition of certain citizens of Australia draws the atten-

tion of the House to the fact that the lack of a Medicare Office in Wyong is seriously inconveniencing the residents of Wyong Shire.

Your petitioners therefore request that a Medicare Office is established in Wyong as soon as possible.

by Mr Lee.

Petition received.

Discrimination against Women

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens of Australia respectfully sheweth:

That numerous provisions exist in industrial legislation and awards which purport to provide special protection to women workers but which have been shown to be detrimental to their achievement of equality in employment. Noting the relevant provision in Article 11 of the United Nations Convention on the Elimination of All Forms of Discrimination against Women to which Australia is a party your petitioners request that urgent action be taken to ensure that these legal barriers to equality be removed.

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

by Ms McHugh.

Petition received.

Radioactive Substances

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The petition of the undersigned respectfully sheweth:

We most strongly oppose the process of Food Irradiation by radioactive Cobalt 60 or any other radioactive substance.

We oppose the introduction of regulations that will facilitate the food irradiation process by State Governments. We express our deep concern at this attempt to extend the use of radioactive substances and exposure of workers to radiation.

We call on the Government to immediately ban the importation of radioactive Cobalt 60 or other radioactive substances and to immediately disallow the regulations that permit the irradiation of food here in Australia.

by Mr Milton.

Petition received.

Australian Bill of Rights Bill

To the Honourable the Speaker and the Members of the House of Representatives in Parliament assembled. The humble petition of certain electors of Australia respectfully sheweth:

That the Bill of Rights Bill, the Human Rights and Equal Opportunity Commission Bill, the Human Rights and Equal Opportunity Commission Amendment Bill and the Human Rights and Equal Opportunity Commission (Transitional Provisions and Consequential Amendments) Bill, if passed by the Parliament, will undermine human and civil rights in Australia; will attack the institution of the family in our country, and

will destroy States Rights and the federal nature of our Commonwealth.

Your petitioners humbly pray that: The Parliament rejects these Bills; abolishes the Human Rights and Equal Opportunity Commission and moves to withdraw ratification of the International Covenant on Civil and Political Rights.

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

by Mr Nehl.

Petition received.

Prescription Drugs to Pensioners

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens of Australia respectfully sheweth:

(1) That we the undersigned are totally opposed to the introduction of a \$2.00 fee on prescription drugs for pensioners;

(2) That the impact of such a fee will be particularly felt by the chronically ill elderly who will be faced with a \$2.00 burden with the purchase of each Pharmaceutical Benefit Scheme drug;

Your petitioners therefore urge the House of Representatives and the Government of the Commonwealth to ensure that prescription drugs continue to be provided to the pensioner population without the \$2.00 fee on each prescription.

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

by Mr Reith.

Petition received.

Horticultural Industry

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled.

We, the undersigned, are deeply concerned that Australia's important horticultural industry is being severely disadvantaged by unnecessarily rising production costs.

Many Federal and State Government regulations, excessive taxes and charges are damaging the ability of horticultural growers to maintain supplies of food and plant products to Australian families at a realistic cost. Widespread unemployment will result if horticultural producers are further depressed.

The undersigned humbly petition the Parliaments of Australia, its States and Territories, to take all measures within their powers to reduce the burden of imposed costs and regulation, allowing Australian horticultural growers to develop production potential so the nation, as a whole, can share the benefits of the resulting growth and prosperity.

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

by Mr Slipper.

Petition received.

Family Allowances

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The petition of the undersigned citizens of the Commonwealth of Australia respectfully sheweth:

That in the light of the Labor Government's proposal to bring about a reduction in the amount payable under the present Family Allowance Scheme, that the House of Representatives assembled oppose such a move, on the evidence of its impact upon the family unit.

Your petitioners most humbly pray that the House of Representatives in Parliament assembled should immediately seek to restore payments to the former level.

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

by Mr Slipper.

Petition received.

Identity Cards

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled.

This petition of Australian residents shows that we strongly oppose the introduction of the "Australia Card" or any form of compulsory identity cards. We believe that the introduction of identity cards will erode civil liberties; will create an increased risk of invasion of privacy; and will not result in any significant increase in Government revenue.

We call on the Parliament to immediately reject any proposals for the introduction of compulsory identity cards.

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

by Mr Staples.

Petition received.

Wild Horses

The Honourable the Speaker and Members of the House of Representatives in the Parliament assembled. The petition of concerned people respectfully sheweth their desire to have the wild horses of Queensland and the Northern Territory declared a protected species.

Your petitioners therefore humbly pray that your Honourable House set aside a National Park for these horses and ensure that killing of feral animals be undertaken in a humane manner with proper legislation and enforcement.

And your petitioners in duty bound ever pray.

by Mr Staples.

Petition received.

Family Allowances

The Honourable the Speaker and Members of the House of Representatives assembled in Parliament: The petition of certain citizens of Australia draws to the attention of the House that we strongly object to family allowance being reduced to a flat rate per child or altered in any way that would reduce its value.

Your petitioners therefore pray that the family allowance be left in its present form and value.

by Mrs Sullivan.

Petition received.

Nuclear Weapons Tests

The Honourable the Speaker and Members of the House of Representatives in Parliament assembled; And, to the Australian Government.

This petition of concerned Australian citizens respectfully points out that a comprehensive ban on all nuclear weapon tests in all environments for all time would be a vital first step towards—

Inhibiting the addition of more and more sophisticated and destabilizing nuclear weapons to the world's arsenals;

Arresting the extension of the arms race to outer space;

Upholding the provisions of existing treaties and agreements.

Your petitioners humbly pray that:

1. The Australian Government—A) take new initiatives to encourage all member states of the United Nations—especially the governments of nuclear weapon states—to conclude at an early stage a treaty banning all nuclear weapon tests in all environments for all time, B) call on all nuclear weapon states to declare an immediate moratorium on all nuclear weapon tests pending conclusion of a CTB.
2. All Federal Members of Parliament and Senators make strong representations to the Australian Government to act towards these goals.

And your petitioners as in duty bound will ever pray.

by Mr Tickner.

Petition received.

Proposed Additional Nuclear Reactor at Lucas Heights, New South Wales

The Honourable the Speaker and Members of the House of Representatives of the Commonwealth in Parliament assembled. The humble petition of the undersigned citizens of Australia respectfully sheweth:

That they oppose the construction of any additional nuclear reactor at the Australian Atomic Energy Establishment at Lucas Heights in N.S.W., or any site within Australia.

Your petitioners therefore pray that the Government of Australia will not construct an additional nuclear reactor at Lucas Heights or within Australia.

And your petitioners as in duty bound will ever pray.

by Mr Tickner.

Petition received.

National Life and Democratic Institutions

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled: The humble petition of the undersigned citizens of Australia respectfully sheweth:

That we, the loyal citizens of Australia firmly express our strong opposition to any proposals to remove or undermine the importance of the place of God and/or the Queen in our national life, and democratic institutions.

Your petitioners therefore humbly pray: That the Parliament assembled reaffirm our nation's total dependence on God the Creator in accordance with our Australia Constitution, which commences with the words "Humbly relying on the blessing of Almighty God", and the Standing Orders of both the Senate and the House of Representatives which prescribes that Parliament each day shall open with a special prayer to Almighty God and the Lord's Prayer.

We also call on the Parliament assembled to re-affirm our genuine loyalty to our Head of State, the Queen of Australia, Elizabeth II—'God save the Queen'.

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

by Mr Webster.

Petition received.

Fuel Prices

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens of Richmond electorate respectfully sheweth that:

The Hawke Labor Government's refusal to pass onto motorists, farmers and small businessmen, and the community as a whole, the full effect of the drop in world oil prices will decrease Australia's competitiveness as a trading nation.

Your petitioners humbly pray that the House of Representatives, in Parliament assembled, urge the Government to: Act immediately to adhere to the oil world parity pricing policy, and give the full flow-on of the drop in world oil prices to the Australian public and the business sector. And your petitioners as in duty bound will ever pray.

by Mr Blunt.

Petition received.

Nuclear Disarmament

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens of Richmond electorate respectfully request that:

The world's resources be redirected to the relief of human suffering, starvation, poverty and disease.

Your petitioners humbly pray that the House of Representatives, in Parliament assembled, urge the Government to: Stop spending taxpayers money on self promotion through high cost high profile but superficial policy on nuclear disarmament and make a genuine bipartisan commitment to positive and practical policies designed to achieve progressive world-wide nuclear disarmament.

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

by Mr Blunt.

Petition received.

Australian Bill of Rights Bill

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled: The petition of certain electors of Dawson shows that the proposed Bill of Rights

Overlooks basic rights concerning union membership, education, and private property,

Is a basis for massive intrusion into State responsibilities,

Establishes a Human Rights and Equal Opportunity Commission with powers similar to a Court but without accepted legal procedures and protections for the accused, and

Provides no avenue of appeal against decisions of the HR & EOC.

The petition further shows that fundamental protection of human rights is already to be found in the Courts, in tolerance, in fair play, belief in democratic institutions, and in support for rule of law.

Your petitioners humbly pray that the Parliament will not allow the Australian Bill of Rights Bill to pass into law.

by Mr Braithwaite.

Petition received.

Proposed Western Sydney State University

To the Right Honourable the Speaker and Members of the House of Representatives of the Commonwealth in Parliament assembled. The humble petition of the undersigned citizens of New South Wales respectfully sheweth:

That they strongly support the establishment of the Western Sydney State University as recommended in the Party Report and call upon the House to establish the Western Sydney State University in conjunction with the New South Wales Government.

And your petitioners as in duty bound will ever pray.

by Mr Free.

Petition received.

Television Services: Hobart

To the Right Honourable the Speaker and members of the House of Representatives in Parliament assembled: The humble petition of the undersigned citizens of Hobart, Tasmania respectfully sheweth:

Whereas the Television Channel SBS Channel 28 recently commenced UHF transmissions in Hobart, and whereas because of the local terrain many citizens of Hobart, especially in the suburbs of Tarroona, Sandy Bay and Blackmans Bay are unable to receive the transmission signals and are therefore unfairly denied the use and enjoyment of this public utility.

Your petitioners therefore humbly pray that Her Majesty's Government provide urgent funds for the immediate construction of a signal translator to service the relevant areas.

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

by Mr Goodluck.

Petition received.

Superannuation

To the Honourable the Speaker and members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens of Cowper Electorate respectfully sheweth that:

The Hawke Labor Government's productivity-superannuation accord with the ACTU and its support of the superannuation claims of the trade union movement will create an imbalance in industrial power and distort the future development of the Australian economy.

Your petitioners humbly pray that the House of Representatives, in Parliament assembled, urge the Government to: Reject the superannuation claim of the trade union movement, and allow superannuation to develop without trade union domination.

And your petitioners as in duty bound will ever pray.
by Mr Nehl.

Petition received.

Australian Broadcasting Corporation Radio Studio, Grafton

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The humble petition of certain citizens of the North Coast of New South Wales, Australia.

Respectfully sheweth:

That the community of Grafton and the Clarence Valley desire the retention of the A.B.C. Radio Studios in Grafton for the Second Regional Radio Network and pledge total support of Grafton City Council's submission on the Green Paper entitled "Discussion Paper—Second Regional Radio Network for the Australian Broadcasting Corporation".

Your petitioners therefore humbly pray that your Honourable House will sympathetically look at the problems of all these people in northern New South Wales and that the responsible Minister will take the necessary action to ensure the retention of the A.B.C. Radio Studio in Grafton and heed the submission of Grafton City Council in response to the Green Paper entitled "Discussion Paper—Second Regional Radio Network for the Australian Broadcasting Corporation".

