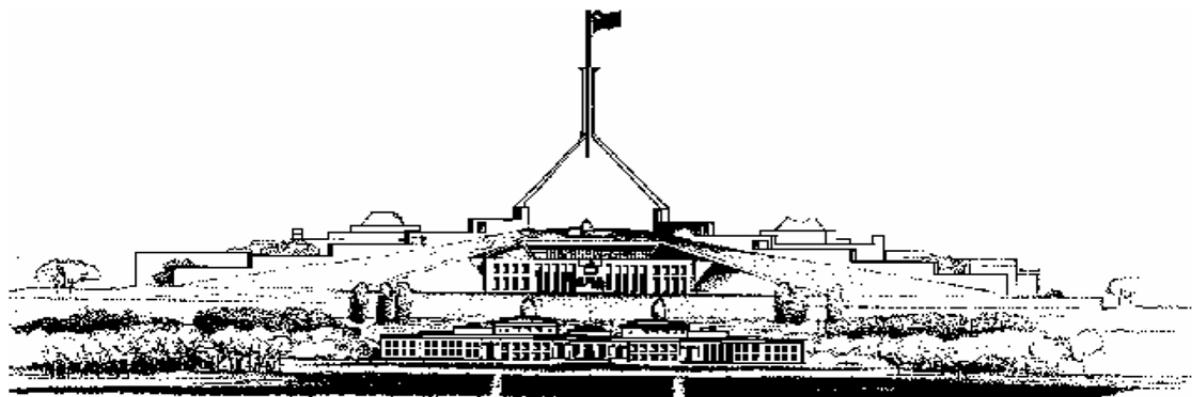




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 192, 1994
Tuesday, 1 February 1994

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

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

THIRTY-SEVENTH PARLIAMENT

FIRST SESSION—THIRD PERIOD

Governor-General

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

House of Representatives Officeholders

Speaker—The Hon. Stephen Paul Martin

Deputy Speaker—Mr Harry Alfred Jenkins

Second Deputy Speaker—Mr Allan Charles Rocher

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

Leader of the House—The Hon. Kim Christian Beazley

Leader of the Opposition—Dr John Robert Hewson

Deputy Leader of the Opposition—Dr Michael Richard Lewis Wooldridge

Manager of Opposition Business—The Hon. John Winston Howard

House of Representatives Party Leaders

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

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

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

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

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

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

Members of the House of Representatives

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

Members of the House of Representatives—*continued*

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

Members of the House of Representatives—*continued*

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

PARTY ABBREVIATIONS

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

Heads of Parliamentary Departments

Clerk of the Senate—H. Evans

Clerk of the House of Representatives—L. M. Barlin
Parliamentary Librarian—

Principal Parliamentary Reporter—J. W. Templeton
Secretary, Joint House Department—M. W. Bolton

SECOND KEATING MINISTRY

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

(The above ministers constitute the cabinet)

Second Keating Ministry—*continued*

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

THE COMMITTEES OF THE SESSION

FIRST SESSION: THIRD PERIOD

STANDING COMMITTEES

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

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

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

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

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

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

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

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

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

MEMBERS' INTERESTS: Mr Grace (*Chairman*), Ms Deahm, Mr Dobie, Mr Elliott, Mr Lloyd, Mr Reid, Mr Sawford.

PRIVILEGES—Mr Sawford (*Chairman*), Mr K. J. Andrews, Mr Brown, Mr Cleeland, Mr Holding (nominee of Leader of the House), Mr Lieberman, Mr McGauran, Mr McLeay, Mr Peacock, Mr Simmons, Mr Somlyay (nominee of Deputy Leader of the Opposition). (During consideration of matters referred to committee on 28 October 1993 and 17 November 1993, Mr Price to serve in place of Mr Brown and Mr Quick to serve in place of Mr Simmons. During consideration of matter referred to committee on 15 December 1993, Mr Sinclair to serve in place of Mr Lieberman).

PROCEDURE—Mr Filing, Mr McLeay, Mr Melham, Mr Nehl, Mr Price, Mr. L. J. Scott, Mrs Sullivan.

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

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

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

Pursuant to resolution

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

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

JOINT STATUTORY COMMITTEES

AUSTRALIAN SECURITY INTELLIGENCE ORGANIZATION—Mr Gorman (*Presiding Member*), Mr Campbell, Mr Dodd, Mr B. C. Scott, Senator Coulter, Senator Minchin, Senator Zakharov.

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

CORPORATIONS AND SECURITIES—Mr S. F. Smith (*Chairman*), Mr Humphreys, Mr Moore, Mr Sinclair, Mr Tanner, Senator Campbell, Senator Cooney, Senator McGauran, Senator Neal, Senator Spindler.

NATIONAL CRIME AUTHORITY—Mr Cleeland (*Chairman*), Mr Duffy, Mr Filing, Mr P. F. Morris, Mr Vaile, Senator Jones, Senator Loosley, Senator Spindler, Senator Troeth, Senator Vanstone.

PUBLIC ACCOUNTS—Mr L. J. Scott (*Chairman*), Mr Brown, Mrs Easson, Mr Fitzgibbon, Mr Griffin, Mr Haviland, Mrs Moylan, Mr Somlyay, Mr Taylor, Mr Vaile, Senator Cooney, Senator Gibson, Senator Neal, Senator Parer, Senator Reynolds.

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

JOINT COMMITTEES

ELECTORAL MATTERS (*Formed 18 May 1993*): Senator Foreman (*Chairman*), Mr Cobb, Mr Connolly, Mr Griffin, Mr Melham, Mr S. F. Smith, Mr Swan, Senator Chamarette, Senator Christopher Evans, Senator Lees, Senator Minchin, Senator Tierney.

FOREIGN AFFAIRS, DEFENCE AND TRADE (*Formed 18 May 1993*): Senator Loosley (*Chairman*), Mr Atkinson, Mr Bevis, Mr Campbell, Mr Duffy, Mr Ferguson, Mr Fitzgibbon, Mr Gibson, Mr Grace, Mr Halverson, Mr Hawker, Mr Hicks, Mr Hollis, Mr Langmore, Mr Lieberman, Mr Moore, Mr Price, Mr Simmons, Mr Sinclair, Mr Taylor, Senator Bourne, Senator Brownhill, Senator Chapman, Senator Childs, Senator Crichton-Browne, Senator Denman, Senator Harradine, Senator Jones, Senator Margetts, Senator Reynolds, Senator Teague.

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

NATIONAL CAPITAL AND EXTERNAL TERRITORIES (*Formed 27 May 1993*): Mr Chynoweth (*Chairman*), Mr Halverson, Mr Jenkins, Mr Langmore, Mr McLeay, Mr Sharp, Senator Bell, Senator Coates, Senator Colston, Senator Crichton-Browne, Senator Macdonald, Senator Reid.

JOINT SELECT COMMITTEES

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

PARLIAMENTARY DEPARTMENTS

SENATE

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

HOUSE OF REPRESENTATIVES

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

PARLIAMENTARY REPORTING STAFF

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

LIBRARY

Parliamentary Librarian—

JOINT HOUSE

Secretary—M. W. Bolton

COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES

HOUSE OF REPRESENTATIVES

Hansard

1994

FIRST SESSION OF THE THIRTY-SEVENTH PARLIAMENT
(THIRD PERIOD)

The House of Representatives, on 22 December 1993, pursuant to resolution, adjourned to Tuesday, 1 February 1994, at 2.00 p.m. Pursuant to that resolution the House of Representatives met on Tuesday, 1 February, at 2 p.m.

Tuesday, 1 February 1994

Mr SPEAKER (Hon. Stephen Martin) took the chair at 2.00 p.m., and read prayers.

**MEMBER FOR WERRIWA:
RESIGNATION**

Mr SPEAKER—I inform the House that on 22 December 1993 I received a letter from the Hon. John Charles Kerin resigning his seat as the member for the electoral division of Werriwa. I issued a writ on 24 December 1993 for the election of a member to serve for the electoral division of Werriwa, in the state of New South Wales, to fill the vacancy caused by the resignation of Mr Kerin. The dates in connection with the by-election were fixed as follows: close of rolls, Friday, 31 December 1993; nomination, Wednesday, 5 January 1994; polling, Saturday, 29 January 1994; and return of writ, on or before Thursday, 31 March 1994.

**MEMBERS FOR MACKELLAR AND
WARRINGAH: RESIGNATIONS**

Mr SPEAKER—I inform the House that on 14 January 1994 I received a letter from the Hon. James Joseph Carlton resigning his seat as the member for the electoral division of Mackellar. I am also aware that the Hon. Michael MacKellar, honourable member for Warringah, has indicated his intention to resign from parliament on Friday, 18 February 1994. Consideration is being given to possible dates for the by-elections, and I am consulting with party leaders on this matter. I will inform the House in due course of the dates which I have fixed for the by-elections.

MINISTERIAL ARRANGEMENTS

Mr KEATING (Blaxland—Prime Minister)—As honourable members would be aware, there have been various changes to the ministry since the House last met. Rather than go through the details, I table and seek leave to incorporate a list of ministers for the information of honourable members.

Leave granted.

The document read as follows—

SECOND KEATING MINISTRY

30 January 1994

Title	Minister	Representative in Other Chamber
Prime Minister	The Hon P J Keating, MP	Senator Evans
Minister for Aboriginal and Torres Strait Islander Affairs	The Hon Robert Tickner, MP	Senator Collins
Special Minister of State	The Hon Frank Walker, QC, MP (Vice-President of the Executive Council)	Senator Evans
Parliamentary Secretary	The Hon Andrew Theophanous, MP	
Minister for Housing, Local Government and Human Services	The Hon Brian Howe, MP (Deputy Prime Minister)	Senator Richardson
Minister for Health	Senator the Hon Graham Richardson	Mr Howe
Minister for Family Services	Senator the Hon Rosemary Crowley	Mr Howe
Minister for Veterans' Affairs	Senator the Hon John Faulkner (Manager of Government Business in the Senate)	Mr Howe
Parliamentary Secretary	The Hon Andrew Theophanous, MP	
Minister for Foreign Affairs	Senator the Hon Gareth Evans, QC Mr Bilney (Leader of the Government in the Senate)	Mr Bilney
Minister for Trade	Senator the Hon Bob McMullan	Mr Bilney
Minister for Development Co-operation and Pacific Island Affairs	The Hon Gordon Bilney, MP	Senator Evans
Minister for Defence	Senator the Hon Robert Ray (Deputy Leader of the Government in the Senate)	Mr Beazley
Minister for Defence Science and Personnel	Senator the Hon John Faulkner	Mr Beazley
Parliamentary Secretary	The Hon Gary Punch, MP	
Treasurer	The Hon Ralph Willis, MP	Senator Cook
Assistant Treasurer	The Hon George Gear, MP	Senator Cook
Special Minister of State	The Hon Frank Walker, QC, MP	Senator Cook
Parliamentary Secretary	The Hon Paul Elliott, MP	
Minister for Finance	The Hon Kim C Beazley, MP (Leader of the House)	Senator Cook
Minister for the Environment, Sport and Territories	The Hon Ros Kelly, MP	Senator Richardson
Minister Assisting the Prime Minister for the Status of Women		Senator Crowley
Parliamentary Secretary (Territories)	The Hon Warren Snowdon, MP	
Parliamentary Secretary	The Hon Janice Crosio, MBE, MP	
Minister for Immigration and Ethnic Affairs	Senator the Hon Nick Bolkus	Mr Brereton
Minister Assisting the Prime Minister for Multicultural Affairs		

Title	Minister	Representative in Other Chamber
Minister for Employment, Education and Training	The Hon Simon Crean, MP	Senator Schacht
Minister for Schools, Vocational Education and Training	The Hon Ross Free, MP	Senator Schacht
Parliamentary Secretary	The Hon Warren Snowdon, MP	
Minister for Industry, Technology and Regional Development	Senator the Hon Peter Cook	Mr Lee
Minister for Science and Small Business	Senator the Hon Chris Schacht	Mr Lee
Minister Assisting the Prime Minister for Science		
Parliamentary Secretary	The Hon E J Lindsay, MP	
Minister for Primary Industries and Energy	Senator the Hon Bob Collins	Mr Beddall
Minister for Resources	The Hon David Beddall, MP	Senator Collins
Parliamentary Secretary	Senator the Hon Nick Sherry	
Minister for Social Security	The Hon Peter Baldwin, MP	Senator Crowley
Parliamentary Secretary	The Hon Con Sciacca, MP	
Minister for Administrative Services	Senator the Hon Bob McMullan	Mr Bilney
Parliamentary Secretary	The Hon Con Sciacca, MP	
Minister for Industrial Relations	The Hon Laurie Brereton, MP	Senator Ray
Assistant Minister for Industrial Relations	The Hon Gary Johns, MP	Senator Ray
Minister Assisting the Prime Minister for Public Service Matters		
Minister for Transport	The Hon Laurie Brereton, MP	Senator McMullan
Parliamentary Secretary	The Hon Neil O'Keefe, MP	
Attorney-General	The Hon Michael Lavarch, MP	Senator Bolokus
Minister for Consumer Affairs	The Hon Jeanette McHugh, MP	Senator Bolokus
Minister for Justice	The Hon Duncan Kerr, MP	Senator Bolokus
Parliamentary Secretary	The Hon Peter Duncan, MP	
Minister for Communications and the Arts	The Hon Michael Lee, MP	Senator McMullan
Minister for Tourism	The Hon Michael Lee, MP	Senator Ray

Each box represents a portfolio. **Cabinet Ministers** are shown in bold type. As a general rule, there is one Department in each portfolio. Except for the Department of Human Services and Health and the Department of Foreign Affairs and Trade, the title of each Department reflects that of the Portfolio Minister. There is also a Department of Veterans' Affairs in the Human Services and Health portfolio.

SIBRAA, HON. KERRY

Mr KEATING (Blaxland—Prime Minister)—I draw the House's attention to, and record the appreciation of the House and particularly the government for, the service of

Kerry Sibraa as President of the Senate. He resigned today after, if not a record, a near record period of tenure in the presidency of the Senate. He was President for seven years, which is a long time in public life presiding over a chamber of the dimensions of those of

the Senate in federal parliament. He will also be resigning his seat in the Senate. This draws to a close another period of stewardship of that chamber.

The government has held office for 11 years, during which we have seen two Senate Presidents—the Hon. Doug McClelland and the Hon. Kerry Sibraa. So they both had a long period of tenure. Senator Sibraa has a very long history in Labor politics going back to the late 1960s. He has been a political friend of many of us on this side of the House, particularly those from New South Wales, over that period. We all wish him well in the future, and we commend him for the quality of his stewardship of the Senate over such a long period.

QUESTIONS WITHOUT NOTICE

Member for Maribyrnong

Dr HEWSON—My question is directed to the Prime Minister. In the light of reports that the Australian Federal Police investigating the sandwich shop affair of the honourable member for Maribyrnong have uncovered evidence of criminal offences, and in the light of the commitment of the Prime Minister made on 22 January 1994 that he would arrange a full investigation by an independent person to determine whether the honourable member's conduct has met what the Prime Minister described as appropriate standards of ministerial behaviour, I ask: when will the independent inquiry begin; who will be the independent person to conduct the inquiry, and what will be the terms of reference for that inquiry?

Mr KEATING—I am surprised you are still here, actually.

Opposition members interjecting—

Mr SPEAKER—Order!

Mr KEATING—I think the key question here is that all matters that have come to the government's attention which could possibly form the basis of criminal charges have been referred to the Australian Federal Police. As is intimated in the question, those investigations have been proceeding. Whether, in fact, police will actually lay charges is a matter for the police. Again, need I say, nobody should

be jumping to any conclusions about whom those charges will be laid against.

The honourable member for Maribyrnong saw me about this matter. There are twinned questions here of whether there have been breaches of the law, as well as an appropriate standard of ministerial behaviour. He was confident that he would not be found to be in breach of any laws, and because the question of his ministerial conduct is important to him, he asked me to appoint an inquiry covering all aspects of his ministerial conduct in these matters. This I have agreed to do. But there is a firm view, I think, on the part of the Australian Federal Police that it does not want an inquirer or an inquiry cutting across the investigations which it is making, obviously with some expedition.

I take that view rather seriously, as I am sure does the honourable member for Maribyrnong, and at the appropriate moment I will be pleased to announce an inquirer or an inquiry into his ministerial conduct. Obviously, at that time I will announce who the person conducting the inquiry should be. The terms of reference will be wide enough to encompass all the issues relating to the conduct of the honourable member for Maribyrnong as a minister in relation to these matters.

Economy

Mr SWAN—My question is directed to the Treasurer. It concerns the pace of economic recovery in Australia. In light of the latest available information, has the government revised the economic forecasts that were made at the time of the last budget?

Mr WILLIS—I am certainly pleased to respond to this question from the honourable member for Lilley because recently we have seen a spate of good economic news. We have seen very good figures coming up on job vacancies, employment, inflation, business and consumer confidence, retail sales, and even the balance of payments. In the light of all of these good economic figures, we certainly have significantly upgraded our budget forecasts.

Towards the end of last year my predecessor indicated that there were some revisions

taking place, and he mentioned a couple of those. Since then, even those figures have been further revised. What we have now is a picture where gross domestic product, which was forecast in the budget to grow by some $2\frac{3}{4}$ per cent this year, is now expected to grow by $3\frac{1}{2}$ per cent. That rate of growth is well in excess of virtually every other country in the OECD. In the course of 1993 the OECD countries as a whole were growing by 1.1 per cent; we were growing at over three per cent. Quite clearly, we are doing extremely well compared with similarly developed countries.

A major factor in that increased growth of the GDP is that we expect to do better on private consumer expenditure because of higher employment growth and very high levels of consumer confidence. Business investment is expected to be strong. In the budget this year it was not expected to do much, but it has started to grow significantly. We expect net exports to provide a greater impetus to growth. They were expected to give a quarter of one per cent to growth of GDP. We now expect it to be around one half of one per cent because of a stronger performance by our exports. Overall this year in volume terms our exports are growing by some seven per cent against the $5\frac{3}{4}$ per cent forecast in the budget.

That growth of GDP has had its reflection in employment. In the budget we forecast growth in employment of three-quarters of a per cent for this year compared with last year. Through the year that meant a growth in employment of about 100,000 additional jobs. We have now upgraded that forecast in light of the very strong growth in employment in recent times. We expect growth this year to be $1\frac{1}{4}$ per cent compared with the three-quarters of a per cent in the budget, and growth through the year to be around 200,000 jobs, not 100,000. We have already had growth of 116,000 in the course of this financial year. So we have already exceeded the budget forecast. The growth of 200,000 clearly sits well with the experience to date.

We suspect that the participation rate will remain somewhere around 63 per cent—where it is at the moment—which means that,

despite that higher employment growth, this year we are not going to make any further substantial headway on the unemployment rate, which was forecast in the budget to be around $10\frac{3}{4}$ per cent, and we expect it still to be around that in the course of this year. Of course, a continuance of employment growth of this kind will certainly begin to make substantial headway into unemployment in subsequent years.

The consumer price index was forecast to grow by $3\frac{1}{2}$ per cent. We now expect that growth to be much less. Everyone will be aware of the recent figure of 0.2 for the December quarter. For the year as a whole, we are now looking at two per cent. That much reduced inflation forecast, sitting against a much stronger rate of growth in the economy—there is a tremendous conjunction of figures here—is coming from strong productivity growth of about $2\frac{1}{2}$ per cent in the 12 months to September which, of course, is keeping unit labour costs down, reduced petrol prices through falling world crude prices and some appreciation of the dollar recently, and also increased discounting. We have also seen low mortgage interest rates and consumer credit charges. All of these factors are fitting into a much reduced consumer price index, a lower rate of inflation. The current account deficit is also expected to be better despite the higher growth. We forecast $4\frac{1}{4}$ per cent of GDP in the budget; we now expect it to be around four per cent.

If I can make a couple of points about those figures, the prospects clearly are very encouraging. Not only are economic growth and employment now increasing substantially but also we have the best conjuncture of economic fundamentals for 30 years. We have the lowest rate of inflation in 30 years, below the rate of our major trading partners. We have inflationary expectations at very low levels. Recent surveys show that 80 per cent of businesses expect inflation to remain below four per cent for the rest of this century. Interest rates are at their lowest in 20 years. Our international competitiveness is at its best in 20 years. The level of industrial disputation is the lowest since the mid-1960s. Productivity is increasing substantially. Most important-

ly of all perhaps is the attitudinal change: the willingness of people to embrace change in the workplace, to improve productivity, to get into exports and, in short, to see the rest of the world as an opportunity, not as a threat.

We have been achieving this relatively high growth despite low growth in the rest of the developed world, as I mentioned. We have been helped in doing that by the Asian economies. The rest of the developed world is expected to pick up its game in 1994 and even more so in 1995. That will obviously help us to grow faster, to increase employment and to improve our balance of payments by improving commodity prices. We expect that in 1994-95 we will be growing at a rate of around four per cent.

We are also on target to achieve our accord objective of 500,000 jobs in this term of office. We have had an increase in employment so far of 125,000. We expect an increase of 200,000 in employment in this financial year, as I mentioned. We should attain at least the same rate of employment growth in 1994-95, if not more. So we are well on target for 500,000 jobs before March of 1996, by which time we should have achieved significant reductions in the level of unemployment. In short, we are magnificently positioned for a sustained period of strong economic growth, major employment growth and reductions in unemployment and rising living standards. To continue to do all of this requires the government, business, unions and the working people of this country to all keep pulling together on the program of reforms that have brought us to this point.

Let us not be shy about this. This is not some historical accident that is occurring. We are in this position because of the efforts we have made as a nation to rejig the whole economy, to make it much more internationally competitive, to be much more efficient and to be able to hold its place in the world, to get exports out there to compete with imports, and to get back on a high growth, low inflation path—something this nation has not enjoyed for 30 years. I am confident that we can continue to do that, and if we can a magnificent future awaits this nation.

Member for Maribyrnong

Dr HEWSON—I refer the Prime Minister to his statement that the conduct of the honourable member for Maribyrnong would be judged against appropriate standards of ministerial behaviour. Do appropriate standards include the standards, outlined by the Prime Minister's predecessor in his statement of 22 September 1983 called 'Public duty and private interests', which Mr Hawke said were a hallmark in the development of this parliament? What other standards do they include?

Mr KEATING—I would have thought it was pretty obvious that, in the event that, as is Mr Griffiths's confidence, no charges would be laid against him and he has not committed any wrongdoing, the fact that nothing is laid against him does not in a sense provide any commentary whatsoever on his ministerial behaviour or ministerial conduct. Therefore, whether police charges are laid against whoever, but in the event not laid against Mr Griffiths, provides no commentary on his behaviour. So, understandably, he has sought to have his ministerial conduct subjected to an examination so that everyone can know—the community, the country—

Dr Hewson—By what standards?