And your petitioners as in duty bound will ever pray.
by Mr Ian Robinson.

Petition received.

Telephone Services, Somerset Dam, Queensland

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled, the petition of certain citizens of Somerset Dam in the Federal Division of Fisher in Queensland respectfully sheweth:

That we object to the hasty and ill conceived relocation of the public telephone facility at Somerset Dam on the grounds that—

- (a) it does not meet the needs of the area;
- (b) it does not have the support of the local Community;
- (c) it is open to vandalism;

(d) it is poorly lit.

Your petitioners therefore request that: A further public telephone service be made available at the previous location or if this is not possible that the present public telephone service be resited at its previous location.

And your petitioners as in duty bound will ever pray.
by Mr Slipper.

Petition received.

Taxation: Entertainment Expenses

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens of Queensland respectfully sheweth that:

The total disallowance by the Hawke Labor Government of tax deductibility for entertainment and hospitality expenses will unfairly penalise Australian business and cost thousands of jobs for young and unskilled people.

Your petitioners humbly pray that the House of Representatives, in Parliament assembled, urge the Government to: Abandon its total ban on entertainment expenses and allow tax deductibility for legitimate and necessary expenses.

And your petitioners as in duty bound will ever pray.
by Mr Slipper.

Petition received.

Home Loan Interest Rates

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The petition of certain citizens of the Federal Division of Fisher in Queensland respectfully sheweth:

That the current policy pursued by the Hawke Government is causing an intolerable increase in home loan interest rates beyond the capacity of families to pay.

That consequently this policy is causing grave hardship throughout Australia and is contributing to social problems and the breakup of the family unit.

That unless the Government act urgently the Australian dream of home ownership is fast becoming shattered for many of our citizens.

Your petitioners therefore humbly pray: That the Government make home loan interest rates tax deductible therefore alleviating the present crippling burden of current high interest rates on home owners and home buyers.

And your petitioners as in duty bound will ever pray.
by Mr Slipper.

Petition received.

National Flag

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The petition of certain citizens of the Federal Division of Fisher in Queensland respectfully sheweth:

1. They are completely satisfied with the design of the existing Australian National Flag.

2. They are aware it properly reflects the immutable characteristics of Australia, namely:

- (a) The Union Jack, itself the creation of three Christian Crosses, represents the Nation's historical origin and the source of its language and law;
- (b) The Southern Cross on an azure blue background signifying its geographical location on this planet Earth;
- (c) The large star depicting the advent of Federation in 1901.

3. They know the Flag has been a source of inspiration to generations of Australians in peace and war.

4. They recall that millions of native-born Australians and newcomers to these shores from other parts of the world have become united under its proud symbolism.

5. They are certain that any change to the Flag will produce division in the Australian community.

Your petitioners therefore pray that your honourable House will: Propose and pass a motion that "the existing Australian national flag remains sacrosanct from change".

And your petitioners as in duty bound will ever pray.

by Mr Slipper.

Petition received.

Taxation

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled; the humble petition of the undersigned citizens of Fisher respectfully sheweth:

That we deplore the discriminatory tax proposals as outlined in the Government's "White Paper" and the Government's preferred option on proposed new and widened tax proposals as so outlined, namely:

Capital Gains tax

Hidden Death tax described as "Capital Gains tax after death"

Gift Tax

Increased Company tax

Employer taxes on employees' employment benefits.

All such taxes will discriminate and inhibit progress, growth and employment throughout the nation.

They will attack hardworking people who have built up their assets; they will discourage thrift; they will inhibit development; they will treat unfairly all who plan for the future; they will cause trouble and expense in arriving at the value of their assets; they will discourage industry and punish achievement.

We ask that the tax proposals be rejected.

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

by Mr Slipper.

Petition received.

Ayers Rock

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens of the electorate of Fisher respectfully sheweth that:

Whereas the present Government of the Commonwealth of Australia has purported to present the Title Deeds to Ayers Rock in Central Australia, in reality the joint property of the people of the Commonwealth, to an Aboriginal Land Council on 26 October 1985,

Whereas opinion polls and statements of representative groups, Members of Parliament and respected individuals show clearly that the Commonwealth Government had no mandate from the citizens of the Commonwealth to act in such a disgraceful manner,

Whereas the present Government claims to be totally opposed to apartheid (separate development) in South Africa but purported to hand over Ayers Rock to an Aboriginal Council in support of a policy of apartheid (separate development) which has been shown to be detrimental to the Aboriginal people of Australia,

Whereas it is pursuing this policy making it a crime for most white and many Aboriginals to enter, without permit, large areas of the Commonwealth designated apartheid (i.e., set aside for separate development), contrary to our democratic traditions and experience of freedom of movement for citizens of all racial origins within Australia,

Whereas Australian citizens have no present means available to them to prevent this violation of their natural rights to unfettered common ownership of, and access to, a treasured natural asset.

Your petitioners humbly pray that the House of Representatives, in Parliament assembled urge the Government to:

Seek means available for the protection of the people's interests to reverse this outrage and preserve the democratic traditions of Australia,

And your petitioners as in duty bound will ever pray.

by Mr Slipper.

Petition received.

Compulsory Unionism

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The petition of certain citizens of the Federal Division of Fisher in Queensland respectfully sheweth:

That the actions of trade unions have gone beyond their traditional goals of protecting workers' conditions and rates of pay and have reached the point where they are seriously affecting the economic health of the nation and the people.

Your Petitioners therefore humbly pray:

1. That all Governments throughout Australia acknowledge and protect the Right to Work on behalf of all Australians.
2. That the total sovereignty of individual governments be recognised as a fundamental requirement of a workable, balanced Federal system of government.

3. That all necessary steps be taken to protect the citizens of Australia from any inducement, compulsion, threat or intimidation to join any trade union.
4. That there should be no preference in employment for people who are members of trade unions.
5. That the supremacy of elected governments over the sectional interests of trade unions be recognised, and
6. That the provision of essential services be maintained, free from industrial disruption.

And your petitioners as in duty bound will ever pray.

by Mr Slipper.

Petition received.

Australian Bill of Rights Bill

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens of the Federal Division of Fisher in Queensland respectfully showeth:

That the proposed Australian Bill of Rights Bill 1985 will endanger the Federal system of Australia, the State and Federal criminal justice systems, the State and Federal Police Forces, the State and Federal education systems, the independence of the churches and religious associations, marriage and the family, children, the unborn, the handicapped, the aged and the infirm, employer and employee relationships and Australian society generally.

Your Petitioners therefore humbly pray that the House of Representatives, in Parliament assembled, urge the Government to: Repeal the Bill of Rights legislation forthwith.

And your petitioners as in duty bound will ever pray.
by Mr Slipper.

Petition received.

Pensions: Assets Test

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The petition of certain citizens of the Federal Division of Fisher in Queensland respectfully showeth:

That the Hawke Socialist Government be called upon to remove the unjust and cruel Assets Test; That the Assets Test discriminates grossly against those people living on acreage blocks or in rural areas; That the introduction of the Government's grab for the assets of senior citizens is condemned as un-Australian; That the Government is requested to reconsider the Assets Test.

And your petitioners as in duty bound will ever pray.
by Mr Slipper.

Petition received.

National Flag

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The petition of certain citizens of Queensland, Australia, respectfully showeth that we are totally opposed to any

change in the Australian National Flag as declared in the Flags Act (1953).

Your Petitioners humbly pray that Parliament in its wisdom will take no action to change the Australian National Flag.

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

by Dr Watson.

Petition received.

TAXATION

Discussion of Matter of Public Importance

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Madam Speaker has received a letter from the Leader of the Opposition (Mr Howard) proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The destructive impact of the Government's capital gains and fringe benefits tax proposals on the productive sector of the Australian economy.

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

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

Dr Theophanous—I raise a point of order, Mr Deputy Speaker. I refer you to standing order 82, which specifies that no member may anticipate the discussion of any subject which appears on the *Notice Paper*. In fact, we have on the *Notice Paper* the capital gains tax Bills. The fact is that they will be discussed and debated. One speech has already been made on those Bills. It would seem to me that this is precisely the kind of point which was intended when the standing order was formulated, that is, the question of whether—

Mr Cadman—It is a frivolous point of order.

Dr Theophanous—It is not frivolous at all, it is an important point. Capital gains tax will be debated next week. Therefore I ask you, Mr Deputy Speaker, to rule that this discussion, especially the aspect on capital gains tax, is out of order.

Mr DEPUTY SPEAKER (Mr Leo McLeay)—It has been the practice of the House to allow debate on the matter of public importance because that has been determined to be a discussion rather than a debate. Standing order 82, however, does say that no member may anticipate the discussion of any subject which appears on the *Notice Paper*.

Mr Howard—It would be impossible to anticipate what you said, Andrew.

Mr DEPUTY SPEAKER—The Leader of the Opposition might listen to the Chair. However, the standing order goes on "to say that regard shall be had by the Speaker to the probability of the matter anticipated being brought before the House within a reasonable time. My recollection last night, when the Treasurer (Mr Keating) introduced these Bills, was that he said they would be debated next week. Notwithstanding that, it has been the practice of the House to allow discussions on matters of public importance. There may be some relevance in the honourable member's point of order and I will draw the substance of it to the attention of Madam Speaker, but I will allow the debate to continue.

Mr Sinclair—I raise two points of order, Mr Deputy Speaker. First, I draw your attention to the fact that perhaps the time might start for the Leader of the Opposition as of the time he commences speaking. Secondly, I suggest to you that any matter that is accepted by Madam Speaker as a matter of public importance has in fact been ruled on at the time of that determination.

Mr DEPUTY SPEAKER—There is no point of order, as the Leader of the National Party knows full well. If the Leader of the National Party had been listening he would have heard that I called the honourable member for Calwell before I called the Leader of the Opposition. The Leader of the Opposition's time shall start from when I call him. If he rises I will probably call him now.

Mr HOWARD (Bennelong—Leader of the Opposition) (3.00)—Well, one never knows when one's luck is in. However, Mr Deputy Speaker, I think it is fair to say that the whole political and economic debate in this country was dramatically changed last week when the Treasurer (Mr Keating) made his now famous statement about this country becoming a banana republic, a statement that will in time become not a famous or memorable statement but one of the more infamous statements that have been made by a senior Minister in a government in this country.

Now that we are at the end of the first week that Parliament has sat since that statement was made, I think it is a matter of regret to record that in the four days we have sat that no serious attempt has been made by the Treasurer or any other member of the Government to take the state of the Australian economy seriously. The Treasurer has not sought leave to make a statement about the condition of the Australian economy; to tell the people of Australia why he

believes we might be becoming a banana republic; and to tell the Australian people why he thought it necessary to use words of panic and alarm that had a damaging effect on this country's international economic reputation and caused serious financial loss to the holders of assets of Australian currency. He has made no attempt at all to come into this Parliament and do that in the four days that we have sat. We would have facilitated a full-scale debate on the economy.

Rather than do that, the Treasurer has resorted to cheap abuse, cheap jibes, trivial responses and a totally inadequate and inconsequential treatment of the economic problems of this country. I charge that the Treasurer of this country is not taking our current economic problems seriously; he is not taking the Parliament seriously; he is not taking his duties as Treasurer seriously; and he is certainly not taking seriously the consequences of the policies that his Government is visiting upon the Australian people and different sections of the Australian community.