Mr SPEAKER—Order!

Mr Tuckey—What benchmark do you put on that?

Mr Melham—Certainly not Tuckey's standards.

Mr SPEAKER—Order! The honourable member for Banks and the honourable member for O'Connor.

Mr KEATING—that, in a judgment being made about his conduct in this matter, his conduct was becoming of a minister. As I said earlier, the government will announce the terms of reference of the inquiry when it is announced. I should have thought it was a very simple matter.

Mr Tuckey—What are the standards? Let's hear what they are.

Mr KEATING—Wait until the terms of reference are tabled.

Economy

Mr STEPHEN SMITH—Can the Prime Minister inform the House of the prospects for Australia's further economic growth? Can he advise the House how the current recovery differs from the growth experienced in the late 1980s?

Mr KEATING—We have just had a very comprehensive answer from the Treasurer, one which I thought there would have been great interest in this House in hearing. There was much mumbling and chortling on the opposition side while the answer was being given. Obviously those opposite are politically embarrassed, having predicted a double-dip recession a year ago. The Leader of the Opposition said this month one year ago that Australia was heading for a double-dip recession and maybe even a depression. We are now outstripping growth in the OECD area and growing in terms that the Treasurer just mentioned; that is, growing strongly.

The Treasurer made two very telling points. One is that this is not a chance recovery. We did not just happen upon this. A quality, low inflation recovery was not something that just happened overnight but was something to which the whole nation had been put as a consequence, he said, of everyone pulling together. That definitely does not include the opposition, which has done everything to stall any growth in confidence. It has watched every good economic number come out to its chagrin and has not in any way participated in or, as a consequence, been party to, that recovery.

Last year, the Leader of the Opposition did everything to knock over the government's budget—a budget which is consolidating fiscal policy for the recovery. He wonders after a year of negativism on the budget, Mabo and everything else why his leadership is in trouble. It is in trouble because basically he stands for nothing and the whole country, including his party, knows it. Let me deal with this question about whether the recovery has not come about by chance. The growth that we have seen since the middle of 1991 can be directly traced back to three main factors. The first is the impact of low interest rates on housing and consumer debt.

Mr Tuckey—No, it came about by Jeff Kennett and Richard Court.

Mr SPEAKER—I warn the honourable member for O'Connor.

Mr KEATING—The interest rates are at their lowest level for 20 years. Interest rates are in part a reflection of the inflation rate, which we now see at 1.9 per cent—our inflation rate has been under one per cent—a combination of the government's fiscal, monetary and wages policies having produced it. Those low interest rates have contributed to economic growth.

The second area has been strong growth in exports, flowing from the low dollar, an increased focus on Asian markets and because we are 30 per cent more competitive than we were a decade earlier. That is a very healthy number—30 per cent more competitive than we were a decade earlier. As a consequence, we have seen a tremendous growth in exports, particularly in elaborately transformed goods.

The third reason is the boost provided directly from the budget through the One Nation statement, the youth and employment packages and the statement, *Investing in the Nation*. The total direct stimulus from these packages to date has been more than two per cent of GDP.

At the time I announced these things, the Leader of the Opposition said they were going to wreck the country's finances and that we were trying to buy jobs and votes. We are now seeing the Japanese government urgently introducing a stimulatory package of the same variety to do the very same thing that we did two years earlier in this country. As a consequence, we are now sitting with a strong, broad recovery that, as the Treasurer says, is running this year at about 3½ per cent and we have seen those contributions to growth.

The One Nation statement took some stick from commentators about its appropriateness. The conservative financial commentators—the McCranns of this world—and others pooh-poohed it. I hope that they will now eat their words and at least admit that the cyclical stimulus put into the economy and now withdrawn was absolutely right and that the results are there for all to see. Basically, this

sort of dreary, conservative view of the world just does not work when a need for innovation becomes very clear.

So we have a broad and durable recovery of quality. We are seeing plant and equipment investment pick up. We are also seeing the rewards go to people who are investing in things and employing people and not to the speculators, which we have formerly seen.

As an indication of the breadth of the recovery, it is worth referring to the share price indexes of various categories of stocks in various sectors of the economy. There was a 25.8 percentage point change in building materials from 30 July 1993 to now; for alcohol and tobacco, 12.3 per cent; food and household goods, 25.2 per cent; chemicals, 40.8 per cent; engineering, 40.5 per cent; paper and packaging, 36.6 per cent; the retail sector, 16.9 per cent; media, 27.4 per cent; banks, 27.7 per cent; insurance, 29.6 per cent; entrepreneurial investment, 28.7 per cent; investment and financial services, 29.8 per cent; and developers and contractors, 18.9 per cent.

There is obviously a very broad spread of growth in profits and prosperity across the sectors. The speculative ones are doing less well than would have been the case in, say, the 1980s. So there is a broad recovery—as the Treasurer said, in part because we have seen the whole country pulling together to make the place competitive and, as he put it, to rejig the whole economy. The point can best be driven home by that unity and cohesion in the community.

I simply say to the opposition that it is about time it came on board, did a bit of cheering and gave support for the kind of recovery the country has achieved. It should rejoice somewhat in the fact that, as the Treasurer said, the forecast for jobs this year will be 200,000, not 100,000. We have seen 123,000 jobs already created. The opposition should stop its foreboding and negativism and rejoice in the change which we believe all Australians are about to enjoy.

Ministerial Conduct

Dr HEWSON—My question is directed to the Prime Minister. He failed to answer the

last question, so I ask him directly: does he endorse the standards of ministerial conduct laid down by his predecessor, Mr Hawke? Does the Prime Minister require his ministers to behave according to those standards?

Mr KEATING—I am not immediately familiar with the written word of those standards. I see probably no reason for any departure from them, but again I will have a look at them. The key point is the terms of reference, which I will avail myself of. But Mr Speaker, how unreal. The Leader of the Opposition comes in here and asks about the honourable member for Maribyrnong when, in his party room today, the honourable member for Barker asked Senator Bishop to declare that she would desist and not run against the Leader of the Opposition. After repeated questions to Senator Bishop, she would not desist from challenging the Leader of the Opposition. Some of the people in the Hewson camp said, ‘Let’s bring on a ballot and clear this up once and for all’, but they said, ‘No, we’re not in a position to bring on a ballot’.

Honourable members interjecting—

Mr Beazley—So it was Steele Hall; big deal!

Mr KEATING—It was Steele Hall; so what! That is the state of the Leader of the Opposition. He is in here asking questions about the wording of standards written two or three years ago. That is beside the point. What is very clear is that there is a police investigation into these matters and any inquiry into the honourable member for Maribyrnong will be about his ministerial conduct and the terms of reference will be appropriate. But I think the Leader of the Opposition has more to worry about than that.

Enterprise Bargaining

Mr BEVIS—My question is directed to the Prime Minister. Can the Prime Minister inform the House of progress in relation to enterprise bargaining? Does he believe that the new relations between labour and management in Australia are assisting the economic expansion?

Mr KEATING—I am delighted to inform the House that nearly 1,600 workplace agree-

ments have been formalised within the Australian Industrial Relations Commission over the last few years. We have heard a lot from the opposition about labour market reform. With Fightback in tatters, the one refrain we hear from members of the opposition and some of the conservative journalists, the Reaganite republicans who editorialise in the *Australian Financial Review* every morning, who support the opposition is: 'Yeah, yeah, yeah'—like cockatoos—'but what about the labour market?'

We have had 1,600 workplace agreements formalised over the past few years. That is truly astonishing coverage and a remarkable achievement, given the fact that the Australian labour market was centralised for so long in this country. With reforms which were announced late last year by the Minister for Industrial Relations coming into operation at the end of next month, we will see an opportunity for even greater flexibility within companies and enterprises in the federal awards area by variations to federal awards which we have indicated can be done without the presence of a trade union. That is not to say that most employees will not choose to be represented by a trade union or that it is other than desirable that they should be represented by a trade union, but a trade union does not have to be present.

It means that, in the whole area of federal award coverage in the economy, all those enterprises can vary their terms and conditions of employment. They can do it with their employees. They do not need to do it with a trade union. There is all the flexibility in the world, with the one proviso that they cannot see detriments imposed upon employees by taking standards below where they would be with the underpinning of the award conditions that apply in that area. In other words, they have all the flexibility in the world. Yet what would we see from the opposition: individual wage contracts, no ceilings and no safety nets. It would simply be a matter of people taking the contract or taking the sack. We have now seen this tremendous spread of enterprise agreements across the country and we will see now a further move to flexibility through the reforms announced at the end of last year.

It is instructive to see what the Chief Executive Officer of our largest industrial company, whilst remarking on this area, recently had to say. John Prescott of BHP said:

In broad terms, industrial relations is no longer a stumbling block in Australia.

Let me get that right for opposition members over there. These words are from BHP:

In broad terms industrial relations is no longer a stumbling block in Australia. In good companies it is no longer a break on productivity—

Let me repeat that:

In good companies it is no longer a break on productivity, on continuity of supply or cost effectiveness.

Mr Prescott said that the change was not a temporary response to economic crisis but a long-term structural adjustment. So here we have the Chief Executive Officer of our largest industrial company saying that there is a long-term structural adjustment in the labour market and, in broad terms, industrial relations is no longer a stumbling block in Australia.

The opposition, of course, rejected that view, saying that, if we do not have a New Zealand style contract system, the competitiveness of Australian industry could not be guaranteed. That is despite the evidence of a massive lift in profitability in the stock market and in companies generally where the profit share is back to the highs of the late 1980s, which were themselves a record which had no historical precedence in this country. So we have to ask opposition members what they want—an even lower wages share and an even higher profit share than that which currently obtains, which is as high as any in our history? If that is what they want, they are not entitled to it. Good industrial relations mean that you can have productivity improvements and lower costs without lower wages. That is the point that Mr Prescott is making.

During the 1980s, the number of working days lost in disputes was halved and the number of disputes dropped by two-thirds. Mr Prescott also said this which I think is worth recording:

Enterprise bargaining and lifts in efficiency had improved the BHP steel business, and that produc-

tivity in the last decade had grown from about 190 tonnes per employee to 600 tonnes per employee a year.

Mr Speaker, as an honourable member representing one of the great steel regions of this country, that change in attitude and lift in productivity would be no news to you. But it may be news to other members of the House and it should be news to the opposition that, basically, we have seen a trebling of products by employees of BHP. We have seen here a very important structural change to industrial relations; a change which is permanent. We are seeing higher productivity but Mr Prescott says that, in industrial terms, industrial relations are no longer a stumbling block in Australia and, for example, in his business, we have seen an extraordinary pick-up in productivity.

Let us record that that 1.9 per cent inflation rate and part of that good news story on the economy is the story of wage and salary earners in this country being involved in a first-class industrial relations system. This gives them the opportunity of sharing in the productivity of the companies which they can improve by this attitude of mind and which, in the doing of it, have made Australian companies more profitable and have lifted the prospects for investment and employment.

It is industrial relations making these things work and, in the making of their working, giving us a commensurately low inflation rate. Let me record along with the Treasurer not simply the recital of the structural changes for the better which we have been able to engender in this community of ours and which will stand us in good stead in the 1990s but let us record in one of the most difficult and intractable areas of reform—industrial relations—that we are seeing a sea change.

Ministerial Conduct

Dr HEWSON—My question is directed to the Prime Minister. Seeing the Prime Minister does not know what these standards are, I am keen to see whether he has adhered to them. I refer the Prime Minister to his predecessor's statement on public duty and private interests, which says

in respect of individual minister's income, assets or liabilities, that ministers have 'declared those amounts to me in a confidential statement'. I therefore ask the Prime Minister: whilst he was Treasurer, did he so disclose to his predecessor in a confidential statement that in May 1991 he had purchased the shares in the Parkville piggery?

Mr KEATING—There is nothing lower than a Liberal Party leader who knows that he has gone. It is a particularly low form of political life. He has tried everything in his armoury and here he is hanging on a gossamer thread in his own party. He said that he was going to be above politics; he was going to be honest; and he was going to give us a new order of political behaviour. But he is back to the oldest Liberal Party trick in the business, down to the personal interests of MPs, in particular mine.

Yesterday the Leader of the Opposition was clearing the party room of staff. He told those opposite that they all had to grow up. Within half an hour they nearly broke their shins and their ankles getting out to the radio stations and the newspapers to tell the world about the joke which had just been their party meeting. This is his standing, Mr Speaker. He has no idea of leadership, no idea of policy and no idea whatsoever about what he thinks—

Dr Hewson—Mr Speaker, I raise a point of order under standing order 145 on relevance. I asked a very specific question as to whether the Prime Minister met a certain standard in filing a confidential report to the Prime Minister at the time in relation to his investment in a piggery. It should have a very direct answer.

Mr SPEAKER—The Prime Minister was referring to ministerial interests.

Mr KEATING—I declared my interests to the former Prime Minister whenever he required them of me, which was on every occasion. I discussed my interest in that investment in the piggery with the former Prime Minister, Mr Hawke, extensively. I purchased it one week before I resigned my position as Treasurer. The whole world knows it because I declared it in parliament and I declared it in my register. Let me say to those opposite that there is a whole lot I could

declare about the Leader of the Opposition and the rest of those opposite. If they wish me to, I am quite happy to go through their personal affairs one after the other.

Home Ownership

Mr TANNER—My question is addressed to the Minister for Housing, Local Government and Human Services. In view of the positive economic outlook, can the minister inform the House what the implications are for home ownership prospects in Australia?

Mr HOWE—In answer to the honourable member's question, prospects for the housing industry in this country in terms of affordability are very good, for a number of reasons. We have seen allusions to those reasons from both the Treasurer and the Prime Minister today. Underpinning the affordability of housing in this country has been an inflation performance on the part of this country which is second to none.

As a result of sustained low inflation, affordability in the housing sector is at its highest level in nearly nine years. Mortgage interest rates have fallen from a high of 17 per cent to 8.75 per cent. Today a family in Sydney requires an income of \$35,724 to meet the average loan payment; whereas 12 months ago that same family required an income of \$39,285. The expectation of low inflation is giving people a security to invest in housing.

Over the last two years, this current financial year and the year before, we have seen record levels of housing activity in this country. There were 161,000 starts last year and we expect 157,000 this year. More choice of housing is being offered in the housing industry at this time compared with any other time in our history. Against all expectations, we have seen over the last several years a very sharp increase in medium density housing in the inner cities of Sydney, Melbourne and a number of the other major capitals. We are seeing much more affordable housing in Green Street type development. People at the lower end of the market have been able to get into housing that is appropriate and able to completely meet their needs.

Despite the Jeremiah predictions that we hear from the opposition, the level of home ownership in Australia is currently 72 per cent, higher than almost any other country in the world. Compared with the United States, Britain and most European countries, Australia stands with extremely high levels of home ownership and levels of affordability that historically have not existed in this country for a very long time. When the government talks about its economic performance, a new paradigm in the Australian economy and new conditions that operate, that has implications in terms of domestic activity, people's quality of life and, clearly, access to housing and home ownership.

In answer to the honourable member's question, economic activity is reflected in the housing industry; affordability is standing at very high levels historically; the choice of housing has never been greater; and the quality of life of Australians is being improved as a result of the government's extremely sound management of the economy in difficult economic circumstances.

Fuel Excise

Mr DOWNER—I refer the Treasurer to today's increase in petrol tax, which will mean that since 1983 the average Australian motorist has paid an additional \$9.80 per week for unleaded petrol and \$10.20 per week for leaded petrol. Why is the government targeting low income earners in particular who have been struggling financially throughout the recession to pay an increasing share of Australia's petrol tax bill? Why is the government so at ease with exploiting its true believers?

Mr WILLIS—You must be joking! This government has been most concerned, from the time it got into office, to look after the low income earners of this country. We have introduced a whole raft of reforms—in social security and other ways—which have been designed to look after lower income people. If the honourable member were being honest with the parliament, he would know that there has been great improvement to the lot of many people on low incomes, particularly low income earners with families and those on social security.

In looking after low income earners that does not mean that everything that is done cannot have some effect on them. Clearly, when we look to increase any indirect taxes, they are by their nature somewhat inequitable in the sense that they impose the same monetary cost for the purchase of an item, regardless of the income of the earner.

A proposal was put forward by the opposition at the last election for a vast hike in indirect taxes or a new indirect tax of large proportions, which would have put up the inflation rate by some five per cent or more. The CPI effects of the petrol price increases, which are coming into effect today through the petrol excise increases, are 0.09 per cent. Those opposite were prepared to put up inflation by five per cent or more through their goods and services tax at a time when we had just got the inflation psychology of the nation down to a low inflation psychology—a most important change in the thinking of the nation. At that time those opposite would have pushed inflation rates right up again, back towards double-digit inflation and obviously changed that whole low inflation mentality. It would have been a disastrous development for this nation.

We will not be doing anything like that, I assure you. But from time to time obviously there have to be some increases in indirect taxes. The petrol excise increases, which are coming into effect today, are part of the changes which were brought in at the time of the last budget. They still mean that we have the third lowest petrol prices in the Western world and that the price of petrol today in real terms is less than it was a decade ago.

I also draw to the attention of the honourable member for Mayo that a factor in our low inflation rate at the present time is, as I said earlier, the falls in petrol prices. Crude oil prices are falling on the world scene, and that has been reflected in prices in this country. Increased discounting has caused prices to fall below 60c a litre in a number of our capital cities. With those sorts of factors applying, levels of petrol prices are far below the rates which were contemplated at the time we made those tax decisions. So petrol prices are being kept at relatively low levels. The

impact of the decisions in the budget both today and in six months time when there will be a further set of increases will have a minimal effect on the CPI.

The major impact of the changes is that an additional tax is imposed on leaded petrol. The reason for doing that through the tax system is simply to give some additional incentive to people to switch from leaded petrol to unleaded petrol, for health reasons. Many of them can switch from leaded petrol to unleaded petrol; they simply need to be informed about that, and my colleague the Minister for the Environment, Sport and Territories is in charge of a program to ensure that people do understand what they can do in that regard. I believe that something like one million motorists can change from leaded to unleaded petrol with relatively little cost. We have to deal with the issue of leaded petrol. It is a health problem. We do need to get the lead content of our petrol down and, by encouraging people through the tax system to switch to unleaded petrol, we are helping the health of the nation.

Shadow Ministry

Mr LEO McLEAY—My question is directed to the Minister for Finance and the Leader of the House. Has the Minister's attention been drawn to the recent expansion to nearly 40 of the opposition's front bench to accommodate the opposition leader's new found friends? Will there be immediate cost increases to the government to accommodate the new shadow ministry? In light of the talented people on the government side, does the government intend to expand the ministry to equal the shadow ministry?

Mr BEAZLEY—It would be almost impossible to miss the size of the shadow ministry. Anybody looking down upon this place would start to refer to the opposition front bench as a sardine tin. There they are stewing quietly in their own juice in one another's laps.

Bearing in mind the question asked by the honourable member for Watson, I shuddered the other day when the Leader of the Opposition called his shadow ministry together to tell them that he intended to issue punishment

to them if there were any more acts of disloyalty. When similar sorts of threats have been made, the opposition front bench has expanded and people have been given additional tasks. There seems to be such an aversion to work in the parliamentary Liberal and National parties that the only way their members can actually be made to be loyal is not to threaten them with a sacking but threaten them with making them work and, therefore, additional positions are given to them. The back benches are the most deserted opposition back benches in history.

If the government were to follow this example, the costs would be very considerable. I am advised that the additional ministry suites would cost some \$1 million. The cost of providing ministerial offices in home states of those people would come to an extra \$1.5 million. The cost of overseas travel would rise by a conservative—I do not know which officers in the Department of Finance came up with this particular figure but they are obviously not terribly well informed of some of the travel habits of some opposition members—half a million dollars a year. The extra ministers would incur an additional salary bill of some \$340,000 a year and extra staff would rack up another \$3.2 million, and that does not even take into account travel or other ministerial expenses associated with it.

So what happens when those on the other side of the House are disloyal and what about the expense that would be imposed on taxpayers were they ever to be in office and confronted with this? If a minister were disloyal and not terribly effective, the defence portfolio would be added to that minister's responsibilities. That is a time-honoured tradition. Two tactical failures by a subordinate general and he is made chief strategist.

Those opposite have had the situation of metaphorical megadeaths being created politically by the relevant shadow minister concerned. No doubt there is an inclination on the part of those opposite to make those metaphorical megadeaths real should they ever get into office.

On the other hand, if a minister is simply disloyal and the question is whether or not that minister is particularly effective, then that

minister gets offered the Finance portfolio. It is disappointing to me that such a judgment has been passed by the Leader of the Opposition; nevertheless he has done so in the case of honourable member for Higgins. If a minister is disloyal but is likely to be, at least in the parliamentary party, extremely effective, then that minister is offered the opportunity to shadow the entire government, particularly if the shadow portfolio can, in terms of its title, cover the National Party of Australia.

We used to have a problem with one of the predecessors of the Leader of the Opposition, Malcolm Fraser. He was never able to discipline the National Party. But the Leader of the Opposition has gone one better than he. He has come up slightly in the world. He has decided that he is going to share the problem of Senator Bishop around.

When I was young, I spent a deal of time in India. This was at a time when there was a phenomena called 'floor crossing' in the various state legislative assemblies around India, so much so that in the case of one state parliament, the premier of that state was obliged to provide ministerial offices for 50 per cent plus one of the members of the state parliament. Something similar to that clearly applies in the opposition. The last position in the order of precedence in that state assembly was deputy minister for silkworm production! I welcome back the right honourable member for New England.

Fuel Excise

Mr ANDERSON—My question is directed to the Minister representing the Minister for Primary Industries and Energy. Can the minister confirm that today's increase in fuel excise will cost, according to Treasury, some additional \$26 million for the farm sector, \$6 million for the mining sector, \$9 million for forestry industries and \$23 million for the food processing sector? Why is the government slugging these industries so heavily when the majority of their fuel usage is diesel, which is not a leaded fuel?

Dr Hewson—How are you going in this Ministry?

Mr BEDDALL—Very well; much better than you are, actually. I thank the honourable member for his question. I will endeavour to respond on behalf of the Minister for Primary Industries and Energy. The one thing the honourable member has forgotten about diesel fuel is that the primary industry sector gets the diesel fuel rebate. The rebate in this case would be \$440 million.