It is manifest, and has been manifest for a long time, that this country does have serious economic difficulties. I honestly believed that, inept though his words were, when the Treasurer made his statement 10 days ago he was about to address himself seriously to the problems that we have. I fully expected that he would make a full statement when the Parliament resumed, that he would tell the Australian public where he stood, that he would tell the public what he had in mind for it, and that we would have an opportunity to debate this matter. But the reality is that, having sounded the alarm, he has done absolutely nothing about it. The reason he has done nothing about it is that the Government cannot make up its mind as to what it is going to do.

We have had a classic example of such behaviour this week. One could almost say that over the last week the Australian ship of state has hit economic rocks and is taking in quite a lot of water. The captain abandoned ship. He flew north and he blamed his officers. The Treasurer ran around the deck causing panic and then decided to have a summit to see whether anyone knew where the lifejackets were stowed. The Acting Prime Minister, the Attorney-General (Mr Lionel Bowen), pulled the cap over his eyes and told the passengers that the poopdeck summit was merely to check the charts. Senator Button said that the ship had been badly holed and would hit more rocks on the way to the bottom.

Finally, of course, we had temper tantrums and a threat from the north from the Telecom tyrant as the captain started to get interested in some salvage rights. But the Acting Prime Minister, ever dependable, came running in and said that the telephone hook-up was just a pleasant discussion as the captain had just called to say: 'I love you all'. There has not been the serious addressing of the country's economic problems that we might have expected from this Treasurer or from the Acting Prime Minister. Rather, we have had a low grade farce. We have been given a totally inadequate response. The Government has no coherent plan. It has no idea and it has no coherent recognition of what is now needed seriously to address the economic problems of this country.

The reality is that all of the warnings made by the Opposition about the Government's policies over the last two years have come true, one by one. It is like the old story of nine green bottles hanging on the wall—one by one they all fall. One by one the warnings of the Opposition—the warnings that people could not believe the Government—have certainly come true. We all remember the ringing promises: There will be no capital gains tax. Is it not prophetic that the week the Prime Minister (Mr Hawke) is cuddling pandas in the provinces of China, his Treasurer introduces a Bill which breaks the most solemn and ringing promise made by the Prime Minister in the 1983 election campaign.

This apology for a Treasurer will come in here and talk about people having no shame. Members on the Government front bench can have no shame, given the number of promises they have broken. Not only was our warning that people could not believe the Government vindicated; when the Australian dollar was floated in December 1983, on behalf of the Opposition I said that the floating of the dollar was a very sensible move—I have never resiled from my praise for the Government's decision to float the Australian dollar—but warned:

Now that the dollar has, quite properly, been floated, the Government can no longer "fudge" the exchange rate in order to protect it from the consequences of inappropriate and irresponsible domestic fiscal, monetary and wages policies.

The dollar float imposes a new discipline on the Government.

Of course that is a discipline which it has been manifestly unable to meet. That is not the end of the matter. We warned the Government about the balance of payments problem. Month after month as the J-curve failed to arrive Opposition spokesmen said that the theory was wrong and

that ultimately the Government would have to acknowledge that. Month after month the Treasurer said: 'No, everything is just around the corner. Just have faith for another month. Believe me for another month and everything will come right'. All of that came to grief last week and the Treasurer finally had to admit it.

The greatest demonstration of the way in which this man has misled the Australian public, the way in which he has deceived the Australian public, about the condition of the Australian economy is his pathetic attempt to say that our real problem is that we have lousy terms of trade. That has been as plain as a pikestaff for at least eight or nine months, perhaps longer. He admitted in the House yesterday that the terms of trade had dramatically deteriorated from October 1985. Yet do we find any reference at all to our terms of trade in the 600 pages of submission to the Australian Conciliation and Arbitration Commission at the current productivity hearing? In other words, the most grievous problem with our economy is considered to be so irrelevant, so inconsequential and so unworthy of mention that there is absolutely no serious reference to it in the submission. It was only after the Treasurer was flushed out by the Opposition earlier this week that he weakly came into the House yesterday and said: 'We have presented some new material to the Arbitration Commission, not last October, not three weeks ago but today, so please forgive us. Don't, for heaven's sake, hold us to account'. The Treasurer misled the Arbitration Commission and the Australian public. If the terms of trade have been dramatically deteriorating, Mr Keating—

Mr Hodgman—Mr Cheating.

Mr HOWARD—Mr Cheating should have gone to the Arbitration Commission when he first made his submission. No wonder he is earning the very dubious title of being a very deceptive Treasurer.

The list goes on. We warned about the need for wage flexibility. Month after month the Government said that we did not need that. We warned about the need for full discounting and about the unaffordability of the productivity case. Bit by bit the Government is being dragged screaming to a realisation that we cannot afford that productivity case this year if we are to restore our international competitiveness. However, in the face of all of this, the most important thing for this Parliament and the country to recognise is that we do have major economic problems and that those economic problems will not be solved unless the productive sector of the

Australian economy is given a fairer go. That is the point of our charge today: The new capital gains tax and the fringe benefits tax are a direct attack on the productive sectors of the Australian community. It is, therefore, no wonder that a bushfire of resentment is spreading throughout the business community as a result of the introduction of the fringe benefits tax.

The Treasurer can rant and rave as much as he likes about tax avoidance. The old excuse for the introduction of any kind of bullheaded, blunt instrument by the Australian Labor Party is to scream 'tax avoidance'. The reality is that the introduction of the fringe benefits tax will give to this country the most uncompetitive corporate tax structure in the Western world. Not only do we now have a very uncompetitive tax structure but also this Treasurer, this man who talks unendingly about profits, will make it much worse. This country will have a tax structure which will make it much harder for our sorely pressed manufacturing industry to compete with imports.

Dr Theophanous—Rubbish!

Mr HOWARD—I am delighted that my friend has come in and said 'Rubbish'. Let me read him some of the tax rates. After this year, when we take into account the fringe benefits tax, many corporations in this country will be paying an effective tax rate of 54 or 55 per cent.

Mr Rocher—How much?

Mr HOWARD—They will be paying 54 or 55 per cent. That is what Australian companies will have to pay. Let us consider the rates with which they have to compete: In Malaysia, 40 per cent; Singapore, 40 per cent; the United Kingdom, 35 per cent; the United States of America, currently 46 per cent, but proposed to go down to 43 per cent; Japan, 43 per cent; and Canada, 30 per cent for manufacturing or processing and 36 per cent for other sectors of the Australian economy. And this character talks about the profit share! I remind him that the profit share is the operating surplus of a corporation before we take into account taxation and interest charges. When we take into account taxation and interest charges in this country, any reference to the profit share as a decent measure of how the Australian economy is performing is an absolute nonsense. The real sting in what the Government is doing is illustrated by the ludicrous examples that are emerging day by day as people read the fringe benefits tax information booklet. I think one can fairly say that the fringe benefits tax guide could well prove to be the political epitaph of this Treasurer. I can tell the Treasurer that that booklet will do more politi-

cal damage to him than any other booklet that any Australian Treasurer has ever authorised. All I can say is that the more of these booklets the Treasurer can distribute the better because the more people who understand what he is about and how niggardly, how stupid, how insensitive and how commercially unreal the proposed fringe benefits tax is, the better.

Let us go through the list of examples. Honourable members should listen to this one: A farm worker chops down wood for heating his family in their farm cottage, using a number of dead trees on the farmer's property. That is caught by the fringe benefits tax. Do honourable members know what else is caught? When a farm worker uses a farm vehicle to drive his children to the school bus stop, that is caught. I interjected on the Treasurer the other day and talked about a clergyman owning a car. He said: 'Religious bodies are exempt. That is not caught'. But they are not exempt so far as private use is concerned—not at all. The attitude of those opposite is that they have to get them. I suppose the Treasurer will get up and say that that is some kind of tax avoidance.

Do honourable members know that under the capital gains tax legislation, despite all the protestations of the Treasurer, one finds a form of death duty? If somebody leaves some assets to a tax exempt body, normally a religious body or a charity, do honourable members know who will bear the tax on that? It will be the estate of the deceased person. Yet the Treasurer will have the audacity to say that the legislation does not really contain any kind of death duty. The reality is that day after day, as the knowledge of the fringe benefits tax spreads throughout the Australian community, as we realise how commercially insensitive and unreal the tax is, what an enormous burden it will be on the still overburdened corporate sector in this country, and that at a time when Australian industry is screaming for competitiveness it has a Treasurer who is destined to make it more uncompetitive, I can say only that in reality the fringe benefits tax booklet will become the great political epitaph of the present Treasurer of Australia.

Mr KEATING (Blaxland—Treasurer) (3.20)—Mr Deputy Speaker, the Leader of the Opposition (Mr Howard) will need something to help him because if he cannot lay a glove on the Government this week he never will. The fact is he could not beat time and we all know it, including those behind him. He will need lots of books to help him because the fact of the matter is he is politically helpless and hopeless.

The faces of his supporters show full well that that is exactly right. He will not be around for long. We heard about the little cabal of the honourable member for Kooyong (Mr Peacock) up in the—

Mr Cadman—You are a spiv, Paul. You are nothing but a spiv.

Mr DEPUTY SPEAKER—Order! The honourable member for Mitchell will cease walking around the chamber interjecting. He will resume his seat and will listen in silence.

Mr KEATING—I ask that the remark be withdrawn.

Mr Cadman—You couldn't get a job in a gravel pit.

Mr DEPUTY SPEAKER—The honourable member will not defy the Chair. He will cease interjecting.

Mr Cadman—I am responding to his remarks. He couldn't get a job in a gravel pit.

Mr KEATING—I ask that the remark be withdrawn.

Mr DEPUTY SPEAKER—Did the honourable member for Mitchell make an unparliamentary remark?

Mr KEATING—He did.

Mr DEPUTY SPEAKER—The Chair did not hear the remark, but the Treasurer has asked that it be withdrawn.

Mr Cadman—I said that the Treasurer could not get a job in a gravel pit. The fact is he was sacked from one.

Mr DEPUTY SPEAKER—As I understand it, the honourable member for Mitchell, when walking across the chamber, called the Treasurer a spiv. That is unparliamentary. I do not think that saying the Treasurer could not get a job in a gravel pit is unparliamentary. If the honourable member did use those words which I thought I heard him use, he will withdraw.

Mr Cadman—I suggest that on all of these occasions you refer to the Clerks when your hearing fails you.

Mr DEPUTY SPEAKER—I am asking you to withdraw.

Mr Cadman—I withdraw.

Mr KEATING—I will get to the point of this matter of public importance. It was supposed to be about capital gains taxation but it was a diatribe on the economy. The fact of the matter is, after going through this range of so-called economic points, the Leader of the Opposition

ended up saying that he has always supported the float and gave the Government due credit for it but in his speech to the National Press Club he said that the greatest policy failure of the Government was that the depreciation of the dollar had reduced living standards. If the float was not going to provide depreciation, what was it there for? This is the sort of stuff we get every day from the Leader of the Opposition.

The fact is that on a national accounts basis we know that the profitability of Australian corporations, the gross operating surplus of trading companies, has risen by \$8½ billion, or 48 per cent, in the last two years. In the last two years of the administration of the Leader of the Opposition it rose by \$1 billion—\$1 billion compared to \$8½ billion. He cried crocodile tears about the state of Australian business taxation. The coalition had a 7 per cent growth in profits with 24 per cent inflation and over the same period with 14 per cent inflation we have had a 48 per cent growth in profits. So he should not make stupid speeches about companies and profits because every company in Australia knows that those in the Opposition were as incompetent as a government as they are as an opposition.