In the mining industry, which is important to my Resources portfolio, the rebate will be some \$551 million. That is, 70 per cent of the total increase in the cost of the farm diesel fuel excise is rebatable. Plainly this has not had the impact that the honourable member indicates.

Mr Keating—Mr Speaker, I ask that further questions be placed on the *Notice Paper* and we will see whether the Leader of the Opposition is still here tomorrow morning.

MEMBER FOR FREMANTLE: PROPOSED RESIGNATION

Mr DAWKINS (Fremantle)—Mr Speaker, I am indebted to you for your indulgence. I wish to refer briefly to a statement I made to the House on 17 December 1993, on which occasion I indicated my intention to leave the government and at some stage resign my seat in this House. I advise the House that it is my intention to hand to you on Friday my resignation as representative for the division of Fremantle. This will be the second occasion on which I have left the House of Representatives. On the last occasion, in 1975, I was more bundled out than simply departing, as I do on this occasion with as much as grace as I can muster.

Mr Speaker, it is now clear that Dr Lawrence, the former Premier of Western Australia, will put her name forward to represent the division of Fremantle. Under those circumstances I think it is desirable that the by-election be held forthwith. Since 1977 I have done all in my power and applied all my efforts to advancing the interests of the people of the division of Fremantle. It is now time for that effort to be continued with a new enthusiasm—which I know Dr Lawrence is committed to providing. I am quite sure she will provide that enthusiasm.

I want to say how much I appreciate the support that I have received from the people of my electorate in seven elections. It is a somewhat different electorate from the one that I first represented. The city of Fremantle has become both an architectural and a cultural jewel as far as Australia is concerned. The electorate has seen a rapid growth in its residential area with an increasing diversity. As well as that, there have been some fascinating new industries established in the electorate. Industries as diverse as shipbuilding, communications, equipment, food processing and tourism are all producing, exporting and doing precisely the things which we want Australian industry to do all around the country. Whilst the people of Fremantle have been enormous supporters of mine and I have done all I can to advance their interests both as electors in that electorate and as citizens of Australia, as I have said before the time has come now to pass on to someone who can maintain the momentum.

I want to take this opportunity to congratulate my successor as Treasurer, the honourable member for Gellibrand (Mr Willis). He has been in the job for only six weeks, but what a magnificent set of results he was able to declare in terms of the progress of the economy in that short six weeks. I congratulate him on his efforts; I congratulate the government. I wish him, the government and my party all the best for the future and many more election victories as well.

Government members—Hear, hear!

Mr KEATING (Blaxland—Prime Minister)—Mr Speaker, this will probably be the last intervention in the parliament by the honourable member for Fremantle, our colleague John Dawkins. There could be no greater accreditation of his service here than the litany of economic data which the Treasurer (Mr Willis) read into the *Hansard* record at question time. With the now Treasurer, the then finance minister, he presided over the economy during the last two difficult years. The policy settings and the policy mix in advent under his stewardship have been right for Australia and have been borne out. He is now leaving public life with a 1.9 per cent inflation rate—

Mr Downter—Why don't you face up to it? He has been going around telling everyone about you and the reasons—

Mr SPEAKER—Order! If the honourable member for Mayo wants to be around to propose his matter of public importance, he should sit there quietly.

Mr KEATING—He had to battle the opposition all through 1993 in regard to the repair of fiscal policy, as a result of which we have seen changes to productivity and exports, and a shift to manufacturing production. He played a significant role in these issues over his years as a minister—in exports and in the founding period of the GATT round, as the Minister for Trade, a matter to which I referred just before Christmas—and of course in the education portfolio he was at the forefront of changes to the education system to power along research and development and product innovation in this country. The consequence is a new and changed culture for Australia, its economy and its society. John Dawkins has played a very large key role in that change.

Very few people could come to public life, be defeated, come back, as he did in 1977, take a senior portfolio in 1983 and, after nearly 11 years of ministerial service, walk off the field declaring victory. That is what he has been able to do. His contribution will be long remembered by this party, this government and the people of Australia. Naturally, I, amongst all of us here, wish him well for the future.

Mr SPEAKER—Following the announcement by the honourable member for Fremantle (Mr Dawkins) of his intention to resign on Friday, 4 February, I will be considering dates for the by-election and will be writing to the party leaders and independent members in relation to the by-election later today.

PAPERS

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

The schedule read as follows—

Albury-Wodonga Development Act—Albury-Wodonga Development Corporation—20th report, for 1992-93.

Australian Institute of Aboriginal and Torres Strait Islander Studies Act—Australian Institute of Aboriginal and Torres Strait Islander Studies—Report for 1992-93.

Industry Commission Act—Industry Commission—Report No. 34—Public Housing, 11 November 1993—

Volume I—Report.

Volume II—Appendices.

Ombudsman Act—Commonwealth and Defence Force Ombudsman—Report for 1992-93—Erratum.

Primary Industries and Energy Research and Development Act—Honeybee Research and Development Council—Report for 1992-93—Errata.

Public Service Act—Department of the Treasury—Report for 1992-93—Corrigenda.

Telecommunications (Interception) Act—Report for 1992-93.

Motion (by Mr Beazley) proposed:

That the House take note of the following papers:

Albury-Wodonga Development Act—Albury-Wodonga Development Corporation—20th report, for 1992-93.

Australian Institute of Aboriginal and Torres Strait Islander Studies Act—Australian Institute of Aboriginal and Torres Strait Islander Studies—Report for 1992-93.

Industry Commission Act—Industry Commission—Report No. 34—Public Housing, 11 November 1993—

Volume I—Report.

Volume II—Appendices.

Ombudsman Act—Commonwealth and Defence Force Ombudsman—Report for 1992-93—Erratum.

Public Service Act—Department of the Treasury—Report for 1992-93—Corrigenda.

Telecommunications (Interception) Act—Report for 1992-93.

Debate (on motion by Mr Howard) adjourned.

MATTERS OF PUBLIC IMPORTANCE

Fuel Excise

Mr SPEAKER—I have received a letter from the honourable member for Mayo (Mr

Downer) proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The impact of today's increases in fuel excise on low income Australians and the 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—

Mr DOWNER (Mayo) (3.02 p.m.)—Mr Speaker, I would like to begin by apologising to you for interjecting during the farewell remarks of the Prime Minister (Mr Keating) to the honourable member for Fremantle (Mr Dawkins). I wish the honourable member for Fremantle well in his future career, in whatever he may do, but I could not help interjecting because there was such a rich irony in the Prime Minister speaking at all on that occasion. The honourable member for Fremantle has been making it clear to anyone with ears to hear that the reason he resigned as the Treasurer was that he had been dunned by the Prime Minister through the budget process. So the irony of the Prime Minister making remarks of farewell was not lost on me.

The honourable member for Fremantle, of course, is part and parcel of the debate that we have before us today. Today is the day that the government increases tax on petrol, both leaded and unleaded, and increases the tax on leaded petrol—used disproportionately by low income Australians—by a higher degree than the increase in the tax on unleaded petrol.

Today is a day of betrayal. At the last election the Australian electorate was told by the Labor Party that if it voted Labor there would be no increases in indirect taxes and no increases in taxation at all. Today is one of those days when taxes go up, particularly the especially sensitive petrol taxes, in total betrayal of the mandate this government was given.

As I said at question time, it is also a day when the true believers, in particular, are betrayed by a party which is forever pretending to represent the interests of lower income Australians. Throughout its time in govern-

ment, nearly the last 11 years, it has not only failed to do anything positive for those people but also reduced their living standards and made life harsher for them, as I will explain in a moment.

What is the extent to which the Labor government is willing to further impoverish low income families? Over the last 11 years it has reduced real wages for the 10 per cent lowest income earners in Australia by five per cent in real terms. It has put one million people out of work. These are people who have disproportionately been from Labor electorates; people who have voted Labor—not all of them but a disproportionate number of them. It has put 400,000 of those people out of work for more than 12 months, creating an underclass in this country which will have long-term consequences—not just economic but also, more importantly, social—for Australia. In the life of this Labor government unemployment has repeatedly come back to hit the people who predominantly have put Labor into office and kept it in office.

As I said earlier, today is fuel tax day—the day of betrayal. The Labor government increased the fuel tax, again disproportionately hitting low income Australians. As we can see from a survey done by the New South Wales Roads and Traffic Authority, the people who are going to pay the highest price for their petrol—that is, those who have cars which use leaded petrol—are people who live in the Labor heartland, those who live in the lower income suburbs of Australia and, in this case, of New South Wales.

Let us look at some of the suburbs that the New South Wales Roads and Traffic Authority believes will suffer the most from this regressive increase in petrol tax. The local government area which takes in Yagoona, Greenacre and Revesby is, interestingly enough, within the federal electorate of Blaxland. In those suburbs 49.5 per cent of registered vehicles use leaded petrol and only 37.4 per cent use unleaded petrol. The people who live in the area of Bankstown, taking in Yagoona, Greenacre and Revesby, are disproportionately attacked by this government and

betrayed by this government through higher petrol taxes.

Mr Somlyay—Like Werriwa.

Mr DOWNER—In Campbelltown which, as one of my colleagues interjected, is in the electorate of Werriwa, 61.5 per cent of vehicles use leaded petrol.

Mr Gear—Who won?

Mr DOWNER—Cynically—and he has given the game away—the Assistant Treasurer, the honourable member for Canning, who is at the table, says, ‘Who won?’ The Labor government betrayed the people. It lied to them. That is what happened. We do not lie. It lied to them by going out and telling them that it would not increase taxes and then it increased petrol taxes.

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The honourable member will withdraw that remark.

Mr DOWNER—I withdraw. During the federal election campaign the Labor Party said that an increase in indirect taxes—a change in the tax mix from income tax to indirect taxes—was regressive. Every one of the honourable members opposite ran a scare campaign, saying that the GST was regressive. Why, if the Labor government thinks the GST is regressive, does it happen to think that it is fair to increase taxes on petrol, having promised the Australian public that it would not do so? How come that is fair and how come it is fair to disproportionately hit low income people who use cars which need leaded fuel? The government was re-elected on a fraud—a campaign against regressive taxes.

The hypocrisy of the Labor Party knows no limits. I say that because not many members of this House were members here back in 1981. Some very distinguished people were here in 1981, but not many of us. In 1981 the now Prime Minister was the shadow minister for something like resources and energy. He made his reputation by attacking the Fraser government for increasing petrol taxes. On 7 April 1981, he said:

Everyone is socked through their pay packets by paying high prices for petrol.

In 1983, when Labor came to power, how much tax was there on petrol? How genuine were these concerns by the honourable member for Blaxland, subsequently the Prime Minister? In 1983, when Labor came to power, the federal government collected 6.15c per litre in petrol tax—just over 6c per litre in petrol tax. In February, 1994—this will change later in the year—the government is collecting 31.75c per litre for leaded fuel and 30.75c per litre for unleaded fuel.

For all the baying and berating of the Fraser government about increasing taxes on petrol and for all the humbug about the regressive nature of indirect taxes, this government in its time in office has increased tax on unleaded petrol, the cheap one for the rich in the leafy suburbs of the north shore. For those people there has been a 500 per cent increase in tax on petrol during the life of this tax and spend government. For the Aussie battlers, the people who for the great confection of Australian history the government pretends to represent, the government has increased tax on petrol by 515 per cent. And that is not the end of it. It is all going up again on 1 August and it will just keep going up again and again.

What do these figures mean in a more personal sense? These increases in petrol tax since the budget mean that people who use unleaded petrol will be \$1.60 a week worse off because of the government’s broken promise. The battlers who are using leaded petrol in their cars will be \$2 a week worse off. Low income earners will be \$2.80 a week worse off as a result of the sum total of all of the increases in petrol tax announced in the budget. I heard the minister for sports rorts this morning on ABC radio—

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The honourable member should use the appropriate title.

Mr DOWNER—She is the minister for sports rorts; we all know that.

Mr DEPUTY SPEAKER—Order! The honourable member will withdraw.

Mr DOWNER—I heard the Minister for the Environment, Sport and Territories (Mrs

Kelly) this morning, soon to be replaced by Carmen Lawrence—

Dr Hewson—Brian Howe is moving aside.

Mr DOWNER—He will be replaced by her as the deputy leader of the party. That is why the Prime Minister is listening much more these days to Bizet than to the composers he so much favoured in the past. Bizet wrote the opera *Carmen*. I just thought I would fill those opposite in on that. I could see them looking totally blank. Their expressions were just blank. They wondered what was going on.

That Minister for the Environment, Sport and Territories said on the radio this morning that low income taxpayers—she forgot to mention those who do not pay any tax at all—are going to get \$2.88 a week compensation in the tax rebate to compensate for tax increases in the budget. They are; that is true. People earning less than \$5,401 a year do not get anything because they do not qualify for a tax rebate. They get nothing and they are the people with the lowest incomes. They pay \$2 a week more for their petrol but get nothing to compensate for that.

What do those who receive compensation get? They pay \$2 a week more for their petrol and get \$2.88 a week in tax rebate. So one might put it, I have to say, dishonestly, as the minister did this morning, that these people are slightly better off. What has she forgotten to do? She conveniently forgot to tell her electors here in Canberra and throughout the rest of Australia that there are increases in sales tax as well. That will apply to almost everything they buy—their toothbrushes, toothpaste, washing detergent and some of their foodstuffs. Taxes on those are going up as well so, despite the rebate, these people will be worse off.

As I said in question time, the fact is that since 1983 Labor has added \$10.24 a week to the petrol bill of those users of leaded petrol in tax alone. That is \$532 a year. Others in this debate will speak about the impact of this decision on our industries, but I make the simple point that the increase in petrol tax on 1 February will cost Australian industries \$65 million a year: \$26.8 million a year to farmers; \$6.9 million a year to miners; \$9

million to the forestry industry; and \$23 million to the food processing sector. These industries have already been hit by higher petrol taxes in the budget. On top of that, there will now be an additional tax grabbing burden.

In the end, what will all this money be spent on? Reflect upon 1983 where, for every \$1 collected in fuel excise, a bit over 60c was spent on roads. Remember that today, for every \$1 that is collected in fuel excise, this government spends 12c on roads. This is not a measure designed to raise funds for improved roads or, by the way, to improve the health of Australians; this is quite simply and very cynically a measure designed to rake in more money for a voraciously greedy Labor government which has no plans for economic management short of taxing and spending. There is a cyclical upturn under way in this country—we warmly welcome it; we all encourage and welcome a cyclical upturn in this economy—but those opposite are doing everything they can to threaten it by continually increasing taxes.

The Treasurer (Mr Willis) ought to come back into this House along with his revised estimates and announce that he will abandon the increases in tax that were announced at the time of the last election. Not only were those tax increases a betrayal of the electorate—and they still are—but also they will reduce our potential to make great strides from the cyclical upturn in the economy. We do not want this to be another phase in a boom-bust cycle. Those opposite seem to be determined to achieve that by pounding on the taxes and reducing the living standards of the people whom they claim to represent.
(Time expired)

Mr GEAR (Canning—Assistant Treasurer) (3.17 p.m.)—One of the disadvantages of coming all the way from Perth to Canberra is having to listen to a speech like that. It was absolute drivel. On a day when the all-ordinaries hit a new high, what have those opposite been complaining about? They have been complaining about a 1c hike in the price of fuel.

We have to remember that the honourable member for Mayo (Mr Downer) uses statistics

very sparingly. When he does use them, we really have to keep our eyes open. Not all that long ago he put out a press release stating that millionaires pay a lower percentage in tax than people earning \$40,000 a year. Of course, he looked at the budget papers, but he did not fully comprehend them—that is the most charitable interpretation one can put on it—because he left out the franking dividends of franked shares. When that was added back into the equation we found that the assertion made by the honourable member for Mayo was totally wrong. He would not stand up here and admit his mistake; we had to point it out to him.

On another celebrated occasion he went to Liberal Party meetings on a Monday night with a prepared speech—which he must have boxed because we got a copy of it—asserting that 96 per cent of all companies in Australia incurred more costs in complying with the taxation system than they did in actually paying tax. I do not think one honourable member in this place would honestly believe that, but that was the assertion of the honourable member for Mayo. What we heard today was very similar to those rubbery figures and interpretations of the two examples that I have just pointed out.

Let us look at what the honourable member for Mayo said towards the close of his contribution here today. He said that the cost of fuel over the last 10 years or so had gone up by \$10.24 per week. Yet this MPI purportedly shows the impact on low income earners. Not many low income earners would now spend \$10.24 on petrol, yet he is saying that we have put it up by more than that. The simple fact is that he is wrong.

When I was going to the airport in Perth on Sunday—and I have spoken about this to a number of members from other states—I noticed that the price of petrol was 55.9c. I venture to say that is cheaper than it was three years ago. The increase in the price today, even when added to that figure, will not bring the cost back to anywhere near what it was three years ago. One thing this government does believe in is competition. There is more competition in the marketplace now

than there ever has been before because of the reforms that we have brought in.

The last time the Liberal and National parties were in office, it did not matter where people went they paid the same price for petrol. That was the Liberal and National parties' regime. That was how they marketed petroleum products. The simple fact was that it did not matter whether people went to a Shell, a BP or an Ampol station, they all paid the same price for petrol. That was life under the Liberal and National parties.

Let us look at how Australia stacks up internationally when it comes to petrol prices. Even allowing for the increases that have come from this year's budget, we are still the third lowest taxing country, in terms of petrol prices, in the OECD. Topping the list is Italy, where it costs \$1.64 for a litre of petrol. In France it costs \$1.41; in Germany, \$1.37; and in the UK, \$1.15. What was the cost of a litre of petrol in Perth on Sunday? It was 55.9c.

Let me finish speaking in this discussion. I could do it in just about one sentence. The honourable member for Mayo referred to the impact of the increase in fuel excise on people on low incomes. Even when all of the increases are applied, which is by June 1994, the average weekly cost of petrol will go up by 60c. In this year's budget, we gave \$2.88 a week to people on incomes below \$20,700.

The honourable member also mentioned the economy. At question time the Treasurer (Mr Willis) read out the revised forecasts. They are worth looking at again, when we consider the fact that the honourable member for Mayo wanted to roll the economy and the impact that this excise rise may have on the economy into this discussion. The Treasurer said at question time that this year gross domestic product will be 3½ per cent, instead of the modest 2¾ per cent in this year's budget. That is not bad when we consider, as the Treasurer pointed out, the OECD average of 1.1 per cent.

At budget time employment was expected to rise by three-quarters of a per cent or 100,000. We have already exceeded that and it is going to be 200,000. When the Liberal and National parties were kicked out of office in 1983, they left us with a CPI, the measure

of the cost of living, of 10½ per cent. That is down to two per cent now. Just as importantly, as the Treasurer pointed out, the expectations are that we will be a low inflation country, notwithstanding the fact that the increases in fuel excise announced in the budget have been included in these figures.

Let us look at the way in which the opposition may treat people on low incomes. During the last election campaign, the honourable member for Mayo was out there trumpeting the virtues of a 15 per cent tax on goods and services. How would that impact on people on low incomes? How would pensioners get on with a 15 per cent tax on just about everything they buy and every service they consume? At the last election—and I do not think they have walked away from this; I have not heard anything to that effect—members of the opposition were talking about cutting \$10 billion of government spending, notwithstanding the fact that this government has reduced government spending to the lowest it has been in the last 30 years. The outlays from this budget are back to 1950s levels. We are the lowest taxing country in the OECD. The opposition talks about us taxing and spending. We are the lowest taxing country in the OECD and we have wound back government spending to 1950s levels.

Let us look at a few of the things that the opposition promised to do at the last election and the impact that those things could have had on low income earners. The opposition said that it was going to abolish the CES and save itself \$160 million a year. If it abolished the CES, where would people go to look for jobs and get advice? The opposition was just going to throw them out. People on low incomes would be adversely affected by that move. It may still be in the opposition's policy.

The opposition was also going to cut \$400 million from the spending on the Commonwealth-state housing agreement—\$400 million for housing for people on low incomes. That is the compassion the opposition was going to show to people on low incomes as promised at the last election. What it really means is that people on waiting lists to get into homes, people on low incomes, would have to wait

that much longer. There has not been a government in the history of Australia which has put more money into the public housing stock—as far as federal governments go—than this government. The opposition was going to cut that by \$400 million.

If that is not enough, if we were not building houses in the outer suburbs, it was going to abolish the funding for the urban transport program. Who does it think uses public transport? Does it think millionaires use public transport? Of course not. It is the people on low incomes who use it—the sorts of people that the honourable member for Mayo purportedly was crying crocodile tears for when he proposed this matter of public importance here today. How are they going to get on if the opposition is going to slash public transport? Is that the sort of policy it thinks advantages people on low incomes?

Here is a lulu for everyone. In the last election the opposition, which was going to postpone this by only one year, was going to force unemployed people to run down all their liquid assets before providing the jobsearch allowance. That is the way the opposition looks after people on low incomes. That is the way it looks after people who are disadvantaged: it uses up all their money and does not give them a cracker until they are out on the street. That was going to save the opposition \$152 million. It was in the opposition's fightback manifesto. How about that.

If it is not bad enough for people who are out of work, how about sole parents? Sole parents fall into the category of people on low incomes. What was the opposition going to do to them? It was going to cease their sole parents pension when their youngest child turned 12. It was going to save itself \$115 million by taking it off sole parents. Is that compassion? Is that the sort of thing that members opposite want to do to look after people on low incomes? Yet the opposition gets up here today and cries crocodile tears about 60c over the entire range of the increase in the petrol excise for people on low incomes when they are being compensated \$2.88 a week. That is the level of debate in the Liberal Party today. If people are looking for

a moribund party which is leaderless and without policies then they have to look no further than this MPI that we have here today.

The MPI said nothing. It used trumped-up figures which were so obviously wrong—we are getting used to the honourable member for Mayo coming in here with these outrageous claims. We are starting to use the saying 'Downerisms' because it is the best way to describe some of the interpretations or the spins he puts on the figures. I have already pointed out a couple of them.

On top of all of those things I have said, the opposition was also going to cut general purpose payments to the states, territories and local government by five per cent. That was going to save it \$719 million by its own figurings. Once we start cutting those sorts of outlays out of state governments and local governments, they reduce their services. The people who feel those the most, of course, are people on low incomes.

In this year's budget the government, for the first time, put in a differential to recognise the harmful effects of lead in petrol. It has not only been recognised here in Australia—we are one of the last countries in the OECD to put this differential in—but the Royal Melbourne Institute of Technology, by way of trying to cost the impact of lead in petrol, has estimated that reducing lead emissions could yield a community health benefit approaching \$4 billion.

When we are talking about costs we have to start thinking about the costs of having lead in petrol, lead in the air and the impact that has on Australian children. The Minister for the Environment, Sport and Territories (Mrs Kelly) held a round table conference with people who had an interest in this area in July of last year. The conference itself endorsed the principle that we should differentiate the price of petrol when we consider unleaded petrol and leaded petrol. If we look at the modest increase that we were proposing in Australia compared with the rest of the world, we notice that in countries such as Austria the differential is about 14 per cent higher.

Mr Cadman—They travel miles from one side to the other!

Mr GEAR—In their major cities they travel just as much as the honourable member does. If we have a look at countries like Denmark and Finland the differential is also up around 13½ per cent and 14½ per cent.

Mr Filing—Stick to this region.

Mr GEAR—Why does the honourable member not jump up and follow me if he knows so much about what we are talking about? The point is that there are good health reasons why there should be a differential between leaded and unleaded petrol. If the Royal Melbourne Institute of Technology is even half-right in its estimate of \$4 billion in health costs to the community—that is, if it was 50 per cent out and it cost \$2 billion—the simple fact is that the move itself would be worth it. As the Treasurer rightly pointed out in question time, about half the cars in Australia now use unleaded petrol. Of the other half, many of them could change to unleaded petrol either without any modification whatsoever or with minimum modification. On those grounds alone, I think the move to put a differential into the price of leaded and unleaded petrol serves that useful social function.

Let me conclude by pointing out that the matter of public importance today really was nothing. Those opposite must have gone around the front benches saying, 'Listen, there is nothing around but good news today, who is going to pop their head up and have the MPI?'. There was only one shadow minister dopey enough to do it. It will be interesting to see, as the good news continues into 1994 and 1995, how the tone of these matters of public importance might change because today's one was a fizzer.

Mr TRUSS (Wide Bay) (3.32 p.m.)—What a lamentable response we have just heard from the Assistant Treasurer (Mr Gear). He made irrelevant comments about matters that have nothing whatsoever to do with the subject. The evidence of the irrelevance of his response is clearly demonstrated by the total absence of any occupants on the front bench and the deserted back bench seats. The reason why the back bench seats are deserted is that they are answering angry phone calls from constituents who had to pay higher fuel prices

this morning. There are angry calls from poor pensioners and from the poor people in the community who are particularly affected—the so-called true believers of Labor once again let down by the biggest taxing government in our national history.

The Assistant Treasurer expects us to be comforted by the fact that the all ordinary index is up this morning. The poor pensioner with the 20-year-old car could not care less about the all ordinary index, neither could the farmer facing a negative income for the third successive year. Yet these are people who are going to meet the full impact of this higher price of fuel. Let us not forget the really poor people, those earning less than \$5,400 a year and paying no tax. They will get none of this \$2.88 compensation that is due to come in on 1 July—in six months time. After all the tax increases are made, a concession comes for some people but the poorest in our community miss out altogether.

Fuel tax has to be one of the most iniquitous taxes ever devised by government. It is a tax on distance; it is a penalty on those who live and do business outside of the capital cities; it is a tax on productive industry; it is a levy on exports; and it is a tax on decentralisation. If ever there is a country that ought not to tax distance, it is a vast land like Australia where it is necessary to travel thousands of miles to bring our nation's produce to the ports, where we export much of what we produce and where we allegedly give lip-service year in, year out to decentralisation, balanced development and the like. We say these sorts of things.

The government appoints a task force to look at regional development. What is it doing while the task force is out touring the countryside with the failed ex-member for Hinkler as its secretary? What is it doing while the task force is allegedly listening to the concerns of those in the bush? It is imposing new, harsh fuel taxes, further taxes on distance.

The government will impose a special new levy on all those who take its advice to go west, to do something about turning our vast spaces into places of productivity. The fuel tax adds massively to the cost of living and

doing business outside capital cities. Every one cent a litre increase in the price of fuel adds \$26.8 million to farm costs. For the benefit of the new Minister for Resources (Mr Beddall), who represents the Minister for Primary Industries and Energy (Senator Collins) in this chamber, that is after taking into account the fuel rebate scheme.

As a result of the one cent a litre rise in the price of fuel there will be an impost of \$26.8 million on the farm sector—well over half of the fuel used by farmers is not subject to the rebate scheme—\$6.9 million on the mining industry, \$9 million on the forest industry and \$23.3 million on the food processing industry. As a result of the increases in the last federal budget, \$330 million will be added in one year to the costs of those industries alone. Is this the way the government, which is allegedly interested in encouraging industry and the productive sector, should react—with increased costs?

Mr Lloyd—Of course not; they are not genuine.

Mr TRUSS—The government is not genuine about doing anything to encourage the productive sector. The fuel excise is a tax on the poor. The last census revealed that the 20 poorest federal electorates in Australia are in rural and provincial areas; the 20 richest are all in capital cities. People in country areas have to travel further and will have to pay more fuel tax. The poorest will be the most affected by this shameful increase in taxes.

The country family, which must travel to the supermarket, will pay a penalty fuel tax; the city family can go to the supermarket to do its shopping on subsidised public transport. On visits to the doctor, the country family will pay a penalty tax on its fuel; the city family can enjoy subsidised public transport. Parents of country children have to pay an increased penalty tax when their children go to school; city children enjoy free school buses.

The cost of living in country areas will be significantly affected by the taxes imposed today. The price on every item, on every shelf, in every store will rise as a direct result of the impositions of this government. There

will be no compensation to many people for the increased taxes that have come into effect today.

This government has used every fuel pump as a branch of the tax office. It is reaping \$8.4 billion a year through fuel excise. By next year there will have been a 10-fold increase in fuel excise revenue in the life of the Labor government. What an appalling indictment on its taxing policies!

Not just fuel excise adds to the tax cost of petrol—fuel excise alone is around half the cost—there are also state franchise taxes. Petrol companies, fuel distributors and service stations all pay income tax, sales tax, the training levy, payroll taxes and all the other taxes that are imposed on businesses. They even pay tax on the fuel they use in their own businesses. So there are taxes on taxes. Today we also have the regular six-monthly increase in fuel excise brought about by CPI adjustments. Labor taxes inflation with its fuel pricing as well—tax upon tax upon tax upon tax.

We are led to believe by the government that the new tax introduced today on leaded fuel has something to do with promoting environmental awareness. The new super tax on leaded petrol is supposed to encourage conversion to unleaded fuel. But the Australian Institute of Petroleum has reported that sales of leaded petrol are already falling by 5.7 million litres per month while unleaded sales have increased by more than that amount. So the conversion is occurring naturally, without the need for a tax penalty.

The government said that it wants the lead in air figure reduced below 1.5 micrograms per cubic metre—the National Health and Medical Research Council's level of concern. Even in Sydney, which is supposed to be the main trouble spot, the level of concern has not been exceeded since 1988 and the Environment Protection Authority now reports the lowest airborne lead levels on record. The seasonally adjusted average across all testing sites in Brisbane has not exceeded 0.5 micrograms per cubic metre—a third of the level of concern—since 1988. The Queensland department of the environment said in its 1991-92 annual report:

... lead levels continued to decline to such an extent that lead levels in Brisbane are never expected to exceed national health standards.

So the clear facts are that there is no need to impose special taxes with regard to the levels of lead in petrol. This is nothing more than a naked tax increase. Bear in mind that country people will pay the most of this leaded tax penalty. There are no environmental concerns in Birdsville about leaded fuel; nor are there in any of the provincial cities. But people living in those areas are required to pay this penalty to try to provide some kind of environmental benefit in Sydney and Melbourne—illusionary benefits, of course.

The honourable member for Charlton (Mr Robert Brown), the ex-Minister for Land Transport, knew the facts. In a press statement dated 30 December 1992 he said that any proposals to introduce a tax on leaded fuel would be a move that 'would deprive many ordinary citizens of their independent mobility' and would particularly 'disadvantage many low income families'. They were not my words, but the words of the former Minister for Land Transport. He made those comments only days before the last federal election when the government, including the Prime Minister (Mr Keating), made a commitment not to implement any penalties on leaded fuel. After the election result, things were totally different. (*Time expired*)

Mr TANNER (Melbourne) (3.42 p.m.)—This initiative to increase the price of leaded fuel was launched in my electorate on Sunday by the Minister for the Environment, Sport and Territories (Mrs Kelly). I was very honoured to be associated with that launch. Contrary to what the honourable member for Mayo (Mr Downer) said, this issue is about the question of kids' health, particularly in the inner city areas.

This problem was first identified in my electorate in the early 1980s. It may not mean much to people like those opposite, but it has been demonstrated that there are roughly half a million children in this country who have lead levels in their blood that are higher than is acceptable in terms of potential risk of intellectual impairment. Judging by those on

the opposition benches, it looks like a few of them must have grown up in my electorate.

This is an extremely serious health issue. We are lagging well behind the rest of the OECD countries in tackling this issue. After having eliminated in 1986 the manufacture of cars that run on leaded petrol, we are finally taking the necessary steps to create a price differential that will ensure that those very large numbers of people who can convert to unleaded petrol will start to do so. Ninety per cent of the lead in the atmosphere, which is the problem, comes from cars.

As I indicated, the Collingwood health centre in my electorate was a pioneer in the early 1980s in producing data indicating that there are children in inner city areas who have up to four times the safe level of lead in their blood as a result of vehicle emissions. In other Western nations, lead has been eliminated. There are other OECD countries in which leaded petrol is not sold at all. So Australia is clearly lagging behind the rest of the world with regard to this issue. We have a clear health threat and something has to be done about it.

I find it extremely significant that in the speech made by the honourable member for Mayo not one mention was made of this issue, not one suggestion was made about how a Liberal government would tackle the problem. I heard lots of whingeing about taxing at the pump and so forth but not one suggestion about how a Liberal government would tackle the problem.

The problem with the contribution made by the honourable member for Wide Bay (Mr Truss) is that he quoted statistics about lead in the atmosphere, not about where it is ending up—not about the problems with lead in children's blood. He was correct to say that the lead levels are declining. The reason for the decline is that since 1986 new cars are all lead free. The problem is that the decline is not happening quick enough. When we compare this with the fact that in other OECD countries no lead is going into the atmosphere from vehicle emissions, we have clearly got a long way to go.

Mr Atkinson—What about Asia?

Mr TANNER—The honourable member opposite should go to Bangkok and see what the air is like there. It is quite true that there are revenue measures associated with this. Obviously the excise duty on unleaded petrol has gone up as well. This is an attempt to restore the indirect tax base.

If honourable members opposite actually look at the figures they will see that the proportion of the total tax take, as the honourable member for Canning (Mr Gear) indicated, is at its lowest level for 30 years and the proportion of the indirect tax take has been maintained at a static level as a result of these measures. Members of the opposition, bleating with their new found concern for lower income Australians, ignore the \$150 rebate, the seniors health card, the relaxation of the pensioners assets test, the \$6 per fortnight increase in the level of unemployment benefits for single unemployment beneficiaries and the dental scheme for low income earners, just to cite some examples. This is the broad picture of what this government does for low income earners.

We still have the third lowest priced petrol and the third lowest taxed petrol in the western world. Canada is roughly equivalent. The United States is cheaper. Petrol in all other countries in the OECD is substantially more expensive and substantially higher taxed. Our petrol prices now are lower in real terms than they were in 1983. The honourable member for Wide Bay made some comments about what has happened in terms of the level of taxation since 1983. In real terms, the price of petrol is lower than it was in 1983. So much for the bleating. So much for all the nonsense about taxing everybody to death.

To illustrate the opposition's claims about the effect on the industry, I will cite one example that was mentioned in question time today by the Deputy Leader of the National Party of Australia (Mr Anderson). He suggested that this tax change will have an impact of \$9 million on the forestry industry. To cite one example, the Victorian Auditor-General recently found that last financial year the forestry industry in East Gippsland alone, which is the area I come from, was subsidised by the Victorian taxpayer to the tune of \$7

million for costs for such things as road damage. Let us look at the broad picture and recognise that, in many instances, we are talking about clawing back many hidden subsidies that are not even widely recognised in public debate.

The excise duty comparison with road funding which the honourable member for Mayo put forward is a false comparison. He produces these little graphs but they do not show the full cost of roads. They do not take into account the burden of road trauma in this country, which is estimated to be in the vicinity of \$5 billion a year.

Where does the money come from to pay those sorts of costs? That is a cost of roads as well as the obvious direct cost of building them. The narrow-minded parochial mentality that honourable members opposite put forward fails to recognise that there are many other costs associated with road transport, including pollution, contribution to the greenhouse effect and road trauma. It is those sorts of costs that are paid for by such charges as the fuel excise.

Mr Filing—Come on! Do you believe that?

Mr TANNER—Where do honourable members opposite think the money for the public health system comes from? It is those types of costs, including the cost of building and maintaining roads, that add up to a greater burden on the community than that imposed on road users in terms of fuel excise.

Finally, I turn to the new found concern of the Liberal Party for the poor and impoverished. I must confess that I thought I was dreaming when I heard the honourable member for Mayo get up and give us a lecture on the authorship of the opera *Carmen*. It is condescending to tell the plebs—I think the word is ‘oiks’—about some of these cultural events that we on this side of the House and some of the people in our electorates have not had the good fortune to be exposed to.

The hypocrisy is blatant; it is extraordinary. If honourable members opposite want to find out what it is like for low income people under a Liberal government, come to Victoria. Stop all this nonsense and bleeding heart rhetoric that it is terrible for some people to

pay a few dollars more per week in petrol. They are getting that and more money back in other initiatives, such as the tax rebate.

Let us look at the impact of industrial relations changes. People can be wiped out by as much as \$100 a week by losing penalty rates. Let us look at high rise estates where people’s rents have increased by \$25 to \$30 a week. They are all low income workers under the Kennett government. Let us look at people having their community health centres and their schools closed down. These are the real problems facing low income Australians. An extra couple of dollars a week added on to the price of their petrol pales into insignificance beside those matters.

The impact of the fuel excise will be more than counterbalanced by initiatives such as the changes to the dental scheme, an increase in unemployment benefits and the tax rebate. When considering these factors, people can realise the hypocrisy of the opposition in seeking to come in here and bleat about what it says are the problems of low income Australians.

The opposition has never represented low income or working-class Australians. That is why those people in Labor electorates keep voting for Labor governments. The opposition does not represent them and never will represent them. This is a good initiative. It is an initiative designed to protect the health of Australian children. It is a worthwhile and necessary approach by the government to this matter, and it follows the path of virtually every other major country in the Western world. I support the initiative and reject the motion.

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

DELEGATION REPORTS

Delegation to the Asia-Pacific Parliamentary Forum

Mr CONNOLLY (Bradfield)—by leave—I present the report of the Australian parliamentary delegation to the second annual meeting of the Asia-Pacific Parliamentary Forum held in Manila from 13 to 15 January 1994. The second annual meeting of the Asia-Pacific

Parliamentary Forum was in many respects an outstanding event. It was a great credit to the organisers, to the Speaker, the Hon. Jose De Venecia, and members of the Philippine parliament. It was also a great credit to the representatives of the 18 nations who came together for the second annual meeting of this newly formed Asia-Pacific regional body.

On a previous occasion I tabled in this House the first report of the Tokyo meeting, which ended with the signing of the Tokyo declaration establishing the Asia-Pacific Parliamentary Forum. For most members of this House that organisation is probably still little known or little understood. Principally, the concept of this forum was built back in 1990-91. Both Mr Nakasone, a former Prime Minister of Japan, and I entered into a dialogue to see what could be done to establish a regional body.

We subsequently met in Singapore, where seven countries were represented. We worked through a discussion paper, which I prepared. Out of that meeting came the conference in Canberra the following year. That, in turn, led to the first conference in Tokyo in January 1993 establishing the APPF and the signing of the Tokyo declaration.

One of the objectives which came out of the original discussion paper and which was certainly underlined and formalised in the final communique from the Manila meeting was the decision of the conference to seek a closer working relationship with APEC. This will be one of the big issues which both the Australian government and the other 18 nations—23 nations will be members by the time of the next conference in 1995—must address. APEC has been to date a highly successful organisation and has brought together not only the heads of government but also a range of senior ministers and senior civil servants to examine a whole range of trade and economically related issues relevant to the future destiny of the Asia-Pacific region.

Perhaps one of APEC's most fundamental shortcomings to date has been that overall neither the parliaments nor the communities of the region have the faintest idea of what APEC is all about. In the 1991 discussion

paper I noted that, if APEC were to be a success, it was essential that APEC develop a working relationship through an assembly of parliamentarians throughout the Asia-Pacific region. This theme was taken up by the President of the Philippines, President Fidel Ramos, in his opening remarks at the Manila meeting. He said:

The unique challenge before us now is no longer the contest of ideologies but the timely application of unique processes and institutions of representative democracy to resolve abiding problems of our decade—particularly those concerning poverty, illiteracy, inequity in the distribution of wealth, and the degradation of the environment.

These contemporary problems transcend the boundaries of nations—that is why a regional assembly like the Asia-Pacific Parliamentary Forum is an indispensable means for us to move forward.

He went on to say:

APEC's signal achievement would come to nothing if its initiatives were not followed up by others—by our government bureaucracies, by our private sectors, and by our parliaments and legislatures themselves.

Of all these groups, the support of our legislators becomes the most crucial—for without their consent, our landmark undertakings and agreements could conceivably be aborted. In our parliaments and congresses, the spirit of Asia-Pacific community must also surge, as much as it does now at the highest councils of the executives in our respective governments.

Perhaps the most outstanding factor which came out of the Manila meeting was the fact that for the first time we had a head of state open the conference and speak to it on the results of the APEC heads of government meeting, which took place in Seattle only a few months before—a concept which was recommended by Australia and which I believe will be continued by heads of state at future conferences.

The final joint communique of the Manila meeting was of considerable relevance. It covered a wide range of subjects. The communique referred principally to the problems of regional, political and security dialogue. It noted that the APPF welcomes the inauguration of the ASEAN regional forum. The significance of the forum, which had its inaugural meeting this year, is that it is a turning point in a regional security dialogue

for the Asia-Pacific. Whilst the forum is based on the membership of ASEAN, it will have dialogue partners including Australia, the United States and various other countries of this region. For the first time, therefore, the nations of South-East Asia and the Pacific are being seriously encouraged at a regional level to develop a security dialogue relevant to the entire region.

We drew special attention to the problem of the Spratly Islands, which are the subject of a territorial dispute involving no fewer than five members of either ASEAN or APEC. We also referred to the question of nuclear weapons development by North Korea, which is not only seen as a very serious concern to China, Japan and South Korea but also represents the potential to seriously destabilise nuclear weapon development in North Asia. The conference also discussed the Asia-Pacific Economic Cooperation group and resolved to encourage the furtherance of its goals. We want to seek ways of forging closer ties with APEC by becoming the parliamentary organisation to APEC.

We also referred to the Uruguay Round. I had the pleasure to move on behalf of Australia a motion supporting the final consummation of the Uruguay Round but, on the other hand, we had to emphasise that there is much more work to be done. The parliaments of APEC member states supported these efforts to further enhance free trade in the Asia-Pacific region in particular and the world in general.

The conference also took up an initiative of the Philippines that there should be an economic growth polygon covering the islands of Mindanao in the southern Philippines, Sulawesi in eastern Indonesia, Malaysia, Sabah, Brunei and North Australia, along with Singapore, Johore and Batam Island. It is interesting to see that the island economies to the north of Australia are now looking for relationships in addition to their intergovernmental relationships. This will ensure that northern Australia, based on Darwin, will be given every opportunity to develop economic and social relationships with those nations in the future. Consequently, the APPF further encourages the initiative

to establish a non-political, free and liberalised trade area among the southern Philippines and its neighbours, which will certainly give added economic impetus to northern Australia.

The conference was not related only to problems of defence or trade. It also covered issues such as human resource development and protection. In particular, the establishment of a network of higher educational institutions should be pursued throughout the region.

The APPF also recognises the aspirations of indigenous peoples, the preservation of their traditions and culture, and the protection of their rights. I saw the inclusion of this statement in our final communique as being of major significance to the indigenous people not only of Australia but also of the Pacific and of South-East Asia as a whole.

Virtually every nation in the region has small indigenous populations. The one thing that has characterised them over many hundreds of years is that for far too long they have been treated as second-class citizens. It is good, therefore, to see that at a parliamentary level across the spectrum—from the western seaboard of Canada and the United States, down to Mexico and across to the eastern seaboard of the Pacific—there is now a commonality of view that the rights and the aspirations of indigenous people must be preserved and recognised.

In terms of environmental protection, it was emphasised that Australia and its neighbours in the Pacific have a shared responsibility to pass on the Pacific Ocean to the next generation in as pristine a manner as possible. We should align the respective environmental policies of our countries as a matter of concern to the entire region. These policies must particularly identify the issues of air pollution, acid rain, and the destruction of coastal marine resources and tropical rainforests, as well as other environmental problems that have been surfacing in Asia and the Pacific over recent years.

An Australian initiative in the communique also emphasised the protection of tropical rainforests, which is now a global issue. We drew particular attention to the problems of the Pacific island nations in protecting forests.

In the final communique of the South Pacific Forum meeting in August 1993 in Nauru they had drawn attention to this matter. The APPF emphasised in its statement, while recognising sovereignty, due regard must be given to acknowledging that environmental issues transcend national boundaries.

The APPF also called on member nations to assist in acting positively to advance sustainable development in the developing nations within the region. We saw the need to use opportunities through overseas development assistance—ODA—the Paris Club and other multinational organisations to achieve large-scale debt for nature swaps and other possible means of providing greater levels of protection for the environment.

The APPF also emphasised the need to prevent the dumping of nuclear and toxic wastes in the Pacific Ocean. We called for a ban on ocean dumping of nuclear and toxic wastes throughout the region. Concern was also expressed at the proposed continued testing of nuclear devices by France at Mururoa and called upon that nation to cease nuclear testing in the Pacific region.

The APPF believes we have an obligation to preserve and pass on to future generations the assets that its peoples have today. That is why cultural cooperation and environmental cooperation were two of the most important components of the final communique of the conference.

Emphasis was also placed on the need to direct our efforts to the social and health problems specifically relating to AIDS and the human immuno-deficiency virus. It was suggested that governments should be adopting a strategy for the fight against AIDS and HIV infections which stressed information and education in terms of high-risk behaviour. Regrettably, while many of the societies of Asia and the Pacific are aware that they have the problem, they have had some difficulty in addressing these issues.

The conference also believed that there is a need to reassess AIDS and HIV infection prevention and control programs, bearing in mind the approach, the language used and the people being targeted. In this context there is undoubtedly a role for business leaders to

support wider AIDS-HIV prevention activities in communities and to ensure humane treatment for all people who have the virus through one means or another.