Against this enormous increase in profits the Leader of the Opposition talked about a few hundred million in the fringe benefits tax as if on the one hand the Government's policies can provide \$8½ billion but on the other hand a couple of hundred million going the other way is a national calamity. Of course he forgot to mention the 5:3 depreciation which this Government has provided business and which is costing \$2 billion a year in accelerated depreciation. He forgot to mention the group loss provisions which this Government introduced for business. He forgot to mention the 150 per cent tax deduction for research and development that is likely to cost over \$100m a year. He forgot to mention the major corporate reform of full imputation, the removal of the double tax on dividends, and the abolition of Division 7 tax that will cost \$250m. All of that was forgotten in the one-eyed, one-sided presentation we heard just a few minutes ago from the Leader of the Opposition.

The Leader of the Opposition spoke of the couple of hundred million dollars in fringe benefits tax, but he ignored the \$8.5 billion increase in profits, the full imputation system, the 5:3 depreciation, group losses, and the faster write-off for investment in research and development. He focused on just one thing. Who does the Leader of the Opposition think will be fooled by that? He ignored the total deregulation of the

financial system, the steel plan, the motor vehicle plan and the rural package. He ignored the assistance to other industries. As if that sort of hollow attempt to try to make some pathetic case out of a fringe benefits tax which should have been applied 20 years ago under a coalition government to stop people from paying less than their fair share of taxation would cut any ice. After seven years in office, after seven years of tax disgrace on an international scale brought to the head of the coalition Government, honourable members opposite now talk about the immorality of a fringe benefits tax whose modest objective is to make people pay their fair share of tax.

The fact is that business in this country is massively better off under the Labor Government's policies, and everyone knows it. Honourable members should not take my word for it. The best guide to how the market thinks the Government's policies are going is the all ordinaries index. The market is obviously not getting a boost from the rest of the world, because the rest of the world has given us a massive current account deficit. It has dropped prices on us, so there is no boost there. Where does the all ordinaries index stand? It stands at 1,100. Where was it in 1983 under the Leader of the Opposition? It stood at 500. The all ordinaries index of the Australian stock exchanges is twice as strong as a result of the domestic policies of the Hawke Labor Government. That is the judgment of the level of corporate support for this Government, not some phoney speech manufactured by a failed Treasurer and by a group of people who could not possibly decipher what a decent policy is. The judgment is made where people vote with their feet—in the market and in the stock exchanges, which have given the thumbs down to the Opposition policies and the thumbs up to the policies of the Labor Government.

The fact is that this Government has more than doubled the value of the Australian stock exchanges. It has more than doubled the value of the Australian assets in those exchanges. It has lifted the profitability of Australian business by a massive \$8.5 billion. The Opposition is shedding crocodile tears because we will stop people having free lunches at the expense of other taxpayers or we will stop people driving cars for their private use at the expense of other taxpayers. In some way it sees that as a tax atrocity. That is the level of the moral bankruptcy of the present Opposition. That gives one some idea of the sorts of standards that would apply if honourable members opposite were to govern again from the treasury bench. That is

why the public is quite smart. It will leave honourable members opposite right where they are, in opposition, cackling away at Question Time and guffawing to themselves, happily in opposition, with no responsibility, no sense, and no place to go.

The Leader of the Opposition in the last three minutes of his speech got on to capital gains taxation, which was supposedly the point of the matter of public importance. I make the obvious point that a capital gains tax in this country is long, long overdue. Every other comparable country has a capital gains tax. In a country where capital is scarce, it has been an atrocity that we have seen the wasted allocation of scarce capital in non-productive areas of the economy with people chasing capital gains. The fact is that a capital gains tax assists the allocative efficiency of the economy. It does the right thing and puts the money in the right place—in the most productive areas. It is very interesting, is it not, to see the United States Government's tax reform proposals. The United States Congress is now seeking to increase the United States capital gains tax rate to the same level as that of the income tax. Why would that Government seek to increase the level of its capital gains tax rate to the same level as that of the income tax rate? It is because that Government knows that it is open to avoidance and that it distorts the level of allocative efficiency in the economy. That is why we have launched our policy.

Instead of that fact penetrating the minds of honourable members opposite, they are back to the quick rort and the quick quid—the consideration that some of their mates might, if they chuck a couple of blocks of flats up and pull a capital gain out of that, have to pay tax, or that someone will drive a new car for private use and will not be able to write it off. It is all about letting their mob skate through without paying their fair share of tax. One would never believe that in this day and age a modern parliamentary party such as the Liberal Party of Australia or the National Party of Australia would proffer this sort of stuff as an issue in public policy. One would not believe that honourable members opposite, after copping it in the neck in 1983 and being thrown into opposition, would still return to this sort of sham argument about the tax system. The fact is that there are no principles in their policy approach. Therefore, there are no tax principles; there are no fiscal principles; there are no principles in social policy; and there are no principles in economic policy—because it is catch as catch can. They are pushed and shoved by all the pressure groups.

They make policy on the run just as it suits them. That is precisely the problem. That is where they are.

The fact is that the capital gains tax will be a great advance in tax policy in this country. It is totally prospective. Every property owned up to 19 September 1985 will be exempt. All farms owned on 19 September 1985 will be exempt. All properties owned on 19 September 1985 will be exempt. The fact of the matter is that the roulette of section 25A of the Income Tax Assessment Act which meant that one was never sure whether one would be capital gains taxed finally has been abandoned. We have thrown section 25A out. We now have a full capital gains tax where there is total certainty and no more roulette about whether one might be or might not be taxed at the full rate not on the real gain, not on the inflation washed gain, but on the gain plus inflation—which was the consequence of tax under section 25A.

After listening to the pathetic arguments of honourable members opposite on the range and ramifications of the Government's tax reform process over the last 18 months and seeing the Bills finally presented, I say to the Parliament and to the public who are listening that all they should do is regard the Opposition as a party of individuals with no corporate plan, no corporate approach to tax, no corporate approach to economic policy and no corporate approach to social policy. If they want some fairness, decency and equity in tax policy, in tax principles and in economic and social policies, they will have to look to where they have always looked—the Australian Labor Party. They will get it from nowhere else. At least the Australian Labor Party has had the courage to get in there and clean up the tax system, to clean the ramps and rorts out of it in an effort to make the tax system more decent and fairer for the honest taxpaying Australians who have been asked to carry the burden of public policy in this country for too long.

Therefore, we reject out of hand the dishonest proposition which is part and parcel of this matter of public importance today. We reject absolutely the view of the Opposition that there is indeed any validity in any of the charge proposed against the Government's tax policy. We are prepared to let the public make a judgment at any time about where the decency and correctness of public policy is in this country. I am confident that the judgment will always come down on the side of the Australian Labor Party—the great party of social change in this country;

the great party which has given people a fair go and decent standard of living; the only party which will give Australians a fairer society.

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Order! The time for the discussion has concluded.

JOINT COMMITTEE OF PUBLIC ACCOUNTS

Motion (by Mr Young)—by leave—agreed to:

That Mr Punch be discharged from attendance on the Joint Committee of Public Accounts and that in his place Mr Downer be appointed as a member of the Committee.

DAIRY PRODUCE BILL 1986

[COGNATE BILLS:

DAIRY PRODUCE LEVY (No. 1) BILL 1986

DAIRY PRODUCE LEVY (No. 2) BILL 1986

DAIRYING INDUSTRY RESEARCH AND PROMOTION LEVY (TERMINATION OF LEVY) BILL 1986

DAIRY INDUSTRY STABILIZATION LEVY (TERMINATION OF LEVY) BILL 1986

DAIRY LEGISLATION (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 1986]

Second Reading

Debate resumed.

Dr HARRY EDWARDS (Berowra) (3.31)—I thought to address the House briefly on the Dairy Produce Levy (No. 1) Bill, the Dairy Produce Levy (No. 2) Bill, the Dairying Industry Research and Promotion Levy (Termination of Levy) Bill, the Dairy Industry Stabilization Levy (Termination of Levy) Bill and the Dairy Legislation (Transitional Provisions and Consequential Amendments) Bill because this is an historic occasion of a sort. The scheme of arrangements for the industry proposed in the Bills replaces arrangements which have been in place in one form or another for over 50 years—since April 1934 to be precise. Arrangements that have persisted for that length of time must have something going for them. It needs to be recognised that there has been a very significant, indeed massive, rationalisation of the industry, from 49,000 farms to 19,000 farms, over those years. Certainly it is an indictment of the Hawke Labor Government and indicative of its lack of genuine concern for the rural sector that last year it did its darndest to get through this Parliament the then Kerin plan, which represented a substantial cutback in support to producers in

this industry, which would have precipitated a wholesale crisis in the industry.

I intended to rehearse, by way of gaining some perspective, a bit of history on this matter. I refreshed my memory for that purpose by consulting the 1961 study, *The Australian Dairy Industry* by Drane and Edwards, of which I was a co-author. I was going to look at the Paterson plan which was implemented from 1926 to 1934, immediately preceding the arrangements which we are putting to bed, so to speak, with this legislation. That was an interesting situation because it was based on almost the same principle as the current proposed arrangements. There was to be a levy on all butter to pay a bounty on exports, with the effect of raising the home price by the amount of the bounty. When that was introduced it led initially to an uplift of some 18 per cent in the Australian price. Then, in the Depression years, from 1930 to 1934, the uplift over the export return was 40 per cent. It shows how there could be variation in this arrangement, though under the proposed arrangements in these Bills there is to be ultimately an uplift of 30 per cent and that rate fixed, unchanging.

Subsequently the equalisation arrangements as we have known them in recent years were implemented. I note that 1959-60, predating the European Economic Community, was another period, like the Depression period, of bad export prices. Bad export prices have been characteristic of this industry. If at that time one included the dairy industry subsidy, the uplift of the effective Australian market price for butter was of the order of 100 per cent. It was in the light of that that the 1961 study concluded that something drastic had to be done just as the Treasurer (Mr Keating), now becoming aware of the yawning gap in the balance of payments and the state of the Australian economy, realises that something drastic has to be done. He should have become aware of it a long while ago. That study then proposed a two-price scheme for butter and from that time the idea of a multiple price scheme has always had some currency in the industry. The proposal was that there be one price, the high home market price, for a quota of sales to the home market, and a different price, the frequently much lower export price, for the balance of a farmer's production.

Mr Cadman—Does that work like multiple taxes?

Dr HARRY EDWARDS—Well, it is rather akin to the arrangements which now prevail in Western Australia, which has a three-tier ar-

rangement as outlined by my colleague the honourable member for Forrest (Mr Drummond) earlier today. It was recognised when it was proposed that that proposal was less than economically ideal. It was stated explicitly that it was proposed as a deliberate strong corrective to the then overexpansion of the industry.

Mr Miles—Overproduction.

Dr HARRY EDWARDS—As I said; in this industry nothing much changes. More economically ideal—to the extent that the export value is meaningful—was and is an arrangement to have one price, reasonably lifted above a too low export price. There is a question mark about that—just as there was about the two-price scheme, with its bureaucratic difficulties and so on. The question mark over the one-price scheme is precisely over the meaningfulness, or lack of it, of the export price in terms of the cost of efficient production, which it rarely reflects, especially with a fixed uplift factor for export prices, proposed in this legislation to be 30 per cent, in a context of low—we could call it corrupt—and fluctuating export returns. We can witness right now the impact that the EEC decision on sales of cheese to Japan will have on the export price of cheddar cheese.

Mr Hodgman—Is it the right measuring stick?

Dr HARRY EDWARDS—As to the long term, that is very hard to say. The industry might get into considerable difficulties. There is no such thing as the perfect solution for an industry with such a long and troubled history as this one has. Owing largely to this Opposition's holding operation, which has given breathing space to the industry and has resulted in important transition concessions—we tried as best we could last year but we could not wring them out of the Government—we now have a measure before the House to which the industry, albeit reluctantly, is prepared to give a go. However, no-one should underestimate the difficult times ahead for the industry in terms of further rationalisation, at a potentially great cost in human terms, the very real equity problem for the small and disciplined Western Australian sector—which was referred to by my colleague, the honourable member for Forrest—and even, indeed, the danger of breakouts from the arrangements.

Mr Miles—Quite right.

Dr HARRY EDWARDS—As my colleague says, that is most important. The danger of breakouts from the arrangements would bring into play the so-called 'comfort' or safety clause

and result in a wholesale crisis in the industry. As the honourable member for Gwydir (Mr Hunt) said, the proposals promise some benefit and predictability to the industry and have built in some important new incentives. To that extent the Opposition supports the Bills. But the industry and the Hawke Labor Government can rest assured that the Opposition will closely monitor the progress of these new arrangements.

Mr HAWKER (Wannon) (3.40)—I would like to endorse some of the words of my colleague the honourable member for Berowra (Dr Harry Edwards). In beginning, I would like to just remind honourable members that today we are talking about some very important Bills which, in fact, have taken years in gestation—something like two years, which an elephant would know all about. Yet the Leader of the House (Mr Young) has decided to guillotine this debate. I think it is outrageous and just unbelievable that this Government can treat the dairy industry with such contempt.

Mr Cadman—There is not a single member of the Labor Party here.

Mr HAWKER—There is not one back bencher of the Australian Labor Party over there. Worse still, the Minister for Primary Industry (Mr Kerin) has not been here for one second today of this debate. I think that is utterly disgraceful. In fact, when we talk about the Minister for Primary Industry it is interesting to think that part of his portfolio covers bananas. I suppose he is the one who will give the Treasurer (Mr Keating) advice on how to run the banana republic.

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Order! The honourable member should make his comments relevant to the Bills.

Mr HAWKER—The history of the Dairy Produce Bill 1986, the Dairy Produce Levy (No. 1) Bill 1986, the Dairy Produce Levy (No. 2) Bill 1986, the Dairying Industry Research and Promotion Levy (Termination of Levy) Bill 1986, the Dairy Industry Stabilisation Levy (Termination of Levy) Bill 1986 and the Dairy Legislation (Transitional Provisions and Consequential Amendments) Bill 1986 is one of bungling, as is the treatment of the dairying industry by the Minister.

Mr Porter—It is a scandal.

Mr HAWKER—It is a scandal, as my friend the honourable member for Barker has pointed out.

Mr DEPUTY SPEAKER—The honourable member for Barker should cease interjecting on his way through the chamber.

Mr HAWKER—If ever a Minister deserved a ride on the slow boat to China I suggest it is the present Minister for Primary Industry. He actually announced back on 8 August 1984 that he would do something about the dairy industry. He demanded in a Press release that the industry respond within one month. What happened? We saw delay after delay. The Minister failed to consult properly with the industry. The Minister then blamed the industry. The Minister then blamed the Agricultural Council, but the fact is that the Minister failed to explain and to convince people in the dairy industry of the merits of his original plan.

In short, the Minister failed to get support for what he was doing. Why did he fail? The Minister failed because he would not allow the industry time to adjust. He wanted his new dairy plan and he wanted it right now. All that the industry and the Opposition kept saying to him was: 'Just give the dairy industry a bit of time to adjust'. However, the Minister would not listen. All the industry and the Opposition was saying was: 'We want a bit of time to phase out the old arrangements'. One cannot say that is unreasonable when one considers that some of the old marketing arrangements have been in place for up to 50 years and when one also considers the time to restructure the Minister was proposing to give the industry.

When one compares the time to restructure the Government has given the dairy industry with the time it has given the steel industry, Broken Hill Proprietary Co. Ltd and the car industry one can see that it obviously was not an unreasonable request. But the Minister said: 'No, here is my marvellous plan and I want it in place without time for the industry to re-adjust'. Because of his obstinate behaviour and because he carried on like a spoilt child there was an uproar in the dairy industry. There were blockades. We then saw this Minister for Primary Industry sink to the depths of political grime. When the Victorian election came up in March last year the Minister suddenly agreed to the Australian Dairy Industry Conference plan just two days before the Victoria election. The Minister and the Premier of Victorian, Mr Cain, did the shabbiest political deal of the year. Both this Minister and the Victorian Premier should be utterly ashamed of what they did. The Melbourne *Age* put it very succinctly in an editorial on 29 March this year when it said:

The Federal Minister for Primary Industry, Mr Kerin, was kind enough to let Mr Cain win his election before pulling the rug from under his feet.

I think that spells out exactly the sort of tactics the Minister was prepared to stoop to. It confirms that it was a very shabby deal. Following this, the Minister then tried to ram his first attempt at the legislation through the House. Obviously he could get it through this place but when he went to the Senate, the Senate told him what he had been told all along: 'Just give the industry a bit of time to adjust'. The Minister was not happy with that. He was prepared to force this legislation on to the industry less than two months from the time it would come into effect. Like a spoilt child, when the Senate would not accept the Minister's legislation, he took his bat and his ball home and he withdrew the legislation. So here we are again, a year later, with a similar Bill to put through the provisions the Minister wanted to introduce before. Obviously time has gone on. As preceding speakers on this side of the chamber have pointed out, all the industry was asking from the Minister was a bit of time. This is the way the Minister has let it happen because he would not listen to the advice he was getting from the Opposition and from the industry.

One thing that should be pointed out is that there is a myth that the Government has tried to peddle over the last few years that milk prices are too high, especially fresh milk prices. When one looks at the figures presented by the honourable member for Gwydir (Mr Hunt) one sees that milk has not kept pace with the consumer price index over the last 15 years. In fact, relatively, it is much cheaper for consumers now than it was in 1970. It is interesting to look at the Press release put out by the Minister for Primary Industry on 22 March 1985 when he announced his first big attempt to bring in this new dairy legislation. At the bottom of page 2 of the Press release there is an interesting little quotation.

Mr Cadman—Hey, look at this!

Mr HAWKER—Well, the Minister has arrived. I will read the quotation to him. He said:

The consumer and the nation's economy will benefit—

Mr Cadman—The first time today.

Mr HAWKER—It is great to see him here. As the Minister said:

The consumer and the nation's economy will benefit through lower prices.

That really says what this Minister is trying to do with his dairy legislation and what is in the

back of the mind of this Government. They are determined to get milk and milk product prices down. That is really what they are trying to do.

As I have said, we are on a tight schedule, but there are a couple of points I want to bring up with the Minister now that he has been so good as to come into this chamber for the debate. Clause 6 of the Dairy Produce Levy Bill (No. 1) covers the situation where there is a dispute about interstate milk trade and it is decided to suspend the levy. I understand why that clause is there, but I would like the Minister to tell us today what he will do should that clause ever be enacted. It is likely that there would be a complete collapse of the fresh milk marketing system. I wonder what the Minister would offer to the industry if that happened. Another point has been mentioned by preceding speakers but I will not go into it in detail. The Minister should be considering at some time in the future the question of the collection of the levy on butterfat only. As has been pointed out, this could discriminate against producers with certain types of cattle. There is a proposal that, if the dairy factories move towards a system of payment on butterfat and protein, the Government should collect the levy in the same way.

There is another point I want to raise with the Minister. He suggested that there is a need for ministerial approval in writing for virtually all operations of Asia Dairy Industries (Hong Kong) Ltd. Will the Minister explain either today or when he gets time—I know he is on a tight schedule—how he proposes to use this provision in the legislation. As has already been mentioned by preceding speakers in the House, there is quite a concern about the choice of a chairman of the Australian Dairy Corporation. I think the Minister should at least agree to consult the industry before he appoints a chairman. I think he should also give very serious thought to the request of the dairy industry that there be a producer chairman.

In conclusion, the way this legislation has finally arrived is an example of bungling and incompetence. We have seen delay after delay, and at times, worst of all, downright deliberate deception by this Minister to try to help his colleague Mr Cain. The industry has been going through very difficult times over the last three years. Some of these difficulties have been exacerbated by the actions and the inactions of the Minister. Nonetheless, the legislation provides some opportunity for the industry to restructure. However, as I pointed out, there are pitfalls that may arise in the future. The challenge will be

whether the Minister will show his concern for the future of dairy farmers, or, if the problem arises, will be more interested in trying to exploit a potential breakdown of the marketing arrangement for the benefit of consumers.

Mr IAN ROBINSON (Page) (3.50)—I understand that the time allotted for debate on the Dairy Produce Bill will expire in about 30 seconds. I will content myself with saying that I am delighted that the industry has been able to negotiate to the extent it has in terms of this very complex measure. Government speakers in this debate have suggested that the whole scheme is merely a carry-on of what had been proposed last year as the Kerin scheme. Nothing could be further from the truth. Fortunately there is today a degree of agreement between sections of the industry. In view of the long history of this matter, it is to be hoped that this will be the starting point of a revised management of the industry.

Many elements of the scheme concern the State governments and it is for those governments and the dairy authorities within the respective States to give serious attention to such matters as payments being made on a basis which is satisfactory to all sections of the industry. Composite payments should take into account quality. In that respect, I believe the levy ultimately must recognise the importance of that factor. Whilst the decision to base the levy on butter-fat content has been justified, some very pertinent issues still remain for some producers. I give an example of what that means. A producer with 3,500 litres of milk at 5.2 per cent butter-fat test will be charged the same as a producer who has a yield of 5,000 litres of milk at a 3.6 per cent butter-fat content. A number of problems will have to be resolved, and I hope that there will be co-operation between the respective sections of the industry to ensure that that is done.

Finally, it is unfortunate that more recognition was not given by the Government side of the House of the actions that have been taken by the industry itself. I instance, for example, the last annual report of the Australian Dairy Research Committee, which shows that for over a decade excellent work has been done to encourage the development of new standards and new techniques. This is occurring to the advantage of the industry. Therefore, it is wrong for the Government to take credit for what in fact has been done by the industry itself. I hope that this measure will be a first step towards improving a most critical situation in one of the industries of

this country which has been beleaguered for a very long time.

Mr KERIN (Werriwa—Minister for Primary Industry) (3.53)—in reply—I thank the honourable members who have made a contribution to this debate. It is a pity that many of them wasted some time by engaging in abuse. As we all well know, this matter has been well discussed in the Parliament. I will reply in detail and at some length to the various points, allegations and abuse raised by honourable members opposite.

The central theme of the reforms contained in the package is the reorientation of the industry to the requirements of the market rather than production. The Government and Parliament are providing a revised framework to enable the industry to improve its competitiveness in both the domestic and overseas markets. In addition to the range of measures contained in the package, special funds are being made available—\$25m over five years for marketing innovation of rural products, on which the dairy industry should be able to draw; up to \$40m of part B rural adjustment scheme borrowing, in conjunction with the States, especially for the dairy industry. Moneys are being disbursed now and it is up to each State to choose the best form of assistance through part A or part B of the rural adjustment scheme.