In terms of drugs, emphasis was also given to the need to reduce the growing worldwide trend of illicit drug trafficking, which has increased and invariably generates corruption, criminality and violence. There is also a need for APPF member countries to forge greater cooperation in the control and eradication of the drug problem. The conference recommended that the United Nations consider the development of an international regime or protocol to strictly control the production and distribution of the chemicals used in illicit drugs.

As I noted earlier, our membership of 18 is on the verge of increasing. Countries such as Chile, Fiji, Laos and Vietnam will now be entitled to join the APPF. It was an Australian initiative that the last three—Fiji, Laos and Vietnam—should be encouraged to join. It was also an Australian initiative at the meeting in Tokyo that we should invite Cambodia to join. This demonstrates quite conclusively the longstanding interest which the Australian parliament will no doubt continue to have in building up the closest possible relationships with our Asian neighbours.

Finally, I refer also to the draft rules of procedure. At the Tokyo conference there were no draft rules of procedure. Although we did a considerable amount of work, there was obviously a need for them to be put in place. With the support of officers of this parliament, I initiated the development of these draft rules. They were tabled at the conference as a joint Australian-Philippines initiative. I am pleased to be able to advise the House that they were adopted with virtually no amendments.

It would be very appropriate on this occasion for me to also note the considerable contribution made by the former President of the Senate, Mr Kerry Sibraa, who has now departed from these hallowed halls for a diplomatic posting to Africa. Mr Sibraa and the former Speaker of this House, Mr Leo McLeay, and I are probably the three people who have had the most to do with the estab-

lishment of Australia's relationships in the APPF and for getting the organisation onto a sound footing. Kerry Sibraa's involvement will be missed. I am sure that the 80-odd people who participated in the Manila meeting would wish me to pass on their appreciation for his contribution and to wish him well in his new diplomatic career.

I am very pleased to have had the opportunity to make a small contribution to the development of this new international organisation. I believe it is of fundamental importance that we do what we can to help develop not only the economic welfare of the nations within our region but also this social and political development as well. This is where we live. This is where our children will grow up. This is the environment in which they must survive and prosper. Therefore, the role which Australia plays has to be always seen as useful, supportive and contributory. Above all, we must be seen as good international citizens in the Asia-Pacific region.

I am sure that when the APPF is further developed and associated with APEC—and that will take some further discussion at a governmental level—we will see the strengthening of APEC within the region, because for the first time it will have the capacity to get its message and its proposals down through the parliaments of the region and into the communities which it was established to support.

Mr SPEAKER—I have listened with a great deal of interest to the statement of the honourable member for Bradfield (Mr Connolly) on the APPF meeting in Manila and would like to make one or two comments on this organisation. As the honourable member would know, I and, as he rightly pointed out, my predecessor and the former President of the Senate have been deeply involved in the development of the APPF. It is because of other commitments that my personal involvement has not been as great as that of the other three. There is no doubt that the forum itself provides an excellent vehicle for parliamentarians of the Asia-Pacific region to meet and to exchange views on matters of common interest and concern.

Australia has played a key role in the formation and development of the APPF and is viewed as one of the principal pillars of the organisation. I think that is not putting too fine a point on it. Along with Japan, I think Australia has been one of the major contributors to its formation. In an ongoing sense, if it were not for Australia and for Japan, the organisation may have faded. There was some thought that, with the demise of Mr Nakasone's own political fortunes in his country, that may have happened. Of course, that has not, and I am delighted that that is the case.

I note, however, from the joint communique issued after the meeting in Manila that at that meeting considerable emphasis was placed on the APPF becoming the parliamentary organisation to APEC. While I certainly concur with the communique's expression of support for APEC, I believe that the question of linkages between APPF and APEC will have to be addressed by APEC members at a later stage in APEC's development. I am sure that honourable members would agree that APEC is still a young organisation which needs time to establish its priorities and to consolidate its existing activities and structures.

It is also worth noting—I think the honourable member for Bradfield himself pointed this out—that membership of the APPF is wider than that of APEC and is continuing to grow, and that will happen more and more in coming meetings. To my mind this also counts against perhaps a successful meshing of those two organisations, certainly at this stage, and it is probably therefore difficult to envisage APEC and its working groups reporting to the wider membership of APPF. However, that in no way diminishes the ability of APPF to consider APEC issues.

I would like to thank the members of the Australian delegation on behalf of the parliament: ex-senator Kerry Sibraa; the honourable member for Bradfield; Mr Lyn Barlin, the secretary to the delegation; and Mr Brian McNamara who, at the time, was the acting senior adviser to the then President of the Senate. I also record the appreciation of the parliamentary representatives to Mr Jeremy Donne of the Australian Embassy in Manila.

I thank them for their attendance at the meeting and for their very significant contribution to the plenary and working group deliberations. Both the honourable member for Bradfield and the Clerk of the House were instrumental in putting together the particular working rules for this organisation, and I do not think in any way that we should underscore that contribution.

The delegation report noted in its conclusion that the influence and importance of the APPF will undoubtedly grow. It is essential that Australia should continue to actively participate in and support the organisation. To ensure Australia's continued participation, I believe that it may be desirable to include attendance at the forum in the future program of outgoing delegations of this parliament. I will seek the view of the President of the Senate on this matter with a view to including the APPF in the 1995 and ongoing programs.

Honourable members may also wish to consider the establishment of an APPF group within the parliament, in the same way as we have CPA and IPU. Such a group could provide an appropriate focus for interested Australian parliamentarians to support and advance the objectives and activities of the APPF. I will also be exploring this possibility in conjunction with the President of the Senate.

I conclude by again thanking the honourable member for Bradfield for tabling this report today. Australia's contribution cannot be underscored, nor the contribution made by our representatives at that meeting.

ASSENT TO BILLS

Messages from the Governor-General reported informing the House of assent to the following bills:

Defence Legislation Amendment Bill 1993.

Departure Tax Amendment Bill 1993.

Financial Corporations (Transfer of Assets and Liabilities) Bill 1993.

Industrial Relations Reform Bill 1993.

Customs Tariff Amendment Bill (No. 2) 1993.

Domestic Meat Premises Charge Bill 1993.

Export Inspection Charges Laws Amendment Bill 1993.

Income Tax (Franking Deficit) Amendment Bill 1993.

Telecommunications (Interception) Amendment Bill 1993.

Industrial Relations Court (Judges' Remuneration) Bill 1993.

Bounty Legislation Amendment Bill 1993.

National Health Amendment Bill (No. 2) 1993.

Copyright Amendment (Re-enactment) Bill 1993.

Export Market Development Grants Legislation Amendment Bill 1993.

Industrial Relations and Other Legislation Amendment Bill 1993.

Native Title Bill 1993.

Australian National Training Authority Amendment Bill (No. 2) 1993.

Childcare Rebate Bill 1993.

Customs and Excise Legislation Amendment Bill 1993.

Education Services for Overseas Students (Registration of Providers and Financial Regulation) Amendment Bill 1993.

Excise Tariff Amendment Bill (No. 2) 1993.

Higher Education Funding Legislation Amendment Bill 1993.

Overseas Students Tuition Assurance Levy Bill 1993.

Taxation Laws Amendment Bill (No. 3) 1993.

Vocational Education and Training Funding Laws Amendment Bill 1993.

Social Security Amendment Bill (No. 2) 1993.

Social Security (Budget and Other Measures) Legislation Amendment Bill 1993.

Aboriginal and Torres Strait Islander Commission Amendment Bill (No. 3) 1993.

Development Allowance Authority Amendment Bill 1993.

Australian Broadcasting Corporation Amendment Bill 1993.

Transport and Communications Legislation Amendment Bill 1993.

Transport and Communications Legislation Amendment Bill (No. 2) 1993.

Arts, Environment and Territories Legislation Amendment Bill 1993.

Bounty (Ships) Amendment Bill 1993.

Customs Legislation Amendment Bill 1993.

Road Transport Reform (Vehicles and Traffic) Bill 1993.

Occupational Health and Safety (Maritime Industry) Bill 1993.

Occupational Health and Safety (Maritime Industry) Consequential Amendments Bill 1993.
 Health and Community Services Legislation Amendment Bill 1993.
 Law and Justice Legislation Amendment Bill 1993.
 Migration Amendment ("Points" System) Bill 1993.
 Protection of the Sea (Shipping Levy) Amendment Bill 1993.
 Environment Protection (Sea Dumping) Amendment Bill 1993.
 Environment Protection (Alligator Rivers Region) Amendment Bill 1993.

STATES GRANTS (PRIMARY AND SECONDARY EDUCATION ASSISTANCE) AMENDMENT BILL 1993

Consideration of Senate Message

Senate's message—

The Senate returns to the House of Representatives the bill for "An Act to amend the 'States Grants (Primary and Secondary Education Assistance) Act 1992'", and acquaints the House that the Senate does not insist on its amendments Nos 4, 5, 6, 8, 9, 10 and 11 and insists on its amendments Nos 2, 3, 7, 12, 13, 14, 15, 16, 17 and 18, disagreed to by the House.

The Senate desires the reconsideration of the bill by the House in respect of amendments Nos 2, 3, 7, 12, 13, 14, 15, 16, 17 and 18.

Consideration resumed from 22 December.

Mr FREE (Lindsay—Minister for Schools, Vocational Education and Training) (4.14 p.m.)—I move:

That the amendments insisted on by the Senate be agreed to.

It is not my intention to address these matters at length. They were discussed in this House on Saturday, 18 December. Briefly, on Friday, 17 December last year, the Senate successfully introduced several amendments to policy related clauses of the States Grants (Primary and Secondary Education Assistance) Amendment Bill affecting new schools, the broadbanding of the disadvantaged schools program and the country areas program, and arrangements for responsibilities for independent schools under the national equity program for schools.

On Saturday, 18 December, the government took the bill back to this House and accepted the Senate amendments concerning new schools policy. As I said at the time, some good things were lost as a result; in particular, we have lost the capacity for discretion on late applications for schools wishing to amalgamate or rationalise their operations. I pointed out at the time that schools will no longer be able to introduce new levels of education progressively, that is, year by year, but instead would need to introduce years seven to 10 in one go with a minimum of 100 students, which I believe would impose substantial difficulties on many schools. Nevertheless, we agreed at the time to accept the Senate's wishes on this matter, but I indicated also at the time that I reserved the right to revisit this question at a subsequent time.

The Senate amendments with which we disagreed, causing the bill to be sent back to the Senate, concerned the responsibilities for independent schools under the national equity program for schools. The Senate has insisted on its original amendment and the government is accepting that today. I reiterate that I am surprised that the independent sector, by its support for these amendments, is actually asking for close ministerial involvement in this particular area of their operations. It is more often my experience that independent schools are telling the government to go away and let them get on with it. If the independent schools really want ministerial intervention in their equity programs, I will certainly be accepting that invitation. The only way that I can see that it can be managed equitably and fairly is to operate equity grants for all independent schools through the recommendations of a national independent equity authority which I believe I will need to establish to provide advice.

In its reconsideration of the bill, the Senate did agree with the government's position on broadbanding, that is, that the disadvantaged schools program and the country areas program should be broadbanded to allow states the flexibility to target better the needs of disadvantaged students and students in country Australia. I thank in particular Senators

Bell, Chamarette and Margetts who were able to have a second look at this matter and consider the government's position more closely. This was at a time, of course, when the Senate was also considering the native title legislation. I express my gratitude to those senators for being able to take a second look at this matter.

I should also acknowledge the concern of many members of the opposition, particularly those from the National Party and those from the Liberal Party representing country areas who expressed their points of view fairly forthrightly during that earlier debate. I should offer them some reassurance.

During the recess the *Australian* newspaper of 5 January reported on a study which demonstrated that school location in itself did not have a significant affect on student achievement, despite a widely held belief that children living in remote areas are educationally disadvantaged. The quite comprehensive survey carried out by Curtin University research fellow, Dr Deidra Young, covered 12,500 primary and secondary students who attended metropolitan, rural and remote schools in 1992. It found that socioeconomic background is the main determinant of academic performance as school, not school location. I will quote three paragraphs of Dr Young's remarks which were reported in this newspaper article:

Students from higher socio-economic areas consistently outperformed students from lower socio-economic areas. This was true irrespective of school location.

While Aboriginality and socio-economic status of the school consistently influenced school performance, this was not true for the size of the school and school location. Students attending schools in lower socio-economic environments were also likely to display lower levels of performance regardless of location.

It was not the location which appeared to influence the students' performance, but rather whether the student was Aboriginal or Torres Strait Islander and whether the student attended a school in a low socio-economic status area.

In short, I can offer that reassurance to the opposition and I can tell those opposite that broadbanding will allow for the effective targeting of youngsters both in city and

country Australia. The legislation will allow us to better meet the needs of needy children in rural and remote Australia.

Mr ANDREWS (Menzies) (4.20 p.m.)—I will confine my remarks to the amendments which have been returned from the Senate. As the Minister for Schools, Vocational Education and Training (Mr Free) indicated, there was more substantial debate on these issues when the matter was debated here on Saturday, 18 December. As the minister indicates, there are three areas of amendments which are the subject of the debate before the chamber and I wish to say something about each of them.

It is interesting in the context of the minister's statement that he was surprised that the independent schools were supporting some of these amendments. My advice from the various independent schools organisations has been that they were not consulted during the process of the formulation of these amendments and in fact were surprised to see some of the amendments when they were sent to them after the bill had first been introduced into this place.

Far from supporting some of these amendments, the amendments to the new schools policy and those relating to the provision of equity funding by independent schools have been sought by the independent schools themselves. So it is not simply a case of the independent schools supporting certain amendments to the legislation but they are amendments which the independent schools themselves had sought.

I note, as I did on the previous occasion, the minister's acceptance that the changes that had been proposed to the new schools policy could involve the removal of some discretion in relation to amalgamations. I simply say again that, if the minister is minded to bring legislation forth in this place which will retain that discretion, subject to some scrutiny of the actual wording of the legislation itself, it is likely to have the support of the coalition.

Some concern has been expressed by the independent schools themselves over the provision of equity programs by the schools. This provision sought to establish a nominated authority in each of the states which

would make the recommendations for an allocation of equity funding to the various non-government schools about that were threefold: first, that it was in effect forcing independent schools to act as a system quite contrary to their history and their wishes; secondly, that it absolved the minister from making a decision about the allocation of funds by handing over that decision to a nominated body; and, thirdly, that the responsibility for equity funding allocation would then fall to a voluntary body or bodies representing independent schools in each state.

I note that the minister repeated what he had said on the previous occasion that he would find it extremely difficult to manage this process equitably and fairly. He suggested once again that perhaps the only way in which this could be done would be to establish some national independent equity authority to make recommendations about the allocation of equity funds. I say to the minister that there is a time-honoured way in which one can make such allocations and that is to simply rely on the advice of his department. Given that the Department of Employment, Education and Training is one of the larger departments of the Commonwealth Public Service, and it does not seem to be diminishing in size over the years, I would have thought that it would not be beyond the ability of a certain part of the department—officers of the department would have the experience and the expertise—to make recommendations to the minister on this on which the minister could rely.

My final comments relate to the decision, which the minister referred to, of the Senate on the second occasion not to proceed with the amendments which we had sought in this place relating to the country areas program and those which provided that funds allocated to the country areas program pool could be taken and used for the disadvantaged schools program. As was indicated in this place on 18 December, considerable concern has been expressed by members particularly from regional Australia that this will lead over time to a diminution in funding for the country areas program. We regret that when the

matter came before the Senate on the second occasion the Greens, having taken a position in support of our amendments to preclude this move of funds from one pool to another, backed down from the decision they had taken and in effect supported the government's amendments.

I do not intend on this occasion to revisit the debate in any more detail than that. On the last occasion, we voted against those particular amendments, but the vote has been taken, there having been a division on that occasion. The legislation has been to both houses twice, and I do not intend to go through that exercise again, but I place on record once again the concern of the coalition about the country areas program, our interest in the program and the fact that this program on independent evaluation has been shown to be one of the most, if not the most, successful of the equity programs run under the auspices of the federal department.

We will be watching, with some degree of scrutiny over time, what happens to the country areas programs in the various states and territories to ensure that that funding in effect to children in regional areas of Australia remains there to overcome some of the obvious disadvantages that they have in their schooling, not the least of which is the factor of distance from major cities and, therefore, the resources that those cities can otherwise provide.

As I said, we regret that the Greens, having decided to take one course on one occasion, a few days later decided to take another course. I suppose that is not to be unexpected from the Greens in relation to this matter, but there is a degree of derision, I suppose, about their position—that is not a matter for the minister to worry about—in regional Australia that they would give an undertaking to take one position on one day and then reverse that a few days later.

One other matter to which we had sought amendments to the legislation was on the attendance of children at school on a daily basis. I know that the minister said at the previous time the legislation was before this place that he was looking at the matter. I have

not yet had any indication as to whether that particular problem can be overcome.

It seemed to me, on a clear reading of the amendments to the legislation as it was being introduced, that every time a child was not going to be in attendance at the actual school grounds where the school is ordinarily conducted there would have to be some application to the minister for an exercise of discretion for that child to be away from that place. I imagine the minister would not wish to have a flood of applications every day from schools all over the country simply asking whether John Smith at Warragul high school or Leongatha primary school or wherever would be regarded as being in attendance on a particular day.

It may be a technical matter, but it is a matter of some concern to schools as to whether they meet the provisions of the legislation. I would be grateful whether at some stage the minister could indicate the legal situation so that schools, and in particular school principals, can be clear about their obligations under the legislation.

Mr CHYNOWETH (Dunkley) (4.30 p.m.)—Since the States Grants (Primary and Secondary Education Assistance) Amendment Bill was last discussed on Saturday, 18 December 1993, school has started and there have been many changes. I feel it is my duty as a member of the House of Representatives for the state of Victoria to bring to the notice of this chamber some of the problems that people are experiencing at the beginning of the school year in Victoria.

Before I do I congratulate the honourable member for Murray (Mr Lloyd), a member of the National Party of Australia. It is fairly rare that one congratulates a member of an opposite party, but the honourable member for Murray said on Saturday, 18 December 1993:

I certainly do not trust the Victorian government because, when we checked ahead of the Senate committee and ahead of our position as to what we do with this matter, the information given to me by the Victorian government was that it would not adhere to all of that allocation to rural schools.

I believe that the honourable member for Murray is the first person from the opposition

who has come out and said something against the Victorian government. I congratulate him. I hope that all the other National Party members, and even Liberal Party members, from Victoria will take a similar stance against what is happening in Victoria in relation to country schools particularly and many metropolitan schools. Even some schools in my area have been affected.

I will quickly give a snapshot of what is happening to country schools in Victoria. The Berriwillock primary school has been closed. Berriwillock is close to Sea Lake near Swan Hill. That school's students will have to go to the Sea Lake school, which is 19 kilometres away. They will travel by bus and their parents will have to make a lot of extra effort. Those children might have had to travel 40 or 50 kilometres to that school. They will now have to go another 19 kilometres. The list goes on. I could go on for at least half an hour. I have papers listing all the schools that have been closed or merged. Students have been affected by what is happening in Victoria. It is most important that people be aware of the problems there.

Ages 7 to 11 are the most important years in any child's education. They are the formative years. Unless children are treated correctly at that age, unless they have proper facilities and access to school, problems will develop later in their life. Illiteracy is a problem. Over one million people in Australia are illiterate. Literacy is taught during those years. The primary school at Mildura has 36 kids in the class. That is disgraceful. How can a teacher give proper attention to those children and satisfy the needs of their parents?

In 1993 at the Flora Hill secondary college, which is in the electorate of Bendigo, because of staffing cuts, 165 students were taught German by a displaced teacher who—wait for it—does not even speak a word of German. In 1993 at the Eaglehawk secondary college in Bendigo, French was being taught by a trained science teacher who had no knowledge of French. Ouyen secondary college had a physics vacancy. It was filled by a former staff member who was on family leave and worked for nothing. These sorts of things are going on in our country schools. These rural

schools do not have enough staff, so they are cutting out art, music, cultural studies and all the things that are very necessary in country areas.

I feel it is important that people be aware of this situation. The schools that have been closed in Victoria have often been the centre of small communities. Teachers are transported there to live for a couple of years. The schools that are being closed down are the hub of those small communities.

A school at Club Terrace, which is in the Gippsland area, has been closed. Eight students will now have to face a one-hour bus trip into Cann River, which is 25 kilometres away, via a logging track and a busy highway. School buses are overcrowded. They have no seat belts and they are dangerous. Wait until an accident happens. Who will be blamed then? An accident will happen one of these days. Those school kids are being placed in terrible danger because of the penny-pinching and intransigence of the Victorian Minister for Education.

Many schools that are not in the municipal areas have called for the resignation of Minister Hayward. They include schools from Gippsland and Wannon. One of the most telling pieces of journalism that have been written on the Minister for Education, Don Hayward, was written in the *Bendigo Advertiser*. It states:

Education Minister Don Hayward should resign in shame.

Around country Victoria this week, tens of thousands of parents and teachers will be saddened at the farce he is imposing on our education system.

They will be outraged at the prevarication, overt lying, the shifting rules and the economic gobbledegook which now governs the system.

It also states:

Mr Hayward has attempted to use the lack of maintenance—this is one reason he gave for closing all these schools—as a reason for closing schools; which is a bit like incinerating your car because it has bald tyres . . .

These comments are appearing in our local papers in Victoria. All these schools are being closed down and these kids in Victoria are being affected. I know that the Minister for

Schools, Vocational Education and Training (Mr Free), who is at the table, is aware of some of the things that are happening in Victoria. I am quite certain that he will take action to ensure that the children of Victoria—not only those in the metropolitan areas, but especially those in the country areas—are looked after and given proper education and that somehow or other the Victorian government will be brought into line.

Mr FREE (Lindsay—Minister for Schools, Vocational Education and Training) (4.36 p.m.)—Briefly, I thank those honourable members who have taken part in this discussion on the States Grants (Primary and Secondary Education Assistance) Amendment Bill. In particular, I thank the honourable member for Menzies (Mr Andrews) for his cooperation this afternoon in not forcing this matter to yet another vote. I also thank the honourable member for Dunkley (Mr Chynoweth) for his contribution. He has reinforced this afternoon his reputation as a champion of the cause of public education in Victoria.

The honourable member for Menzies raised the question of checking the legal position on the attendance of children at schools. I will see that the matter is pursued. It escaped my memory, probably because on 18 December 1993 we were both thinking about other things and wishing we were elsewhere.