I would like to correct a misunderstanding that the honourable member for Gwydir (Mr Hunt) has about the new underwriting arrangements. The old system involved underwriting 90 per cent of three years' export returns. The new system will involve 85 per cent of a long term trend value based on eight years of export returns rather than 85 per cent of three years' export returns. The new method is expected to benefit the industry in the current international situation.

Everyone raised the question that the dairy industry itself is running with. Of course, most farmers are paid on milk fat delivered. It is desirable, therefore, to align collections of levies to milk fat rather than whole milk. Also, experience in Europe of levy based on milk suggests that problems could arise due to milk being dehydrated. In the future the industry may move to a compositional system of payments wherein farmers may be paid on milk fat and protein content or their milk solids non-fat product. When that occurs the Government will consider basing levies on a compositional basis. There is no objection to that.

The reform of the Australian Dairy Corporation follows the policy with respect to the reform of all statutory marketing authorities; it provides for a corporate board chosen by an independent selection committee. The legislation provides for areas of expertise for board members and includes milk production. The Chairman of the Corporation is selected and appointed by the Minister on essentially corporate leadership grounds. The best person for the job is appointed on merit rather than having a particular background. It is true that I have not consulted the industry before contacting a person who is eminently suitable, but I have privately conveyed that name to the honourable member for Gwydir. The Australian Dairy Industry Council, the Australian Dairy Farmers Federation and the United Dairyfarmers of Victoria all understand why I acted as quickly as I did: It is due to the eminence of the person. Of course there will be consultations in the future.

It is absolute nonsense to say that there has been no consultation. I have just taken out some figures. The major industry meetings that I have had on this whole issue are as follows: I had 20 meetings with the industry's leadership, five meetings with industry groups at a State level and six meetings with State Ministers, there were six meetings of the Australian Agricultural Council, the matter was considered in Cabinet on 17 occasions, I have met with the industry 55 times since 1 January 1985, the matter has been before the primary industry sub-committee 13 times. Anyone who says that there has been no consultation on this issue or that I have treated the industry with contempt is really having himself on.

The final point I would like to make is that this legislation is, by and large, the same as the package of legislation I put up about a year ago, when the industry chose not to understand it. I was certainly prepared to allow the ADIC to again try to get a rolling entitlement scheme up, but it ran into the same snag that I ran into; that is, that it is very difficult to get six State governments to agree on this industry. I accept what the honourable member for Brand (Ms Fatin) and the honourable member for Forrest (Mr Drummond) have said about the situation in Western Australia. I praise the honourable member for Brand for the assiduous way she has pursued the interests of the Western Australian dairy farmers.

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 Kerin) read a third time.

DAIRY PRODUCE LEVY (NO. 1) BILL 1986

Second Reading

Debate resumed from 7 May, on motion by Mr Kerin:

That the Bill be now read a second time.

Mr HAWKER (Wannon) (3.59)—I wish to take up a point with the Minister for Primary Industry (Mr Kerin). I think what the Minister said a minute ago was quite offensive. He praised the honourable member for Brand (Ms Fatin) yet he ignored the honourable member for Forrest (Mr Drummond). The honourable member for Forrest has worked very hard for his dairy farmers. He has brought up the concern of dairy farmers in Western Australia with the Opposition rural committee and in the Opposition party room. He has spoken to all members who have any interest whatsoever in the dairy industry about the concern of the dairy farmers in Western Australia and has done so in a very eloquent and persuasive manner. I think that the Minister was quite uncharitable in his comments when he ignored the efforts of the honourable member for Forrest.

Mr KERIN (Werriwa—Minister for Primary Industry) (3.59)—in reply—All I can say is that I acknowledge the efforts of the honourable member for Forrest (Mr Drummond). I linked the two members together. Of course as a member of the Australian Labor Party I am far more aware of the efforts of the honourable member for Brand (Ms Fatin) because she has been in the primary industry sub-committee which, as I said, discussed this matter 13 times. Of course I am more aware of her efforts.

Question resolved in the affirmative.

Bill read a second time.

Third Reading

Leave granted for third reading to be moved forthwith.

Motion (by Mr Kerin) proposed:

That the Bill be now read a third time.

Mr ANDREW (Wakefield) (4.01)—Aware of the time constraints the House is acting under, I

remind the people who are listening, both in this chamber and on the airwaves, to this debate on the Dairy Produce Bill 1986, the Dairy Produce Levy (No. 1) Bill 1986, the Dairy Produce Levy (No. 2) Bill 1986, the Dairying Industry Research and Promotion Levy (Termination of Levy) Bill 1986, the Dairy Industry Stabilization Levy (Termination of Levy) Bill 1986 and the Dairy Legislation (Transitional Provisions and Consequential Amendments) Bill 1986, that the problem currently facing Australia with these Bills is that they are being guillotined through the House, so preventing a number of honourable members from participating in the debate.

The Leader of the House (Mr Young) moved the guillotine in the House this morning, indicating to the House that the guillotine was necessary because, he alleged, the Senate had put a particular restraint on the time it would make available to consider the Bills it received from the House of Representatives.

Mr Holding—That is true; you know this.

Mr ANDREW—One moment, if the Minister would not mind. For this reason, the Leader of the House said, it was necessary to guillotine these Bills, and Bills to be dealt with next week, through the House. He not only alleged, but stated, that the guillotine was solely the result of actions by the Australian Democrats and, he implied, by the National Party of Australia and the Liberal Party of Australia. Those who were listening to the moving of the guillotine would have presumed, therefore, that members of the Australian Labor Party had been offended by this course of action.

Mr Holding—We are.

Mr ANDREW—I am delighted that the Minister is interjecting, because the Leader of the House went on to imply that there were shades of 1975 and something unconstitutional in the action of the Senate. I will have the Minister for Aboriginal Affairs (Mr Holding) know that there may well be honourable members on this side of the House who agree that this is a most unusual course of action. I was surprised and, I must confess, rather delighted to pick up the Senate *Hansard* record of those events and discover that there was no division. Not one ALP senator voted against the position in which the House currently finds itself.

Mr Hawker—Are you sure?

Mr ANDREW—Allow me to quote what was said by Senator Grimes, the Manager of Government Business in the Senate.

Madam SPEAKER—Order! I point out to the honourable member that we are on the third reading of the Dairy Produce Levy (No. 1) Bill. I ask him to be relevant to the Bill that is now before the House.

Mr ANDREW—I respect your point, Madam Speaker. I merely reiterate that we are being forced, because of the action that has been taken, to deal with this legislation in less time than we would choose. The action was more bipartisan than the Leader of the House would have us believe.

Madam SPEAKER—The honourable member has made his point.

Mr ANDREW—I pick up the point made by the honourable member for Wannon (Mr Hawker) and the honourable member for Forrest (Mr Drummond). The dairy industry does not deceive itself into supposing that this hurried legislation will meet all of its needs. I represent dairy farmers who are disadvantaged by the action being taken in the House today—disadvantaged because they themselves have controlled their market and made it their business to provide incentives to encourage dairy farmers to produce during the off season to the point at which the northern milk suppliers in South Australia whom I represent have farmers whose spring:autumn production ratio is 1.15:1 compared with the Adelaide suppliers' ratio of 2.5:1. They have exercised the sort of responsible control and reward for being prudent that would make this legislation unnecessary across Australia. They are being penalised for having taken that action. I regret that I have to hurry to say those words. I regret, too, that this legislation has been guillotined through the House, when Senator Grimes was prepared to say that the Government would not oppose and certainly would not divide on the amendment that Senator Chaney was proposing, forcing the Senate to consider these Bills in such a short space of time. There has been bipartisan Senate acceptance, not opposition from the Liberal and National Parties.

Question resolved in the affirmative.

Bill read a third time.

DAIRY PRODUCE LEVY (No. 2) BILL 1986

Second Reading

Consideration resumed from 7 May, on motion by **Mr Kerin**:

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.

Motion (by Mr Kerin) proposed:

That the Bill be now read a third time.

Mr DRUMMOND (Forrest) (4.05)—I wish to make one point regarding the Dairy Produce Levy (No. 2) Bill which I did not have time earlier in the day to make. Other governments have legislation to protect their farmers from corrupt world prices. I tried to illustrate that this Bill is about world traded prices, but in fact they are corrupt prices. It is not a genuine export commodity measure such as every nation has. I refer, for example, to the United States and its farm Bill. This legislation will expose Australian farmers to those corrupt prices. I suggest that the Government is swimming against the tide by proceeding in this way. The prices that come back, because there is no umbrella of any description underneath this export price, will not really signal to the farmers what that last litre of milk is worth.

Dr Harry Edwards—What is it worth?

Mr DRUMMOND—The last litre of milk is worth between 5c and 10c. We must remember that the end of our export market tends towards stock feeds. It is a very low value commodity. So, as I say, every country has some sort of net under individual companies that find it difficult to find a market. The New Zealand Dairy Board purchases and acts as sole seller. The European Economic Community provides restitution subsidies. They were well described by the honourable member for Gwydir (Mr Hunt) earlier today in regard to the effect it is having on the cheese market into Japan. Those restitution subsidies are now flexible and secret. The United States Government has export enhancement programs.

This is what Australian producers will be up against as time goes by. So if our individual companies do not have operating in the international market a real umbrella of any description—such as pooling, which exists under the present system—they will find it difficult to participate under the closer economic relations arrangement with New Zealand in third markets, as CER directs; and they will find it increasingly difficult to meet the General Agreement on Tariffs and Trade requirements. As I say, my fear is that they will turn more and more back to the domestic market and will undercut the domestic price through supermarket chains. I do

not quite see how the system will not fall into disrepute.

Mr KERIN (Werriwa—Minister for Primary Industry) (4.08)—in reply—Obviously the honourable member for Forrest (Mr Drummond) does not understand what is being done or the present situation in the dairy industry. Australian farmers are already exposed to the corrupt price on the international market. If the honourable member is suggesting that we get into the business of competitive subsidisation, I am amazed that his Party's policy document did not say that this week. If we wanted to get into competitive subsidies against the European Economic Community and the United States, we would be looking at, for all commodities, at least \$5 billion or \$6 billion worth of subsidies in this country. We really cannot afford that. The existing system does not pass any market signal back to an individual producer, nor does it reward a manufacturer for any particular sales choice he takes.

It is nonsense to say that the industry has no umbrella because the underwriting will trigger if there is a dramatic price collapse. The system of underwriting will be a far better mechanism because under the present system we could have a pay-out in a year that is good and no pay-out in a year that is bad. That is a technical deficiency, and that is why we have moved to an 8-year average.

It is nonsense to say there is no underpinning of the industry. Quite apart from the money we are putting in with respect to restructuring the industry we are starting off with a level of price support by domestic consumers and by product levies that amounts to 46 per cent above the export price at this time. We are letting that down gradually over six or seven years in an effort to get more efficiency. If we can get efficiency in the industry we will get greater returns for all people, and they will be more equitable returns.

The big problem for the industry really centres around Victoria because of the farm cash operating surpluses at present of about \$41,000 in Western Australia, going down to about \$13,000 in Victoria. That is because Victoria carries virtually all the load of exports. If the industry wants to go back to operating within its own little States, we will have a collapse of the whole industry once an interstate breakout occurs. This legislation is really the industry's last chance to try to head down the path of having a national dairy industry.

Madam SPEAKER—Order! The time allotted for the remaining stages of the Bill has expired.

Question resolved in the affirmative.

Bill read a third time.

DAIRYING INDUSTRY RESEARCH AND PROMOTION LEVY (TERMINATION OF LEVY) BILL 1986

Second Reading

Consideration resumed from 7 May, on motion by **Mr Kerin**:

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 Kerin**) read a third time.

DAIRY INDUSTRY STABILIZATION LEVY (TERMINATION OF LEVY) BILL 1986

Second Reading

Consideration resumed from 7 May, on motion by **Mr Kerin**:

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 Kerin**) read a third time.

DAIRY LEGISLATION (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENT) BILL 1986

Second Reading

Consideration resumed from 7 May, on motion by **Mr Kerin**:

That the Bill be now read a second time.

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 Kerin**) read a third time.

ADJOURNMENT

Rural Australia: Financial Crisis—Sri Lankan High Commissioner—Immunisation Programs—Fringe Benefits Tax

Motion (by **Mr Kerin**) proposed:

That the House do now adjourn.

Mr PETER FISHER (4.13)—In February I presented a submission to the Minister for Primary Industry (Mr Kerin) outlining the economic and social tragedy taking place in the central Mallee area of my electorate. In that submission I largely concentrated on the extreme financial difficulties being faced by primary producers and the stresses being faced by the communities concerned. As a result of those representations certain actions in the financial and social area took place that have been of significant help.

However, I now wish to bring before this Parliament the need for a similar type of assistance to be provided to small business operators in the same region. It is now becoming apparent that many small businesses are finding it difficult to survive, as a direct consequence of the downturn in primary industry. Of course, many of these businesses have suffered setbacks because of a sudden fall in farm spending and the inability of many small business operators to recover outstanding debts incurred by farmers. Their problem has been further exacerbated by the drift in population away from small towns due to government services being withdrawn, young people seeking employment in provincial and capital cities, and second and third generation farming families leaving the district to seek employment elsewhere simply because farm incomes cannot support them.

A recent survey carried out by Bruce McKenzie, associate head of the social science faculty at the Warrnambool Institute of Advanced Education, has shown that one in four families in the Mallee and Sunraysia districts now live below the poverty line, which paints a very grim picture for operators of small business hoping for an immediate improvement in trade. It is felt that even with the prospect of good harvests by farmers this season, that will only marginally assist small business. It is estimated that at least 95 per cent of farms in the area now have debts

to such a level that it will take a series of good seasons to restore them to a viable situation.

The very close contact I have had with small business operators in my electorate leads me to believe that urgent assistance must become available to them almost immediately or they will be forced to close or go into bankruptcy. As an indication of the types of debts owned by primary producers to small businesses the following information should be known to the House. For example, an agricultural service business is presently owed some \$8,500 for chemicals supplied to a farmer for the 1985 crop; another farmer owes approximately \$48,000 for fertiliser; another small business operator is owed some \$12,500 for superphosphate. Of course, these instances could be repeated over and over again and, in almost every community, with amounts owed varying from what some may consider to be small to those larger than those I have cited here.

Of course, small business operators find that in the present depressed economic climate it is simply not possible to recover these debts because the equity many farmers hold in their land is low and their assets are unsaleable. One business operator has advised me that if he is forced to carry the debts of farmers for, say, the next 12 months, he may well be out of business as the interest he is paying on his money is more than he can earn in the foreseeable future. It has been suggested by a financial institution, of course, that suppliers to small business may see their way clear to, in some way, acknowledge their special situation as many such suppliers are diverse and financially strong. However, is it fair to suggest that one arm of business should act as a banker for another? I believe not.

In the submission that I am to put before the Minister for Primary Industry, the Minister for Industry, Technology and Commerce (Senator Button), the Treasurer (Mr Keating) and the Minister for Finance (Senator Walsh) next week, I have suggested three possible sources of financial support that could be provided. Firstly, I believe that funding will be necessary to allow operators of small business to meet a short-fall in their basic living requirements. Secondly, it is obvious that funds are required for carry-on finance. Thirdly, it is obvious that loan restructuring must take place and that interest rate subsidies also must become available to the small business sector, as they have been made available to the farming sector.

It is recognised that the administration of such funds is a State responsibility. However, I re-

quest the relevant Commonwealth Ministers to consult their Victorian State Government colleagues to develop appropriate programs and to meet any request for funds which may be made by the Victorian Government. It could be said that increased spending by farming families would also assist the viability of small businesses. However, there is little hope in the next two or three years and it will be virtually impossible if government assistance is not available to reduce overhead expenses any further.

Mr HOLLIS (Throsby) (4.18)—It seems that this is the week for leaks! Today I received into my hand a letter sent from the office of the High Commissioner for Sri Lanka to Sinhalese in Australia. That letter, on headed paper and signed by the Commissioner, gives Sinhalese in Australia the correct line to follow in response to recent events in Sri Lanka. However, the letter ends up by saying that the matters are best left to the judgment of the recipients of the letter and to the resources that they can harness. Let us look at the suggestions made by this diplomat accredited to Australia. He suggests writing letters giving facts of incidents, together with paper cuttings to members of parliament, especially to members who have been anti-Sri Lanka on this issue—for example, the honourable member for Hotham (Mr Kent), Senator Chipp, myself and others. As a member of parliament, I do not object to this. We get many such letters. I make the point that I am not anti-Sri Lanka. What I am anti are the genocidal policies culminating in the military action now taking place by the current Jayawardene Government. The letter goes on to say:

Give facts about the battle being waged between the rival terrorist groups.

A lot of corroborative propaganda was enclosed for this purpose. He goes on to say:

Write letters and send material to church organisations—Uniting Church, human rights and Amnesty International bodies in Australia, who have been one-sided on this issue.

What he does not say, of course, is that these people have not swallowed the lies put out by the Sri Lankan High Commissioner in Canberra. He says:

Write letters and send material to editors of major newspapers and radio and TV stations and also, if possible, give interviews which they can carry.

The one I really find unacceptable is the following, which I quote in full because it is very important. The letter from the High Commissioner for Sri Lanka said:

Arrange for demonstrations if possible in front of Indian trade/consular offices and in front of Indian Airlines/Air India offices with appropriate placards and slogans.

I find it totally unacceptable that a diplomat in this country should use or abuse his position to incite Australian citizens—many of the Sinhalese in this country are naturalised Australian citizens—to get involved in activities against a friendly nation, that is, India, in an attempt to disrupt the activities of its official organisations, thus causing unwarranted problems in the relationship between Australia and India and causing unnecessary embarrassment to Australia.

The current High Commissioner for Sri Lanka has recently taken up his post, but one should bear in mind that this gentleman, prior to his appointment, was Secretary of the ministry established to produce and propagate incorrect information and blatant lies to achieve the goals of the Sri Lankan Government; that is, wiping out the entire Tamil community in Sri Lanka. Perhaps it is time, at the commencement of his tour of duty, that the High Commissioner be reminded of the behaviour expected of a diplomat in this country and that it is totally unacceptable that people should be encouraged to disrupt the legitimate activities of a third friendly nation.

Madam SPEAKER—I remind the honourable member of standing order 74, which states:

No Member may use the name of Her Majesty, her representative in the Commonwealth, or her representative in a State, disrespectfully in debate, nor for the purpose of influencing the House in its deliberations.

Sri Lanka is a country with which Australia has friendly relations. I draw that to the honourable member's attention for future reference.

Mrs KELLY (Canberra) (4.23)—Last night in the adjournment debate I was interrupted when I was discussing the proposal by the United Nations Children's Fund to immunise the world's children by 1990. I was talking of the value of that campaign and indicating my hope that Australia could contribute to that in some way and also link our Government's campaign for a measles-free Bicentennial, because it is important that we give recognition to the fact that vaccine preventable diseases kill a total of over three million children a year in the developing world, with a similar number crippled and handicapped. Last night I gave a breakdown of the deaths of young children caused by not having appropriate vaccines; for example, 58 per cent, or over two million, of these deaths are caused

by measles alone, over 800,000 deaths are caused by tetanus and a further 606,000 deaths are caused by whooping cough. Obviously action has to be taken to assist many of the countries in the developing world to move towards this UNICEF goal.

The Secretary-General of the United Nations has taken the unprecedented step of writing to the Presidents or Prime Ministers of all 159 member states, drawing to their attention this potential and asking for their personal support for the goal of immunising all of the world's children by 1990. The Prime Minister (Mr Hawke) has reacted very favourably to the request of the Secretary-General of the United Nations and has passed the letter on to the Minister for Health (Dr Blewett) and the Minister for Foreign Affairs (Mr Hayden). I hope that our Government will co-operate in this campaign.

The cost of protection against six vaccine preventable diseases is approximately \$5 per child, which does not seem very much to save the lives of children. This estimate covers everything including the cost of vaccines, needles, syringes and cottons as well as the cost of equipment, staff salaries, training, transport and petrol. The cost of immunising all children and saving more than three million children from dying in this way is approximately \$500m a year, slightly less than the cost of three advanced fighter planes. I support the campaign and hope that the Government and all the members of this Parliament will also give their support in whatever way possible to this very worthwhile aim.

Mr CADMAN (Mitchell) (4.26)—I would like to make a few remarks about the fringe benefits tax. I do not think the full ramifications of it have broken through to members of the community. Only now are they beginning to understand what it is about. The remarks of the Treasurer (Mr Keating) in the urgency debate today really demonstrated his isolation from reality. It is fine for him to have big waterside residences, cars and antiques, but his lifestyle is quite different from that of a farm worker on whom a fringe benefits tax will now be imposed when he goes out into the paddock, cuts some firewood and brings it home to use in the fuel stove or the open fire. It is quite different for the Treasurer to grow his own vegetables, as most farm workers do, and bring them home. He and his wife grow them after working hours. They take advantage of where they live to provide a benefit for themselves and their families.

This process can be extended to the way this Government will apply the fringe benefits tax to other things. Dedicated volunteers and workers work for minimal funds for voluntary organisations. They have written to me and to the Government. The Government seems to think that the St Vincent de Paul Society, the Sydney City Mission and other charitable organisations are somehow tax dodgers. Those are the words that the Treasurer consistently used. He calls them rip-off merchants and rorters. That is why we are to have a fringe benefits tax—to stop the rorters and the people in the rip-off system. I do not regard those charitable and hospitable organisations as rip-off merchants. I regard them as some of the better parts of our society. There is a double whammy in store for those groups because if someone should bequeath property to those organisations, capital gains tax will have to be paid by the estate of the person making the donation.

Mr Holding—That is right.

Mr CADMAN—The Minister for Aboriginal Affairs confirms it. Those who undertake all the voluntary and good things in our society—where people help each other and show their commitment to and belief in an organisation that is doing good work—will be penalised. What will happen if someone should leave a property to an organisation of the type that I have mentioned and no money is left in the estate, if it comprises only property? Who will pay? The organisation that is the beneficiary will be charged. Either somebody has to pay the capital gains tax or the estate will go into debt. Do we have to get into the pockets of the children, the beneficiaries of the estate, and say: 'Mortgage your house to pay the capital gains tax'? The Minister shakes his head. I guarantee that he does not know, and that Cabinet has not even

considered this, because the Treasurer is so isolated and remote from the realities of Australia.

I turn to another stupidity in the fringe benefits tax. If a person has a motor car which is used for work and has accessories on that motor car, those accessories by definition must be work-related accessories or they will be valued as part of the value of the car. How crazy can that be? Is a two-way radio an accessory for work? I guess that it is, so it will not be valued with the car. What about a cassette player? It would probably not be included unless one happened to work in radio when a special case would have to be presented as to why a cassette player in the car should not be counted for the fringe benefits tax. A car phone is something that might have to be considered. What about special lights for country drivers or travelling salesmen, or special mirrors on work vehicles, needed for safety purposes? Those opposite should see how stupid and crazy this is.