It is not a simple question. The growth of home schooling in some states, particularly in Queensland, involves students never attending a building known as a school. It means that we have to keep a careful eye on the question of attendance—obviously not to the point of checking the attendance of individual students on particular days; but important educational issues as well as important funding issues are involved. Around 40 per cent of the cost of educating a child is accounted for in infrastructure costs, which are not involved in home schooling. I apologise to the honourable member for Menzies. I will ensure that the legal position is checked and that he receives a written response.

Question resolved in the affirmative.

Resolution reported; report adopted.

CORPORATE LAW REFORM BILL 1993

Second Reading

Debate resumed from 15 December, on motion by Mr Lavarch:

That the bill be now read a second time.

Mr WILLIAMS (Tangney) (4.40 p.m.)—The Corporate Law Reform Bill 1993 is the successor to the Corporate Law Reform Bill (No. 2) 1992, which the government has now withdrawn as a result of considerable institutional and opposition criticism. The criticisms were largely directed at the provisions relating to enhanced and continuous disclosure. The bill now before the House takes into account the main thrust of those criticisms.

As well as implementing an enhanced and continuous disclosure regime for certain listed and unlisted entities, the bill amends the Corporations Law to reform prospectus provisions to take into account continuous disclosure and to facilitate fundraising; to relax the present restrictions on companies indemnifying and insuring their officers and auditors; and to facilitate the use of print-outs from the national database of the Australian Securities Commission, the ASC, as evidence in court proceedings.

This bill is not opposed by the coalition. The changes made to the original bill by this bill are welcome. The bill unquestionably provides benefits to investors. The coalition does, however, have some underlying disquiet with the legislation in significant respects. The first concerns the need to demonstrate that the benefits following from the legislation outweigh the cost to business. A related point concerns the introduction of lengthy and complex legislation at a time when the government has announced a review with the aim of simplifying the Corporations Law.

As to the first point, I note that business and industry groups have generally been supportive of this bill. However, my sense from the many groups I have consulted is not that the reforms are welcome as such, but that they constitute a significant improvement on the original proposals contained in the original bill. In other words, accepting the inevitability of further regulation in a number of

areas, industry groups have fought for as sensible and economically rational a regime as is possible. The fact that the government has listened and responded is to be acknowledged. I note, however, that some within the government and the Attorney-General's Department have had difficulty in accepting the criticisms.

Any new legislation in this sphere, even legislation enacted with the best of intentions, is enacted at significant cost. The legislative framework must be fleshed out through regulations and administrative arrangements. In the present case, particularly in relation to continuous disclosure, those arrangements will require extensive negotiations between the ASC and the Australian Stock Exchange, the ASX. Lawyers, accountants, company directors, company secretaries and, ultimately, courts must interpret the legislation. There will be a period of considerable uncertainty and cost.

It should be demonstrated that the benefits to be gained from further legislation outweigh the costs imposed. Of course, balancing protection of investor interests against costs incurred in additional reporting and disclosure requirements is a very difficult exercise. My impression is that the scales are finely balanced.

Those scales are tipped towards the cost side when the second point is considered. It seems incongruous that the legislation is being introduced in its present form, given that in September last year the Attorney-General (Mr Lavarch) announced 'an ambitious program of simplification of the Corporations Law'. He said that part of that program would include a review of whether all the current reporting requirements should stay. The current bill contains significant changes to company reporting requirements, but is certainly not imposed as part of a simplification agenda. So the government is announcing a review to simplify legislation before the legislation is even enacted.

Company directors, company secretaries, accountants and lawyers all have to become familiar with, and ensure compliance with, the complex provisions of this bill. An administrative and regulatory regime has to be built

up around the legislation. That knowledge and that structure are all for naught when the government seeks to rewrite the provisions as part of a simplification program. Simplicity in the field of Corporations Law is a relative concept. Even a vastly simplified Corporations Law, if it were possible, would be complex by anyone's standards. That would then have to be relearned and interpreted. Simplification of the Corporations Law is to be commended and is supported by the coalition. But that need to simplify the Corporations Law has been brought about in large part by the Labor government itself, which in the last three years has caused well over 1,500 pages of new legislation to be enacted.

It is striking that this particular bill is being introduced after the announcement of the simplification program. A respected Corporations Law academic and the dean of an Australian law school commented to me that this bill 'makes a complex and unwieldy statute even more complex and unwieldy'. The contradiction does not end there. The government is proposing still more legislation.

The government needs to think seriously the relationship of the proposed corporations legislation to its simplification program. The logical course, it seems to me, is to combine an expedited simplification review with a moratorium on amendments to the law other than those that are urgently required.

I turn to specific aspects of the bill, beginning with the enhanced statutory disclosure scheme. The scheme proposed in the original bill was a product of the Companies and Securities Advisory Committee report of September 1991. The thrust of the committee's recommendations was included in the original bill, with modifications designed to ensure a less onerous and more cost-effective system. The original bill required, amongst other things, that disclosing entities make timely disclosure of any 'material matter' to the ASC and, in certain instances, the ASX and that disclosing entities lodge detailed half-yearly reports.

Three significant criticisms were levelled at the original bill. First, it would require companies to provide similar information to both the ASC and the ASX under its existing

listing rules. Second, it would create a discrepancy in the time frame in which information was required. Under the ASX listing rules 'immediate' disclosure is required. The original bill allowed three days in which to make disclosure to the ASC. The practical effect was likely to result in a lesser standard of disclosure than that which had currently existed. Third, the original bill specifically allowed withholding of disclosure of 'confidential or commercially sensitive' information. The so-called carve-out provisions of the original bill provided significant scope to circumvent the continuous disclosure requirements. More generally, the reforms were criticised on the ground that they constituted an overreaction to the corporate excesses of the 1980s and that there was a danger of excessive regulation without proper regard to cost.

The House of Representatives Standing Committee on Legal and Constitutional Affairs recommended in November 1991 that enhanced disclosure requirements should build on the existing framework for disclosure by the ASX. This is the main change contained in this bill. That change has consistently been advocated by the coalition.

In effect, in relation to listed entities, the bill gives legislative backing to listing rule 3A(1). The rule requires immediate disclosure of relevant information. The bill provides for criminal and civil liability, depending on the nature of the breach of the provisions.

There is no specific provision in the bill for carve outs. In his second reading speech, the Attorney-General stated that the ASX has agreed to consider the adoption of an express confidentiality provision. The bill specifically allows for the ASC to exempt specified persons. Exemption would also be possible under the corporations regulations. I will comment on this later.

The ASX is not the appropriate body to deal with disclosure requirements by unlisted entities. The bill provides for a statutory scheme of continuous disclosure to the ASC analogous to that proposed for listed entities in relation to the ASX. It is anticipated that as most unlisted entities whose securities are traded or offered for sale are already required

to disclose material information in prospectuses, most unlisted entities will not be involved in additional disclosure under the provisions.

While the reporting entities are primarily liable to provide information, the bill provides that persons 'involved in' the contravention may also be held responsible. The bill strengthens the ASX's enforcement powers in two significant respects. First, the ASX need not give an undertaking as to damages when seeking a court order in relation to a breach of its rules. The current requirement to give an undertaking is a significant deterrent to the ASX taking action against those entities which breach listing rules. Secondly, the bill will confer on securities exchanges the protection of qualified privilege when they publish information provided to them under the disclosure regime or as part of their general functions of supervising listed entities. The provision will dispel doubt as to whether qualified privilege applies at common law.

The bill contains provisions ensuring an information flow between the ASC and the ASX and domestic securities and futures exchanges. The ASC is permitted to provide confidential information to exchanges, subject to certain safeguards. Exchanges are required to notify the ASC in the case of serious contraventions of listing or business rules or the Corporations Law.

The bill requires that disclosing entities prepare half-yearly accounts. The requirements are similar to those for annual financial statements, although not quite as detailed. The accounts need not be fully audited. A simple review by an auditor is sufficient. The Australian Accounting Standards Board is given power to make accounting standards for the purposes of the half-yearly report.

In the light of that summary of the main provisions of that part of the bill, the abandonment of the overlapping disclosure systems is to be welcomed. I wish to comment on a number of matters arising from those provisions.

The first comment concerns the issue of carve-outs, which is not finally settled by this bill. That is not inappropriate. It would have been very difficult to have created black letter law carve-out provisions. To have done so

would have resulted in more complex legislation and reduced flexibility.

The more incremental and flexible approach contemplated by the bill relies heavily on the judgment of the ASX and, to a lesser extent, the ASC. The ASX has agreed to consider modification of its listing rules. The relationship between the ASC's regulatory powers and the ASX's listing rules and discretionary powers will need to be considered carefully and will necessitate close cooperation between those two bodies. That process will be closely monitored by the coalition.

In the deliberations relating to the original bill questions were raised concerning the appropriateness and the capacity of the ASX to supervise the disclosure regime. The suggestion was that the ASX as a participant or player in the securities trading game could not also act as umpire. Could the poacher be an adequate gamekeeper? The coalition believes that the ASX does have the capacity. But the manner in which the disclosure scheme works will be dependent greatly on how well the ASX does its job. The coalition will keep a close eye on that aspect.

The bill requires the Companies and Securities Advisory Committee to review the operation of the continuous disclosure and related enforcement provisions 18 months after their commencement. In general, that is to be welcomed. However, one can only speculate as to what stage the simplification program will have reached by then and the impact it will have on this legislation. The legislation gives little indication as to the nature of the review. It will obviously be crucial that the review occur in consultation with the ASC, the ASX, the entities subject to the new law, the investment intermediary community and investors to determine their reactions to the law. It would be desirable that there also be sophisticated analysis of securities pricing behaviour to determine what effect the new law has had on securities pricing.

Concern has been expressed at the application of the provisions to foreign incorporated issuers and the potential impact upon international comity. The provisions on their face will apply to a number of international companies which are currently not required to

comply with financial reporting requirements of Australian law. Under this bill, unless exemptions are granted, such corporations will be required to comply with the continuous disclosure and annual and six-monthly reporting requirements.

In a number of overseas jurisdictions, schemes are being developed which recognise the disclosure requirements of foreign issuers in their local jurisdictions. In Australia, the application of such principles will be left to the discretion of the ASC and the ASX in their development of carve-out provisions and their use of exemption powers. The importance of maintaining and enhancing Australia's capital markets must be kept in mind as those tasks are undertaken.

I now turn to the provisions of the bill dealing with prospectuses. In March 1992 the Prospectus Law Reform Subcommittee of the Companies and Securities Advisory Committee issued a report dealing with reforms to the Corporations Law prospectus provisions. The subcommittee endorsed the concept of continuous disclosure and recommended, amongst other things, that abbreviated prospectuses be allowed for listed entities which have fulfilled their continuous disclosure requirements.

The bill provides relief from the prospectus provisions of the Corporations Law to non-exempt entities which have been disclosing entities for 12 months prior to the offer of securities. Information concerning the entity will already be available to the market through the continuous disclosure requirements. The entity has the option of issuing a prospectus containing transaction specific information.

The bill also contains provisions designed to improve and streamline the operation of the prospectus provisions of the Corporations Law. Prospectus requirements for secondary trading are limited to the case where a person wishes to sell 30 per cent of the voting shares in an unlisted company. In other cases, trading will occur by way of information memorandum.

Amendments are also made to the supplementary prospectus provisions. A replacement prospectus is introduced as an alternative to a supplementary prospectus. One or other

must be lodged as soon as practicable after the issuer of the original prospectus becomes aware of the need to correct material omissions or material statements that were false or misleading. As these amendments are designed to ensure that prospectuses are kept up to date, the bill extends the life of prospectuses from six to 12 months. The bill allows for documents lodged with the ASC to be incorporated by reference into prospectuses.

While these reforms are not objectionable in themselves, there has been criticism that reform of prospectuses has been haphazard. A recent published view of a practitioner in this field states a number of crucial areas where reform is needed but has been completely overlooked. One example is the overlap of trade practices law and section 995 of the Corporations Law to extend potential liability to innocent misstatements concerning securities matters. One may add there, as an addition, the overlap of common law remedies.

At the same time, the practitioner notes, there is nothing fundamentally wrong with the current secondary sale and supplementary and replacement prospectus provisions. He encapsulates the difficulties faced by those regulated when he says:

Such fundamental turmoil in the structure of our laws on such a continuing basis, gives rise to an inevitable uncertainty and lack of predictability as the market has to make the necessary adjustments to the new legislation and as inevitable drafting errors are identified in the legislation.

Provisions in the bill relaxing restrictions on the ability of companies to indemnify officers and auditors are to be welcomed. The amendments are based on reports of both the Companies and Securities Advisory Committee and its predecessor, the Companies and Securities Law Review Committee.

Under the bill, a company or a related company will not be prohibited from indemnifying an officer or auditor of the company against liability incurred by the person in that capacity provided the liability arises to a third party and does not involve a lack of good faith. Existing provisions allowing indemnities in respect of costs incurred in legal actions are preserved.

A company or a related company will also not be prohibited from taking out insurance to benefit an officer or auditor of the company provided the liability does not involve a wilful breach of duty to the company or the gaining of an improper advantage, as defined in the Corporations Law. Insurance will also be possible to cover the costs of legal actions brought against officers and auditors.

The bill enables a document that purports to have been prepared by the ASC from the database by using a data processor to be admissible in a proceeding in a court as *prima facie* evidence of the matters stated in it. Certification of the document is not required. The amendment is intended to reduce substantially the circumstances in which routine and expensive formal certification of documents is required in court proceedings.

I am somewhat concerned with the apparent breadth of this provision. It is not entirely clear to me from the wording of the provision how it would operate in practice. Let me take some examples. The provision would allow production of the document from the database to prove that the persons on the form were directors of the company at times stated in the document. That could be rebutted by evidence to the contrary. In a similar vein, the provision would be used to adduce evidence of the incorporation of a company, appointments of receiver or liquidator and registration of charges. I have no difficulty with the provision to the extent it is to facilitate proof of such formal matters.

However, other examples give greater cause for concern. An annual report contains the accounts of the company. It is not objectionable that the provision should facilitate proof that the annual report was prepared, that it was lodged and that the accounts were signed off. However, what about the truth of the content of the accounts? Under the provision the annual report is admissible as '*prima facie* evidence of the matters stated in so much as the writing sets out what purports to be information obtained by the Commission'. The effect seems to be that the provision is intended to prove the content of the annual accounts *prima facie*. That could be done by production of the ASC document without

there being available to the party against whom the document is adduced the opportunity to cross-examine a witness who knows something about the accounts.

In the report by the chairman or by the directors contained in most annual reports, contentious assertions of fact are not infrequently made. The effect of the provision appears to make the assertion *prima facie* proof of the truth of the assertion and not merely proof that the assertion was made. Again, that could be adduced into evidence without there being available to the party against whom the evidence is adduced the opportunity to cross-examine a witness who knows anything about the truth of the assertion. The manner in which the provisions operate in practice will need to be closely monitored to ensure that injustice to parties in either civil or criminal proceedings does not result.

A number of technical criticisms have been made of various provisions of the bill by academics, legal practitioners and industry groups. I mention just two. I have already indicated that the bill legislatively entrenches ASX listing rule 3A(1). In fact, the bill states that relevant entities must not contravene any of the listing rules applicable to the entity. It is not at all clear which listing rules other than 3A(1) might be applicable.

The timing requirements are uncertain. Listed entities must disclose the information 'immediately' as required by listing rule 3A(1). Unlisted entities must disclose 'as soon as practicable' after the entity becomes 'aware' of the information. What these provisions respectively require is uncertain. There are certainly practical difficulties that may arise in relation to the requirement of immediate disclosure.

In legislation of this nature there are always going to be ambiguities, omissions and errors of some nature. In part they will be resolved by regulatory and administrative clarification; in part they will be resolved by the courts; and, in smaller part only, it is to be hoped, further legislative amendment may be required. That all results in time, uncertainty and cost. It underlines my earlier comments concerning the wisdom of introducing this

legislation in the shadow of a simplification program to rewrite the Corporations Law.

Mr PUNCH (Barton—Parliamentary Secretary to the Minister for Defence) (5.06 p.m.)—The Corporate Law Reform Bill 1993 before us is yet another step in the essential progress towards a fairer and more informed fundraising market. The essence of the proposed changes in the bill is to insist upon greater disclosure of financial information to enable investors to make informed decisions on the relative attractiveness of securities on offer as investments. Undoubtedly, we still have a long way to go as a nation to live down the unfortunate experiences of the 1980s where high flying individuals misappropriated the term ‘entrepreneurs’ and gave it a bad connotation.

One way to explain the manifest greed motive of the corporate raiders of that period is to say the investors, small and not so small alike, were naive and did not know what they were going into as they chased higher earning assets in the high inflation climate of the 1980s. I think there is an element of this but this, of course, is not the full story. The evidence shows that many small investors either followed their own judgment and chose what appeared to be sound investments or were advised by independent experts to invest in such apparently promising openings.

What happened was that investors, small and not so small alike, were effectively fleeced by misleading or false public information accompanying the invitation to the public to invest in particular securities or, just as relevantly, insufficient information. Some were also victims of white-collar fraud. In hindsight this served neither the public nor the genuine entrepreneurs well, and some of the worst offenders have yet to be brought to trial. So the climb back to respectability and corporate credibility on the national and international stage has not been without some difficulty.

The paramount need to restore these qualities to our capital markets and enhance them is, of course, unquestioned by both sides of the House. How best to do it quickly is the trick. This bill is a further step in the right direction. This bill is primarily addressed to

the fundraising activities from the public of some 4,000 entities. This target comprises some 1,200 entities listed on the Stock Exchange and a further 300 entities not required to list. It also includes the numerically greater ‘prescribed interest schemes’ estimated to number around 2,500.

The commission found that the term ‘prescribed interests’ was a less than helpful term, except for the cognoscenti, and suggested that it be replaced by the expression ‘collective investment schemes’. Whichever term is used, the type of investments included are, for example, unit trusts—such as cash management trusts, equity trusts and property trusts—and also enterprise schemes where an asset, such as a farm, time share flat or racehorse, is managed for fun or profit for several investors.

One of the spectacular growth investments is, of course, superannuation which is now driven in large part by the compulsory levy legislation and controlled separately under the Superannuation Industry (Supervision) Act 1993, although, of course, there are still some areas where super fund managers must have regard to the Corporations Law. But, to repeat: this bill does not address superannuation, which is now covered by its own supervisory legislation. Similarly, it does not apply to other specially regulated fund managers, such as banks, credit unions, building societies, life offices and friendly societies.

To be particular, the bill addresses four matters. These are amendments relating to enhanced disclosure, amendments relating to fund raising, amendments relating to indemnifying or insuring an officer or auditor of a company, and amendments relating to the use of the ASC’s database in court proceedings.

I turn firstly to the disclosure provisions. Basically, the thrust of the disclosure provisions of the bill is to require increased provision of data to the Australian Stock Exchange at more frequent intervals. The enhanced corporate disclosure scheme has been designed in such a way as to minimise compliance costs to disclosing entities, while at the same time ensuring that the objectives of disclosure are achieved. No significant additional costs should result for listed entities

which ensure, in accordance with present ASX listing rules, that material information is disclosed to the ASX on a timely basis; they will continue to disclose information to the ASX under its listing rules.

Unlisted disclosing entities whose securities are sold or traded, including regulated prescribed interest schemes, should also not incur significant additional costs. This is because disclosure by unlisted disclosing entities will not be required where the information is required to be disclosed in accordance with the prospectus requirements. In most cases, the prospectus requirements will require unlisted entities to disclose material information in a prospectus and material changes or material new matters in a supplementary prospectus.

Some costs can be expected in ensuring compliance with the requirement to disclose, in a timely manner, ongoing material information, especially where entities do not presently have reporting systems in place to make this disclosure. Some additional costs can also be expected for entities in complying with the new periodic reporting requirements, in particular, for half-year reporting.

The additional compliance costs, however, are justified on the basis that increased disclosure by disclosing entities, being entities in which members of the public invest, will enable them to make more informed decisions about the allocation of their investment funds. Reporting will be to the Australian Stock Exchange, not to the Australian Securities Commission, thus avoiding present duplication—and that was referred to by the shadow Attorney-General, the honourable member for Tangney (Mr Williams).

The ASC will receive from the ASX all the information which the ASX provides to the public. This represents a re-affirmation of the role of the Australian Stock Exchange as an industry self-regulator, with the ASC having an enhanced role as enforcer of fair disclosure if the ASX defaults. I am sure that many people on both sides of the House, including me, will watch with interest to ensure that it is, in fact, effective. For example, under the new provisions, the ASX has a statutory requirement to inform the ASC of serious

contraventions of the Corporations Law, the listing rules and the business rules.

The emphasis throughout this bill is on continuous disclosure. This means that it is not enough for a prospectus to be issued and allowed to stand in the marketplace if circumstances or conditions have changed which would materially affect the quality of information available to the prospective investor. If changed circumstances dictate, it will be necessary for a supplementary prospectus to be issued.

There is a primary obligation under the bill for the relevant body corporate to disclose price sensitive information. There is provision for substantial penalties to be imposed on directors or other officers of corporations who knowingly fail to disclose relevant and material information to potential investors. Such penalties could arise either from civil or criminal actions or both where negligent misstatements are proven. Of course, under the Trade Practices Act, the TPA, proven falsity is sufficient grounds for the award of damages even in the absence of any proof of negligence. The provisions of this bill supplement existing sanctions under the TPA and Corporations Law.

The obligation for continuous disclosure under this bill falls on the relevant body corporate but not on the directors as individuals. Directors and expert advisers would still be liable under the Crimes Act, of course, when non-disclosure was deliberate and was intended to deceive investors. These disclosure provisions will not apply to secondary trading in securities as investors in these markets are presumed to be professionals with greater knowledge of the fair market price of securities.

Turning to the fund raising provisions of the bill, the ASC has adopted a broad interpretation to allow a person to lodge a supplementary prospectus to provide additional information in relation to a defective prospectus or to correct minor defects. While the ASC view is open as a matter of interpretation, it is not free from doubt. This was recognised by the prospectus law reform subcommittee of the Companies and Securities Advisory Committee in its March 1992

report. That report recommended that the law should be amended to ensure that supplementary prospectuses are allowed to be lodged where it is subsequently realised that a matter in existence at the prospectus issue date requires some form of amendment. The report also recommended that the law be amended to make it clear that an issuer can issue a reprinted prospectus which incorporates amendments. The amendments contained in the bill give effect to the recommendations of that report.

In relation to indemnities, the bill will enable a company officer or auditor to be indemnified against a liability to another person, provided that the liability does not arise out of conduct involving a lack of good faith. A company will be able to insure its officers and auditors against a liability, again provided no wilful breach of duty to the company is involved. Finally, in relation to the database arising from enhanced disclosure and fund raising provisions, the bill provides that data given to the ASC can be used in evidence in court proceedings.