Mr Holding—You're stupid.

Mr CADMAN—I am not. The Minister should read the book. It is in the book. He has not read the tombstone of this Government. He has not read the book that has gone out to small businesses. The matter of work-related accessories is spelt out chapter and verse. The example given, as a matter of fact, is a two-way radio. The Minister has not even read it. The Minister is remote but his responsibility is not the Treasurer's. The Treasurer should know these things. In fact, he does not. He regards charitable and hospitable organisations as rip-off merchants, and he regards farm workers as people who also need to be punished by a fringe benefits tax. He is remote and isolated. He lives in his big mansion by Sydney Harbour.

Mr SPEAKER—Order! It being 4.30 p.m., the House stands adjourned until Monday, 26 May 1986, at 2 p.m.

House adjourned at 4.30 p.m.

ANSWERS TO QUESTIONS

The following answers to questions were circulated:

Attorney-General's Department: Payments to Mr Phillip Adams and Mr Rod Cameron
(Question No. 2047)

Mr Blunt asked the Attorney-General, upon notice, on 9 October 1985:

(1) What amounts have been paid to Mr Phillip Adams and Mr Rod Cameron, their companies, or principals of their companies, for services rendered to the Minister's Department or authorities under the Minister's control and for what purposes in each case.

(2) What amounts have been paid to each of these people or companies for (a) travel allowance, (b) air fares, (c) accommodation costs, (d) hire car expenses and (e) any other expenses incurred.

Mr Lionel Bowen—The answer to the honourable member's question is as follows:

I have been informed by the Human Rights Commission that the advertising agency Monahan Dayman Adams was selected to conduct the information and publicity program associated with the proclamation of the Sex Discrimination Act. Mr Phillip Adams is a director of that agency.

No money, travel allowance, air fares, accommodation costs, hire car expenses or any other expenses was paid to Mr Adams personally.

The Commission paid the advertising agency \$175,123. Of this \$123,688 was disbursed to cover items such as printing, display and direct mail costs as well as distribution and marketing costs. The remaining \$51,435 was retained by the agency to cover the creative work, consultation and production costs. The amounts specified in the second part of the question were part of the expenses incurred by the agency and are included in the \$51,435 mentioned earlier.

No payments have been made to Mr Cameron, nor, as far as the Commission is aware, to any company with which Mr Cameron is associated.

Taxation: Evasion and Avoidance

(Question No. 2217)

Mr Jacobi asked the Attorney-General, upon notice, on 16 October 1985:

(1) Will he take steps, including consultations with the States, to restructure the provisions of the Bankruptcy Act and its administration to close off existing loop-holes that are being exploited by individuals to evade or avoid payment of their liabilities to creditors and their obligations in regard to commercial morality.

(2) Will he take steps to arrange for the restructuring of the Companies Code and its administration by the various States to close off existing loop-holes that are being exploited by companies and their directors to avoid the payment of liabilities and their obligations to the commercial public in general.

Mr Lionel Bowen—The answer to the honourable member's question is as follows:

(1) On 20 November 1983 my predecessor as Attorney-General, Senator Gareth Evans, Q.C., requested the Australian Law Reform Commission to undertake a major review of the law and practice of insolvency, both personal and corporate. Mr R. W. Harmer is the Commissioner in charge of the reference. Because corporate or company insolvency is the subject of State and Territorial legislation, the inquiry by the Commission will necessarily involve extensive consultation with the States and the Northern Territory. The terms of reference relating to the inquiry expressly require the Commission to consult with the States and the Northern Territory.

The inquiry by the Commission will be necessarily a long one. Pending the completion of that inquiry and the tabling of the report, the Government will consider amending the Bankruptcy Act where this is necessary. It is likely that amendments to the Bankruptcy Act will be introduced into the Parliament in the Budget Sitting. An announcement providing more details of the proposed amendments will be made at a later time.

Concerning the administration of the Bankruptcy Act, my Department is presently addressing the question of a major review of the structure, organisation and methods of Bankruptcy Branch of my Department. The terms of reference of the proposed review will be sufficiently wide so that all major issues of an administrative nature may be addressed.

(2) As mentioned above, the Australian Law Reform Commission is considering the question of the law and practice of insolvency, both personal and corporate. I am unable to anticipate the Commission's findings by suggesting that the Commission will or will not recommend a restructuring of the Companies Code and its administration. However, the Commission's inquiry is expected to address all the major issues relating to the law and practice of corporate insolvency.

A number of amendments to the Companies Act and Codes which came into operation on 31 March 1986 address the issue that you have raised. In particular I draw your attention to section 562A of the Companies Act and Codes which was inserted by section 123 of the Companies and Securities Legislation (Miscellaneous Amendments) Act 1985. This provision enables the NCSC to prohibit persons involved in the management of failed companies from taking part in the management of a corporation without their having obtained the leave of the Supreme Court.

Brisbane International Airport

(Question No. 3404)

Mr Jull asked the Minister for Aviation, upon notice, on 14 March 1986:

(1) What is the projected opening date of the new Brisbane International Airport.

(2) Will the new airport operate without a curfew; if not, why not.

(3) Is consideration being given to a memorial to the late Honourable K. M. Cairns, former Member for

Lilley, for his promotion of the new Brisbane International Airport.

(4) Would the naming of the new terminal building after Mr Cairns constitute an appropriate form of memorial.

Mr Peter Morris—The answer to the honourable member's question is as follows:

(1) The target date for commissioning the new airport is September 1987.

(2) The new airport will be curfew free.

(3) I have received a number of representations on this subject. Consideration will be given to commemorating the late Hon. K. M. Cairns, former Member for Lilley, when the question of naming features associated with the new Brisbane airport is addressed.

(4) It is practice not to name airports or terminal buildings after individuals, but to name them according to the major city that they serve.

Tourism Overseas Promotion Scheme

(Question No. 3669)

Mr White asked the Minister for Sport, Recreation and Tourism, upon notice, on 8 April 1986:

(1) How many applications have been (a) received and (b) approved for assistance under the Tourism Overseas Promotion Scheme.

STANDARD RATE OF PENSION AS A PERCENTAGE OF AVERAGE WEEKLY TOTAL EARNINGS OF ALL MALE EMPLOYEES

Year	Quarter		March		June		September		December	
	Standard Rate of Pension	Percentage (a)								
1972	\$ p.w.									
1972	17.25	19.6	18.25	20.3	18.25	19.8	21.50(b)	22.8		
1973	21.50	22.3	21.50	21.3	21.50	20.5	23.00	21.2		
1974	23.00	20.5	26.00	21.8	31.00	23.4	31.00	22.2		
1975	31.00	21.8	36.00	24.8	36.00	24.0	38.75	24.7		
1976	38.75	24.2	41.25	24.4	41.25	23.7	43.50	24.6		
1977	43.50	24.1	47.10	25.1	47.10	24.7	49.30	25.3		
1978	49.30	24.8	51.45	25.3	51.45	24.7	53.20	25.4		
1979	53.20	24.6	53.20	24.5	53.20	23.7	57.90	25.2		
1980	57.90	24.5	61.05	25.1	61.05	24.0	64.10	24.5		
1981	64.10	24.0	66.65	24.1	66.65	23.5	69.70	23.5		
1982	69.70	22.3	74.15	23.0	74.15	22.5	77.25	22.9		
1983	77.25	22.7	82.35	24.0	82.35	23.5	85.90	23.7		
1984	85.90	23.2	89.40	23.3	89.40	23.1	91.90	23.6		
1985	91.90	23.4	94.30	23.7	94.30	23.4	97.90	23.7		

(a) Standard rate of pension payable at end of quarter as a percentage of average weekly total earnings of all male employees for that quarter.

(b) Paid on 22 March 1973 with retrospective effect to 14 December 1972.

Note: Prior to the September quarter 1981, the Australian Bureau of Statistics based the average weekly earnings series on payroll tax data of wage and salary payments made over a full quarter. This series was replaced in the September quarter 1981 with a quarterly sample survey designed to obtain earnings information in respect of a specific week at or about the middle of the quarter. Caution should therefore be exercised in comparing figures for September quarter 1981 onwards with those for earlier quarters.

(2) What is the value of assistance (a) sought and (b) approved.

Mr John Brown—The answer to the honourable member's question is as follows:

As at 1 May 1986:

(1) (a) 620 (from 266 applicants). (b) 288.

(2) (a) Approximately \$15 million at face value. It should be noted, however, that this is an aggregate figure which could be misleading because many applications include expenditure which is ineligible under the Scheme's Guidelines. (b) \$4,810,965.

Age Pension

(Question No. 3894)

Mr Wright asked the Minister for Social Security, upon notice, on 2 May 1986:

What percentage of average weekly earnings was the aged pension at 1 January in each year since 1972.

Mr Howe—The answer to the honourable member's question is as follows:

Average weekly earnings figures are published every three months, while increased pension rates in recent years have been payable from the beginning of May and November. The following tables provide, for the March quarter 1972 to the December quarter 1985 (the latest period for which earnings figures are available), the standard (single) and married rates of pension prevailing in a quarter as a percentage of the average weekly total earnings of all male employees in that quarter.

COMBINED MARRIED RATE OF PENSION AS A PERCENTAGE OF AVERAGE WEEKLY TOTAL EARNINGS OF ALL MALE EMPLOYEES

Year	Quarter		March		June		September		December	
	Combined Married Rate of Pension	Per- centage (a)								
		\$ p.w.								
1972	30.50	34.7	32.00	35.5	32.00	34.6	37.50(b)	39.8		
1973	37.50	38.9	37.50	37.1	37.50	35.7	40.50	37.3		
1974	40.50	36.1	45.50	38.1	51.50	38.9	51.50	36.9		
1975	51.50	36.2	60.00	41.3	60.00	40.0	64.50	41.0		
1976	64.50	40.3	68.50	40.6	68.50	39.4	72.50	40.9		
1977	72.50	40.2	78.50	41.9	78.50	41.2	82.20	42.2		
1978	82.20	41.3	85.80	42.2	85.80	41.3	88.70	42.4		
1979	88.70	40.9	88.70	40.8	88.70	39.4	96.50	42.0		
1980	96.50	40.9	101.70	41.8	101.70	40.0	106.80	40.8		
1981	106.80	40.0	111.10	40.1	111.10	39.2	116.20	39.3		
1982	116.20	37.2	123.60	38.3	123.60	37.5	128.80	38.2		
1983	128.80	37.8	137.30	40.0	137.30	39.3	143.20	39.6		
1984	143.20	38.6	149.10	38.8	149.10	38.6	153.30	39.4		
1985	153.30	39.0	157.30	39.6	157.30	39.0	163.30	39.5		

(a) Combined married rate of pension payable at end of quarter as a percentage of average weekly total earnings of all male employees for that quarter.

(b) Paid on 22 March 1973 with retrospective effect to 14 December 1972.

Note: Prior to the September quarter 1981, the Australian Bureau of Statistics based the average weekly earnings series on payroll tax data of wage and salary payments made over a full quarter. This series was replaced in the September quarter 1981 with a quarterly sample survey designed to obtain earnings information in respect of a specific week at or about the middle of the quarter. Caution should therefore be exercised in comparing figures for September quarter 1981 onwards with those for earlier quarters.