To sum up, the provisions of this bill will go a long way towards restoring credibility to Australia's financial securities markets. This is all the more important now that the Stock Exchange is buoyant and the economy is in a strong recovery mode. A prosperous and dynamic economy needs appropriate mechanisms for entrepreneurs in the true sense to appraise prospective businesses, to take risks in the pursuit of profits and to issue invitations to fellow Australians to share in the adventure with their eyes wide open to the prospects and the pitfalls. This bill is a further important step in the right direction if we are to mobilise community savings to finance business expansion and thereby underpin economic growth with its concomitant benefits of enhanced job opportunities and a higher standard of living for everyone in our nation. I commend the bill to the House.

Mr SLIPPER (Fisher) (5.17 p.m.)—The Corporate Law Reform Bill 1993 is a revised bill and replaces the Corporate Law Reform Bill (No. 2) 1992. Its purpose is basically to provide for the ongoing disclosure of certain financial information to the Australian Securi-

ties Commission by certain entities. The bill amends the Corporations Law to require better and ongoing disclosure by certain listed and unlisted entities and to reform prospectus provisions to take into account continuous disclosure and to facilitate fundraising. It also relaxes the present restrictions on companies indemnifying and insuring their officers and auditors and it enables the use of print-outs from the Australian Securities Commission national database as evidence in court proceedings.

One aim of the bill is to go some way towards improving Australia's reputation as a reliable country in which to invest. Honourable members will recall that our reputation nationally and internationally during the 1980s suffered heavily as a result of the corporate excesses of that period. It also ought to be remembered that the Labor Party at that time became the party of big business. There was also financial mismanagement at state Labor level. State Labor governments became involved in big business and tried to become entrepreneurs. As a result, Australia's reputation suffered severely and the reputations of Labor states suffered severely financially. Consequently, this legislation is before the House somewhat belatedly, but it is certainly better late than never.

It is true that the timely disclosure of information is necessary for investor confidence. However, if Australia is to attract an increasing proportion of the investment funds available domestically and internationally, we should be looking seriously at making the Corporations Law more simple and harmonising it to our economic objectives. The Attorney-General (Mr Lavarch) in his second reading speech in December 1993, in reference to the government proposal to simplify the Corporations Law, said:

We cannot be satisfied only with a regulatory regime that protects investors. It must also be designed to be clearly understood by all those who must comply with it, with cost and other impositions on commercial activity kept to the minimum necessary to adequately safeguard investors. The aim will be a user-friendly law.

Unfortunately, in reality the Corporations Law continues to grow in size and complexity—like the tax act—creating new, continuing and

ongoing headaches for business, the legal fraternity and the community at large. It is like the tax act in many respects.

Over the last three years, the government has added well over 1,500 pages to corporations legislation. Despite the government's claim to simplify the Corporations Law, this bill just grows and grows and the magnitude and complexity of the number of pages is an ongoing problem. Bills such as this seem to have a life of their own; they seem to grow like Topsy. The government should be looking seriously at simplifying the law, while making sure that the objectives of the bill are brought into effect.

The original bill of 1992, which was largely based on recommendations of a Companies and Securities Advisory Committee report, was subjected to three main criticisms: firstly, it required companies to provide similar information to the Australian Securities Commission and the Australian Stock Exchange under its existing listing rules; secondly, it created a discrepancy in the time frame in which information was required—the original bill allowing three days in which to make a disclosure to the ASC, while under the ASX listing rules immediate disclosure was required; and, thirdly, it allowed the withholding of confidential or commercially sensitive information. These so-called carve-out provisions provided scope to circumvent the continuous disclosure requirements. Obviously, the 1992 bill was considered to be an overreaction to the corporate excesses of the 1980s, and many people considered it to be bureaucracy gone mad.

The new Attorney-General politically rolled his predecessor on these matters as he had done earlier with respect to his job. I have an empathy with the honourable member for Holt (Mr Duffy), having narrowly suffered the same fate politically at the hands of the Attorney-General at the 1987 election.

On 17 December 1993 in the *Australian*, Brian Frith labelled the revamped continuous disclosure legislation as a 'triumph for commonsense' as it put the responsibility for the administration of the regime back with the ASX. His criticisms of the original legislation

included giving primary responsibility to the ASC. He said:

That would have created an overlapping system for disclosure of the same or similar information, and would have undermined the ASX requirement for immediate disclosure because the proposed statutory regime allowed three days in which to make disclosure.

It is pleasing to note that the government has taken on board some matters of concern raised by the coalition when the original bill was introduced and that they have been incorporated into the current bill. For example, the coalition pushed the view that continuous disclosure should be enforced through the ASX listing rules and that the ASX should be given greater powers. The ASX should be exempt from providing undertakings as to damages and be able to claim qualified privilege.

I would like to address some major provisions of the bill. The enhanced and continuous disclosure provisions in the bill apply to disclosing entities, which include both listed entities and prescribed interest schemes as well as a range of defined non-listed entities. It should be noted that small business will be exempt as the requirements will not apply to bodies with less than 100 shareholders. With employment at crisis level—with one million people out of work and probably two million people unable to obtain adequate work—it is very important that small business be given every opportunity to expand. I am pleased that small business has escaped this net.

Small business is a vital and significant sector of the Australian economy. The Australian Bureau of Statistics has estimated that in 1991-92 around 859,000 small businesses in Australia were employing 2.8 million people. Small businesses account for approximately 95 per cent of all private sector business and 52 per cent of all private sector employment, including self-employment. It is important that small businesses be given the opportunity to grow and expand so that the economy will make a sustained recovery.

The bill provides that a listed entity which intentionally or recklessly contravenes the continuous disclosure requirements of the

ASX listing rules by failing to provide information which could have a material effect on the price or value of the entity's securities will be guilty of a criminal offence, and appropriately so. If the conduct is merely negligent, the entity will be civilly liable to any person who has suffered damage as a result of the non-disclosure. This strengthens the ASX's enforcement powers, as advanced by the coalition, in two respects: firstly, the ASX need not give an undertaking as to damages when seeking a court order concerning a breach of its rules; and, secondly, the bill will confer on securities exchanges the protection of qualified privilege when they publish information provided to them under the disclosure regime. The Australian Securities Commission will be the body dealing with disclosure requirements by unlisted entities.

There is no specific provision in the bill for carve-outs. The ASX is believed to be considering adopting an express confidentiality provision, while the bill allows for the ASC to exempt specified persons. It is clearly important that the government and the legislation do not make it easy for businesses and individuals to opt out of the legislation. On the other hand, the coalition, and I believe the Attorney-General, will be monitoring closely the way in which the ASX and ASC develop carve-out principles in relation to the enhanced and continuous disclosure provisions.

The bill's approach to carve-outs relies largely on the judgment of the ASX and, to some extent, that of the ASC. The effectiveness of this approach will need to be monitored carefully as it does require close cooperation between the two bodies. One hopes that that close cooperation will be forthcoming.

As the Attorney-General said in his second reading speech, the bill requires a review by the Companies and Securities Advisory Committee 18 months after the introduction of the continuous disclosure and related enforcement provisions. The review must be completed within a further six months. However, the legislation gives little indication as to the nature of the review. It must be a serious review, and I believe that the Attorney-General is serious about it. There

must be a proper monitoring of the legislation. There will be hiccups, as there always will be with very complicated legislation. The review must include consultation with the ASC, ASX, entities subjected to the new laws, investors—most importantly—and the wider community. The government must quite genuinely determine their reaction to these very major changes.

Another reform to the Corporations Law includes relaxing the current restrictions on companies wishing to indemnify or insure their officers and auditors. A company or related company will not be prohibited from indemnifying an officer or auditor of the company against liability incurred by the person provided the liability arises to a third party and does not involve a lack of good faith—it is important to note those provisions—nor will a company be prohibited from taking out insurance to benefit an officer or auditor provided the liability does not involve a wilful breach of duty to the company or the gaining of an improper advantage, as defined in the Corporations Law.

The legislation is becoming more and more onerous and, quite frankly, it is often difficult to find people who are prepared to accept the very heavy responsibilities. The amendments that I have just referred to are very important and favourable and they enable someone who has tried to do the right thing to be insured. On the other hand, someone who has tried to rort the system or whose motives are wrong will not be able to obtain any benefit from these amendments.

I have concerns about fuzzy law and I have expressed those concerns in the past. I really believe that, in the Corporations Law in particular, it is important, wherever possible, to outline very clearly, unequivocally and plainly the obligations of company directors and company officers because the sanctions now included in the legislation are very strong. In many cases people can be sent to gaol, so it is important that they know clearly what is required of them. I get worried with moves towards fuzzy law as people will not know exactly what the law means until it is interpreted. Quite often a court can say retrospectively that a person's conduct at the

time was inadequate and falls short of community standards, although the person's conduct at the time may well have been honest and open. Indeed, in his or her view the actions could have been quite proper.

Another main provision of the bill is the use of the Australian Securities Commission's records as evidence. This is a very sensible provision. This reform enables a document from the ASC's database to be admissible in court proceedings as *prima facie* evidence of the matters stated in it, without the need for certification of the document.

The shadow Attorney-General, the honourable member for Tangney (Mr Williams), in his speech a little while ago pointed out that the coalition would not be opposing this bill. It is important to strike a balance. I suppose people in the community might have differing opinions on just what is the appropriate balance between protecting and regulating, on the one hand, and allowing business to operate freely and easily without a lot of red tape, on the other.

The revised bill incorporates some of the views put forward by the coalition when the original bill was introduced. Fortunately, the major criticisms levelled at the original bill have been taken on board by the government. While I have an empathy and indeed a sympathy for the honourable member for Holt, I think the legislation the Attorney-General has brought before the House is better than that supported by his predecessor.

I reiterate for those listening that the coalition will be closely monitoring the way in which the ASX and ASC develop carve-out principles pursuant to their discretionary and regulatory powers. Clearly, if their approach is not satisfactory to this parliament and to the community, then there will be a need for further intervention by the Attorney-General to make the operation of carve-out provisions more acceptable.

I think the government also ought to give priority to simplifying the Corporations Law and harmonising it to economic objectives. While the government has brought forward voluminous bills and explanatory memoranda and there has been a lot written on this legislation, unfortunately it is becoming more

and more complicated. I do not for a moment doubt the sincerity of the Attorney-General but I really think that the government has to approach the people who draft this legislation to try to obtain simpler and shorter legislation. In saying that, I also accept that sometimes we have to have copious wording in a bill to make sure that the bill represents the intentions of the government.

In his second reading speech the Attorney-General promised to simplify the Corporations Law. We look forward with optimism and confidence to seeing some evidence of that in the future. I wonder how long this process will take. Will we see further bills which will add 1,500 pages to the corporations legislation during the remainder of this government's term in office or will we see a genuine attempt to simplify the law?

The bill we are debating relates to a complicated area of the law. It is a very complicated piece of legislation. It does not reflect the government's perceived aim of simplifying the law. I only hope that it achieves the purposes outlined by the Attorney-General in his second reading speech. Australia needed to take on board the fairly disgraceful situation we saw in the corporate world in the 1980s. I believe this legislation is an honest attempt to confront that problem.

I hope the Attorney-General has been successful and I wish the government well in achieving the desired effects of this important legislation. The coalition will be monitoring the results of the legislation. The House can rest assured that if the implementation of the legislation and the flow-on effects of it are not what the government intends and what the community demands then we will come back before this House requiring further amendments.

Mr CUNNINGHAM (McMillan) (5.37 p.m.)—I rise to speak in support of the Corporate Law Reform Bill 1993. Yesterday's *Australian Financial Review* and all of today's newspapers report that the share markets look poised to set more records. The public is again looking to invest in securities. Therefore, this bill is timely as it will address some of the poor practices that emerged in the 1980s in terms of inadequate disclosure of

information by those who sought public investment in business enterprises. The bill is a further step in corporate law reform for Australia. By virtue of the introduction of the national Corporations Law in January 1991 and the earlier establishment of the Australian Securities Commission, the effect of the amendments contained in this bill will have an Australia-wide impact.

The main purpose of this legislation is to introduce a statutory based system of continuous disclosure. The concept of continuous disclosure involves the provision of full, accurate and timely information by a business entity which has sought loans from creditors and investment from the public. The Australian Stock Exchange, the ASX, has listing rules which apply to members of the exchange. Listing rule 3A obliges a listed company to immediately notify the exchange of any information which is likely to materially affect the price of the securities of that listed company. This listing rule of the Australian Stock Exchange is there to avoid the establishment or the continuation of a false market.

The generally accepted view of some of the corporate practices of the 1980s was that the level of disclosure of information was inadequate. Investor confidence was also damaged during this period by the difficulties encountered by non-listed entities. Estate Mortgage, for example, was an unlisted unit trust. This bill will provide a strong statutory basis to support the ASX in its important role of facilitating continuous disclosure through its listing and business rules. In addition, the bill will extend the principle of continuous disclosure to unlisted entities so that the same level of disclosure of information will be achieved by requiring those entities to lodge information with the Australian Securities Commission.

During the lead-up to and the debate for the introduction of this legislation, a number of questions were asked. Is it appropriate to leave the ASX to regulate the continuous disclosure of information by listed companies? I believe so and so does the government. The bill requires listed entities to disclose information to the ASX rather than

to the Australian Securities Commission but requires the Stock Exchange to give the information to the Australian Securities Commission in the same form that it releases that information to the market. We believe this avoids duplication and recognises the practical reality that the ASX is the body operating in the marketplace with the knowledge and the expertise.

The role under the bill for the ASX is consistent with its role in regulating listed entities. It is the best way to achieve a co-operative, coordinated and cost-effective system of enforcement by both the Stock Exchange and the Australian Securities Commission. It is obvious that the Australian Securities Commission wants the ASX to play this role. It is consistent with the memorandums of understanding on cooperation already entered into between the two organisations. It is also consistent with the one relating to obligations on listed companies now being negotiated.

If the Australian Stock Exchange does not perform satisfactorily the ASC will have the power and the role to take action against the defaulting companies and, if necessary, against the ASX itself. To ensure that the effectiveness of the proposed continuous disclosure and related enforcement provisions is examined, as has been mentioned by other speakers, the bill requires the Companies and Securities Advisory Committee to review the operation of the provisions 18 months after the provisions commence.

The differences between the 1992 and 1993 bills should not be overstated. They go more to the point of lodgment of information and not to the information required to be disclosed or to the role of the Australian Securities Commission. The 1993 bill preserves and enhances the role of the ASX; it also enhances the role of the Australian Securities Commission.

Another question that has been debated solemnly is whether the role of the ASC is to be diminished under this 1993 bill. We do not believe so. The role of the ASC is preserved and, indeed, enhanced under the 1993 bill. To back up the ASC and the ASX cooperation, the ASX will have a new statutory require-

ment to inform the Australian Securities Commission of serious contraventions of the Corporations Law, the listing rules and the business rules. There is no practical diminution of the role of the ASC in relation to the scheme.

Under the 1992 bill, the ASC would have been empowered to investigate inadequate disclosures or omissions to disclose material information. The same position applies under the 1993 bill. In practice, the direct lodgment of material for inclusion on its database would not have put the ASC in a position to take action without market information, which the ASX is in the best position to provide. If the ASC does have information, whether from the ASX or from its own sources, it will be able to take its own enforcement action, whether it be criminal or civil action or seeking a court order.

There will be close cooperation between the ASC and the ASX in this area of continuous disclosure. For example, schedule 6 to the bill contains amendments to the Australian Securities Commission Act 1989 to lift the existing restrictions on the release of confidential information by the ASC to a domestic stock exchange, futures exchange or a clearing house. Item 91 in schedule 1 of the bill will amend section 779 of the Corporations Law to make it clear that the ASX has the protection of qualified privilege in relation to the publication of information arising from the performance of its role, particularly in the area of continuous disclosure. Provided the information disclosed by the Stock Exchange is not tainted by malice, the ASX will be protected from legal action for defamation in relation to the information it releases.

Two key provisions on continuous disclosure are found at item 92 in schedule 1. A new section 1001A is added to the Corporations Law to provide statutory support to the ASX listing rules on continuous disclosure. A new section 1001B is added to the Corporations Law to oblige unlisted disclosing entities to lodge equivalent information with the Australian Securities Commission. Failure to comply with these provisions invokes both criminal and civil sanctions.

Basically, the information that is required to be disclosed is that which is not generally available and which a reasonable person would expect would have a material effect on the price or value of securities. In other words, it is designed to put confidence back into the system and to make the information as clear as possible to those who are either creditors or investors in the market situation. Creditors need to know whether the business enterprise will be able to repay its loans; investors need to know how well the investment is performing.

The bill also supports the existing ASX listing rule requirements for half-yearly accounting reports from those entities required to make continuous disclosure. This requirement is in addition to the printed annual report of a company.

Schedule 2 to the bill contains significant prospectus reforms. Penalties are imposed for the issue of any false or misleading statement in a prospectus and for a failure to correct such a statement. As a consequence of the introduction of statutory based continuous disclosure, the life of the prospectus will be extended from six to 12 months. Continuous disclosure affords the opportunity for some of the prospectus provisions to be streamlined, such as the incorporation of documents already lodged by referring to them in the prospectus thus avoiding duplication in publication.

The bill also allows a company in specified circumstances to indemnify or insure an officer or an auditor of the company where that person obtains judgment in a civil matter or is acquitted in a criminal proceeding. These reforms will not override the common law principle that a company may not indemnify its officers against criminal liability. The reforms recognise that there can be circumstances when an officer of the company may face proceedings in a situation where there is no element of dishonesty involved. Where indemnities are made the company will be required to disclose the name of the officer, the nature of indemnity and the amount paid by the company. This requirement is set out in item 9 of schedule 3.

These are sound and sensible reforms providing statutory support for the ASX so it can implement its regulation of the industry. The bill is a practical solution to a difficult problem. It adopts the approach of bolstering self-regulation within the industry. Where aspects of the securities industry are not directly covered by the ASX, those disclosing entities will provide the equivalent information to the Australian Securities Commission.

I would like at this point to pay tribute to those Labor government Attorneys-General who over considerable years now have worked assiduously to introduce appropriate laws in relation to this matter. I have in my electorate the database establishment of the Australian Securities Commission. Its establishment has brought about a major change to the whole operation of Australian law in these areas and has been of enormous benefit to industry across Australia. Maybe the election of the Labor government in 1983 came 10 years too late. Our opponents in the previous years did nothing to bring about change in these areas. It has been Labor governments and Attorneys-General of Labor governments that have introduced these positive laws. At last Australia will have a system of continuous disclosure which, as far as practicable, will cover the whole of the industry. Small business—that is, those with fewer than 100 shareholders—will not be drawn into the new system of statutory based continuous disclosure.

The laws of physics tell us that nothing travels faster than the speed of light. There is an exception to this and that is bad news. The problem of the 1980s was that some of the bad news was not disclosed in time and investors were the last to hear about it. This important bill will help to rectify some of the corporation problems encountered in that period and I strongly support the legislation.

Mr TUCKEY (O'Connor) (5.49 p.m.)—The Corporate Law Reform Bill is not opposed by the opposition, but it raises quite a few matters, particularly for me in my portfolio responsibility of small business. It has been pointed out, as it was by the previous speaker, the honourable member for McMillan (Mr Cunningham), that smaller companies are

not subject to this particular requirement of continuous disclosure, which is the principal aspect of this legislation. Nevertheless, I am going to take the opportunity to raise some issues relative to these aspects of the national security and corporate law as they apply to small business.

We have some very interesting statistics. I was just reading something I wrote quite some years ago. The figures in it are somewhat dated. I pointed out that there were 800,000 incorporated businesses registered with offices of corporate affairs around Australia and only 40,000 of them employed more than 10 people. Those figures would have changed somewhat, but not dramatically. I guess the ratio is still basically the same.

Thousands of small businesses which for many reasons would be better off incorporated have been unable to incorporate or have found it not practical to incorporate because of the present-day requirements of the Corporations Law. As a businessman I have experienced the cost and complexity involved in it. If a company becomes redundant, there is a cost to just get rid of it. Many of the notorious bottom-of-the-harbour schemes were just people taking the opportunity to get rid of some companies at what appeared to be a rather cheap price because of the complexity in liquidating them. For this reason, many small businesses simply do not get involved.

In 1989 the government attempted to address this problem with its closed corporations legislation. At the time it was very clear to me that it was far too complex and it did not achieve its primary requirement. To this day it has never been gazetted. In fact, it has been the subject of a joint parliamentary statutory committee inquiry, with members from both houses.

The committee reported that there was general agreement on the desirable features of a form of incorporation for small business; that establishment should be simple and cheap; that reporting obligations should be kept to a minimum; and that the internal administration should be uncomplicated. It also said that a simple process for dispute resolution between members should be available and that the corporate form should offer

the normal benefits of incorporation and be readily understood both by its owners and by third parties. It went on to say that transition to more complex corporate structures should be simple to accommodate the growth of the business and that the structure should be tax effective. I do not think anyone would disagree with those requirements.

The problem for this government seems to have been in finding the practical solution. I believe that it is available and that it must be addressed in some hurry. Now, again because of the complex requirements, small businesses will have more difficulty than their large competitors in negotiating enterprise agreements because they are not geared for it. For instance, we do not want to give them the further disadvantage of not being able to access the present company tax rate and not being able to deal with superannuation for themselves as employees of their own corporate structures.

These are the issues. They cannot be resolved by telling people—even as the committee did—that, for instance, we need another chapter of the Corporations Law. I do not believe that the Australian Securities Commission, in its present form or in any serious form to which it could be adjusted, is suitable to deal with the corporate requirements of small business. I believe that the tax office is. I think this is where legislators have got themselves lost.

Every business must deal with and report to the tax office. It is not very difficult—provided that we are not too demanding in the sort of public information we require—to say that, if we want to have a small business corporate structure, then we can expand our tax return somewhat so that it provides some of the information that would be on the public record. Whether the tax office, for reasons of convenience, faxes that over to the Securities Commission so that all such public information is in one place or it provides a viewing platform so that people interested in certain aspects of some small business corporation are in the position to go to a counter of the tax office and get it is not of great concern to me. What is of concern to me, as a representative in this House of the small business

constituency, is that we can say to small business people that they cannot avoid the tax office, so why not make that their one-stop shop.

Parts of these thoughts were put to me by the Institute of Company Directors. When I previously held this portfolio, the institute told me that it wanted to have the ultimate in simplicity. It just wanted people to be able to go into a reputable stationer and buy something like a will form, with all the little blocks to fill in. After they had filled in the form and signed it, they could put it in a bottom drawer and they had a company.

Clearly that is oversimplifying the problem. People have to take their form somewhere and register what they are. Why not the tax office? Why not let it issue a tax file number with the prefix 'SB' for 'small business'? We would have a one-stop shop and a simple registration procedure. Maybe people would take along \$50 with their initial return, but from there on in their tax return, possibly with an additional page of information—something for the public record—is all they would need. After they lodge it, the information that should be available to the general public in the form of disclosure, which is the subject of this bill, is available either at the tax office or by the tax office transferring it to the Australian Securities Commission.

I welcome the fact that the Attorney-General (Mr Lavarch) is in the chamber. I hope he takes those remarks on board. If he does not, I promise him that I will present him with a private member's bill to this effect in the near future. I think that too frequently in this place we let conventions muddy the water and we do not get the simple solution we need.

I can still see the stack of documents that was the Australian securities legislation that went through this parliament some years ago. I think Lionel Bowen put the original documentation through. It was beyond the resources of small business people. What is more, it is not necessary. One of the strong arguments for this type of company, put forward by the company directors, was a recommendation that this type of small business corporation did not have to give total

limited liability. It is interesting that, apparently, Australia was the home of limited liability.

In my travels I have taken to reading Geoffrey Blainey's book on the history of the mining industry. If you read it, Mr Deputy Speaker Snow, you will find that parts of your electorate get a mention, as does most of Australia. It only goes to prove what a highly mineralised country we are. Originally, when people bought shares on the Stock Exchange, they did not have limited liability; the limited liability company apparently did not exist. Some rather wealthy gentlemen found themselves holding all the liabilities of some pretty shonky companies when they fell over. I was quite astounded that such a fundamental of a corporation—limited liability—was established in Victoria to accommodate the needs of investing in the mining industry.

Mr Reid—It started in Bendigo.

Mr TUCKEY—I do not know whether the honourable member for Bendigo has read Mr Blainey's book; if he has not, I recommend it to him because it is a great book. I am giving it a plug. I just read it in bits. It is that sort of book.

I come back to the issue of liability. The company directors argued to me that these small business corporations need not have total limited liability; in fact, the directors could have a form of liability. For instance, say a plumber wants to go into business as a specialist in building construction. Nobody builds houses today; people all build bits of them. He and his wife need the opportunity to form one of these companies, and they can do it simply. In the process, he and his wife become the directors and, as such, they have liability, joint and several, just as if they were in partnership. If the parents of one member of that couple put in some capital, they are shareholders and they have the normal limited liability that would apply in any other corporate structure.

That gives all sorts of people the opportunity to invest in a corporation without liability or without, for instance, putting the family home on the line. Some retired parents certainly would not do that, but they would be willing to assist with some of their spare cash

the younger ones in their family to get into business.

I am not offended with the concept of the 'directors' having liability because, in most cases, they end up with it anyway. There is practically no opportunity today through banking—bar one classic case that was brought to my attention the other day—or through trade to do business as a company without the directors having to sign a guarantee, so why not just put it there, particularly with businesses at this level?

I do not think that the needs of small business corporations include the need to defeat their creditors. I do not think that we as legislators should be creating entities that give people that protection. But, as I point out, the issue here is that other business has got pretty wise to that. It would save a hell of a lot of time messing around and filling out forms if that were the basic function. For example, the creditor would know that he did not have to get all those forms filled in because Mrs Smith and Mr Smith, the directors of company XYZ, were, by the nature of that company, liable anyway. The other investors—it might even be a bank that is seeking to take some equity—would have the normal limited liability.

It is time that the parliament addressed this matter. The first attempt to address the problem was a farce; a joint parliamentary committee has said so. I think it is accepted by everybody that it was never going to happen. We can have in place a practice that is as simple as the one that I have just outlined. Of course, the people entering into this arrangement should have the right to be taxed at the company tax rate. That gives them no great privilege. If they are making profits they will pay themselves salaries and things of that nature and they will consequently pay higher taxation when they do so. The major difference with this approach is that they have the benefits of a corporate structure which are available to their larger business competitors and they can access many other areas, such as superannuation, in the process. In many ways, they are at arms length in negotiating contracts.

Today we have a situation brought about by various other tax requirements and other measures where people literally cannot get work as building tradesmen without being incorporated in some way; the major contractors just will not take them on as individuals. There are just too many problems brought about through the industrial system and through liability, et cetera. To tell these people to go out and establish an existing company as a small business is just far too draconian and it is silly. It is all right to have the sorts of measures we are discussing today for very large corporations. When businesses get big enough they have their own corporate section in their business structure; they have their own industrial relations section, now known as human resources. But when does the little guy—say, the bloke behind the counter in the delicatessen—pull the apron off to do all these extra things? He does not.

It is interesting that even the accountancy profession is now saying, 'Under the present tax laws, with the present corporate requirements, we are too expensive for small business. They cannot afford us'. Some of the accountants are small business accountants; it is a silly situation. We have to get rid of some of that complexity so that people can have more opportunities.

I intend to pursue this issue because I think it is one area—there are a number—where small business gets a very raw deal. Day after day in this place, small business is held up as the engine of employment. As I point out to people, it will continue to be so. Small business generally hires another staff member where big business buys another machine. That is simply because small business gets the efforts of an individual on time payment. It does not have the capital to invest in machinery; it will continue to employ people. That is something we all desire, although it is not something that is coming out of the present so-called economic recovery that was vaunted here today. We welcome it to a degree, although if a managing director were to sit down in a corporate boardroom and tell the directors, 'This year I have borrowed 4 per cent of your turnover and I have had an increase in turnover of 3½ per cent', I am not

sure that the corporate board members would be very impressed. That is exactly the situation in Australia today; the government has borrowed a greater percentage of GDP than the economy has grown. When I say that it has borrowed it, I mean that it has put it straight back into the Australian economy; that is the kick-start. But I am digressing a bit from corporate law.

I thank you, Mr Deputy Speaker, for giving me the opportunity to digress somewhat from the very specific aspects of this legislation in raising the problems for small business in the overall legislation. I hope that the Attorney-General has taken on board some of the thoughts that I have put forward. In the interests of the small business community, I would be quite willing to co-operate with him to get the benefits small business needs now.

In 1989 this issue was recognised and an attempt was made to legislate for it. The fact that the legislation is so bad that it cannot be gazetted in 1994 and that it has been criticised by a joint parliamentary committee makes it very clear that we need a new start. When we stop and think about it, it is a relatively simple procedure. If some of the suggestions I have made were followed, I am sure that we could reach a suitable conclusion.

I ask that the government get on with this job. The Attorney-General might do a better job than the Minister for Science and Small Business (Senator Schacht) who, as far as I can see, has not managed to achieve anything. His background does not give him the experience that is so necessary. It is funny that some people seem to be able to get into business and get into strife. I am delighted to have contact with the business community from time to time; one finds out just how difficult it is to do business in this day and age.

Mr Cobb—It's a hard slog.

Mr TUCKEY—It is hard enough just making a quid, but when we want to create some employment, as I did recently, by building new premises and it takes six months to get it through the local council, it is pretty upsetting. A lot of people in that situation just

do not go on with it. These are the sorts of issues that small business is fed up with. Company law is certainly too complex. It is grossly unfair because small business needs it as much as the big guys do.

Mr REID (Bendigo) (6.09 p.m.)—The Corporate Law Reform Bill has had a rather chequered career in terms of political life. The current Attorney-General (Mr Lavarch) is obviously aware of that chequered history. It is interesting to see that he has been in the chamber during the progress of this debate. It has been a very complex issue and one which was addressed by the Companies and Securities Advisory Committee set up by the government which reported back in September 1991. It reported on an enhanced statutory disclosure system.

I think it is worthy to recognise the work of the people on that advisory committee at the time. The members of the committee at the date of its report in September 1991 were: Mr Mark Burrows, the convenor; Mr Don Argus, who is well known to everyone in financial circles; Mr Tim Besley; Mr Kevin Driscoll; Mr William Gurry; Mr Leigh Hall; Mr Tony Hartnell; Mr Dick Lester; Mr Wayne Lonergan; and Mr John McIntosh.

The people appointed to that advisory committee were given some fairly broad terms of reference to enable them to fully investigate what would be required to have this enhanced statutory disclosure system put in place by way of regulation. The functions of the committee were spelt out in its report to the government. It states:

The Advisory Committee's functions are, on its own initiative or when requested by the Minister, to advise the Minister, and to make to the Minister such recommendations as it thinks fit, about any matter connected with:

- (a) a proposal to make a national scheme law, or to make amendments of a national scheme law;
- (b) the operation or administration of a national scheme law;
- (c) law reform in relation to a national scheme law;
- (d) companies, securities or the futures industry; or

- (e) a proposal for improving the efficiency of the securities markets or futures markets.

The committee came up with some very interesting recommendations. The recommendations brought forward by the advisory committee set the agenda for the government to introduce legislation, which it did, but the original bill had a number of significant problems.

Now that the new Attorney-General is in place and has had the opportunity to look at the history of this bill and the lack of progress made with it over the years, he should recognise the difficulties that have been experienced in trying to ensure that a national code, one that could be properly addressed, can be put in place. The recommendations went so far as to define whom the disclosing entities should be. The committee recommended that disclosing entities should comprise:

- . all listed companies/trusts;
- . all other public companies with 50 or more members and/or holders of debentures (as defined in s9 of the Corporations Law). In determining the number of members or debenture holders, beneficial holdings are to be excluded . . . ;
- . all companies with total (gross) assets in excess of \$10 million—

that was its recommendation in September 1991—

- (or such other figure as may be prescribed);
- . prescribed interests with total (gross) assets in excess of \$10 million (or such other figure as may be prescribed); and
- . public sector corporations that carry on a business . . .

The above categories are not mutually exclusive.

"Total assets" for the purpose of this Recommendation includes assets that are held by the disclosing entity in the capacity of trustee.

In the case of any trust/prescribed interest arrangement involving a trustee and a management company, the disclosing entity is the management company.

After that report was prepared and became a public document and the government had the opportunity to respond to it, three significant criticisms were levelled at the original bill. First, the bill would require companies to provide similar information to both the Australian Securities Commission and the Austral-

ian Stock Exchange under its existing listing rules.

Secondly, it would create a discrepancy in the time frame in which information was required. Under the Australian Stock Exchange listing rules, immediate disclosure is required. The original bill allowed three days in which to make disclosure to the Australian Securities Commission. The practical effect was likely to be a lesser standard of disclosure than had existed. That was one of the major concerns about the original bill.

Thirdly, the original bill specifically allowed withholding of disclosure of confidential or commercially sensitive information. The so-called carve-out provisions of the original bill provided significant scope to circumvent the continuous disclosure requirements.

If we want to examine what has happened in corporate Australia through the 1980s boom and bust sequence, I think we need look no further than what has happened in some states of Australia, for example with WA Inc. We need only look at some of the boom-bust mentality which existed in the states of Victoria and South Australia. The boom-bust cycle and the need for proper corporate control and regulation at that time were maybe not sufficient to deter some of the practices which occurred during that period.

There is no doubt in my mind upon reflection that what happened during the 1980s was a bit of a throwback to things that have occurred in Australia's history, probably on a fairly regular basis. My colleague the honourable member for O'Connor (Mr Tuckey) mentioned some of the practices which occurred on the goldfields in places such as Bendigo, Ballarat and in the Western Australian goldfields and some of the practices in corporate law which were flouted at the time of the goldmining boom and also during the 1880s. I presume that in those days the corporate law was very much more lax than it has been in recent years and that much of the early legislation would have been framed as a result of what occurred during that mining boom and as a result of some of the practices which occurred in relation to the

stock exchange during the boom of that era.

Obviously, people in the legal field at that time recognised that if we were going to go through a boom-bust cycle on a continuous and ongoing basis there needed to be proper disclosure and proper management of corporate law in this rapidly expanding nation of Australia, particularly from the 1850s gold rush onwards with the burst of mining companies that sprung up in not only my own city of Bendigo but also other areas of Australia. That really was the genesis for the development of some of the corporate law in Australia today.

When we look at the recommendations of the advisory committee of the companies and securities organisations that made this report it becomes evident that obviously a lot of time and thought was put into the 1991 report. Much of it has been encompassed in this latest bill. I know that the Attorney-General has probably had the opportunity to overview the whole process, wrestle with the difficulty of the complexity of the legislation and try to cover all the avenues that may well spring into some of the fairly active entrepreneurial minds that are in the corporate sector at the moment.

On page 7 of this morning's *Australian Financial Review* there is an article by Rowan Callick entitled 'Corporate crime "swept under carpet"'. He quotes Detective Chief Inspector Bob Michell of the Victorian fraud squad. There are some pretty alarming statements in this article. Chief Inspector Bob Michell has said:

Business leaders in Victoria are sweeping corporate crime under the carpet to protect their own personal reputations and the shareholder perceptions of their companies . . .

He went on to state:

The fraud squad considers that the business community, which has often condoned unprofessional conduct by some leaders, needs to take a more active role in fraud prevention and detection . . .

It is very alarming for someone in that position to come up with the suggestion that some of the leaders of the business community are guilty of and are condoning unprofessional

conduct in the detection and prevention of fraud in our corporate system.

I do not know whether the Attorney-General has seen the article. Perhaps the issue is worthy of further pursuit with the Victorian police force to find out what sort of evidence it has of that type of attitude. The article went on to state:

The squad believes that only a third of white collar crime in Victoria is reported to police—only one-third of it—

and that the unreported crimes cost the community about \$1 billion in 1993.

That is of concern to shareholders particularly. We saw the 1987 stock market crash and its results in terms of the fallout and the damage that it did to people who lost their life savings. If the statement can be substantiated that only a third of white-collar crime in Victoria alone is reported and that it cost the community, including investors, \$1 billion in 1993, it makes one realise the seriousness of what is happening in the corporate sector.

I understand that the fraud squad has sought the assistance of the business community. This week it is surveying 1,000 Victorian businesses and government agencies to find out why those white-collar crimes go unreported. It is a very relevant question to be asking, particularly as there is a boom in the stock market at the moment. The boom-bust mentality that we experienced in the 1980s is likely to spring up again.

It is an appropriate time to find out whether another avenue of unreported crime is going on within companies, perhaps to the extent of the \$1 billion worth of white-collar crime that occurred during last year. Who knows what it might escalate to in the current cycle of massive buying and everyday increases in the share market. In the 1980s people thought there would be no end to it. Regrettably, there was an end to it in September 1987 when the stock market crashed. Many people in the community were hurt.

The police force will be conducting that survey with assistance from Deakin University. It believes that a substantial response will enable it to profile the attitude of employers to fraud, white-collar crime, for the first time.

The article continued:

Inspector Michell said that the survey had been generated "as a result of my and other senior police members' deep concern as to the ethical values of certain business leaders".

That causes investors in companies to be very wary. It will be interesting to see what the results of that survey demonstrate as to the ethical standards of business communities and whether they are meeting the corporate requirements of Australia today. The article concluded by referring to Detective Chief Inspector Bob Michell:

He hoped that one of the outcomes of the survey (the results will be released in March) would be the incorporation of units directly relating to fraud detection and prevention, in business courses at educational institutions.

The legislation which the government has brought forward in the disclosures aspect of this bill will be important for the whole corporate sector. I do not know whether the Attorney-General proposes to make any comments at the conclusion of this debate, but obviously I will be interested to hear his response to the remarks that are being made about the business community. I will also be interested to know what measures he has put in place in this bill to ensure that corporate law in this country, without putting handcuffs on people and making it too constricted and narrow for business to operate, is simplified and harmonised with the economic objectives of Australia.

It is important that the Attorney-General takes those comments on board in this most difficult area and ensures that the Corporate Law Reform Bill, which is before the House, starts appropriate debate and discussion in the business community as well as among members of the public who have invested in corporations for a long time. We want them to be able to invest with confidence in this current boom in the stock market. I put those remarks in the debate on this bill to the Attorney-General for his consideration.

Debate interrupted.

PERSONAL EXPLANATIONS

Mr McLACHLAN (Barker)—Mr Deputy Speaker, I wish to make a personal explanation.

Mr DEPUTY SPEAKER (Mr Snow)— Does the honourable member claim to have been misrepresented?

Mr McLACHLAN—I do.

Mr DEPUTY SPEAKER—Please proceed.

Mr McLACHLAN— During question time today, the Prime Minister (Mr Keating) said that I had asked a question or two of Senator Bishop in the opposition joint party room this morning. To correct the record, I will simply say that what the Prime Minister said of me is completely untrue.

Sitting suspended from 6.29 to 8.00 p.m.

CORPORATE LAW REFORM BILL 1993

Second Reading

Debate resumed.

Mr ROCHER (Curtin) (8.00 p.m.)—The Corporate Law Reform Bill 1993 introduces a statutory based system of continuous disclosure of information for those in the business of issuing invitations to the public to invest in securities. The bill makes use of the federal Corporations Law to enhance the level of information disclosure to the market by market participants.

The legislation further adds to the existing continuous disclosure requirements already in place for companies listed on the Australian Stock Exchange and applies the relevant principles to unlisted entities which are offered to the public for investment. Provision is also made for new periodic reporting requirements and changes are made to the prospectus provisions in the Corporations Law.

This bill has its origins in what came to be known as the corporate extremes of the late 1980s. It is part of a wider effort to enhance regulatory frameworks to ensure that such excesses are not repeated in the future. During the 1980s it was found that there were some serious problems with the level of disclosure on the part of some companies under the listing rules of the Australian Stock Exchange, although this was far from being the most serious of the problems we then faced.

These rules provide that a listed company is required to immediately notify the Australian Stock Exchange of any information that is likely to have a material effect on the price of the listed company's securities. Listed companies are also required under the Australian Stock Exchange listing rules to lodge with the ASX half-yearly reports in addition to the printed annual report.

Because of the perceived inadequacies with these requirements, there has been increasing pressure on the authorities to move towards a system known as enhanced statutory disclosure. Under an enhanced statutory disclosure system, there is a compulsory obligation to provide creditors and investors with adequate and timely information on the part of those seeking to have others invest in their business enterprises. An enhanced statutory disclosure system was proposed not only for listed companies, but also for other forms of investment where the disclosure of information may be required. The enhanced statutory disclosure system was to be made additional to the existing Australian Stock Exchange listing rules.

Failure to observe the obligations of the enhanced statutory disclosure system would open the way for civil and criminal sanctions to be brought to bear against any offender. To this end, the government originally introduced a bill into the Senate in November 1992 known as the Corporate Law Reform Bill (No. 2) 1992. The bill followed the recommendations of a report issued by the Companies and Securities Advisory Committee in September 1991 entitled *Report on an enhanced statutory disclosure system*. That bill lapsed with the calling of the March 1993 federal election and was subsequently restored to the Senate *Notice Paper* after that election.

The earlier bill sought to introduce an enhanced statutory disclosure system which was to be administered by the Australian Securities Commission and which reflected the preferred approach of the then Attorney-General, the honourable member for Holt (Mr Duffy). At the time, the issue was also being examined by the House of Representatives Standing Committee on Legal and Constitutional Affairs. In November 1991, the com-

mittee issued a report entitled *Corporate practices and the rights of shareholders*. This report examined, amongst other things, the question of continuous disclosure. It recommended that there should be a system of continuous disclosure for listed companies, but that it should be enforced by the Australian Stock Exchange through changes to the listing rules rather than by the Australian Securities Commission, as was subsequently proposed by the honourable member for Holt in his legislation. The report also recommended that in these matters the Australian Stock Exchange should be given stronger statutory support under the Corporations Law.

The legislation before us tonight reflects the approach taken by the House of Representatives committee in its 1991 report. This legislation replaces the legislation that was previously introduced into the Senate in 1992. I am sure that it also reflects the preferred approach of the new Attorney-General (Mr Lavarch), who not surprisingly was active on the committee that produced the 1991 report before he attained his present ministry.

The bill before us gives the Australian Stock Exchange the task of primary monitoring of continuous disclosure by listed companies and, to that end, gives the ASX stronger statutory support under the Corporations Law. The new and present bill thus seeks to introduce a more self-regulatory approach to the question of enhanced disclosure through the existing framework under exchange listing rules. This is a more light-handed approach to that envisaged by the then Attorney-General, which would have seen enhanced disclosure the responsibility of the Australian Securities Commission, as the statutory regulator, in addition to the requirements imposed by the Australian Stock Exchange listing rules.

This bill is thus a welcome improvement over that previously proposed, which would have resulted in massive duplication for listed companies as between the continuous disclosure obligations under the existing listing rules and the proposed statutory obligations of the Australian Securities Commission. The earlier bill would have resulted in companies providing much the same information to both the Australian Securities Commission and the

Australian Stock Exchange—a quite unnecessary duplication.

It would have created a discrepancy in the timing of the disclosure of information since the Australian Stock Exchange listing rules require immediate disclosure, whereas under the previous bill disclosure to the Australian Securities Commission was required within only three days. That would have actually resulted in a lesser standard of disclosure under the previously proposed legislation compared with that which exists at present and ran contrary to the overall purpose behind these legislative proposals. We would have had increased duplication and a greater burden of regulation but with a reduction in the standard of disclosure on this particular score.

The previously proposed legislation also made provision for the withholding of disclosure in the case of confidential or commercially sensitive information, more commonly known as the carve-out provisions. These provisions again would have undermined the overall purposes of the legislation by providing considerable scope to circumvent the continuous disclosure requirements in the name of commercial confidentiality.

This legislation leaves open the question of carve-outs. The matter will instead be dealt with by the Stock Exchange and the Securities Commission through their discretionary and regulatory powers, which is a more appropriate way of dealing with this difficult problem. The old bill thus threatened to greatly overregulate, with no appreciable gain in the disclosure standards that are currently applicable. Not surprisingly, it was the subject of strong criticism from business, accounting and legal communities alike.

The new legislation has won much greater acceptance, including from bodies such as the Companies and Securities Advisory Committee that originally supported the previous approach of statutory disclosure to the Australian Securities Commission. As I have already mentioned, the bill also contains some major changes to the prospectus provisions of the Corporations Law. These changes largely follow the recommendations of another report by the Corporations and Securities Advisory

Committee on prospectus law reform which was brought down in March 1992.

Some of the proposed changes were also included in draft legislation that was released for public comment in January of last year. The new provisions reflect some of the debate that followed these consultative measures during the previous year. The new provisions build on those contained in the new Corporations Law that came into effect in 1991. They are designed to streamline the operation of the existing prospectus provisions.

Listed entities which meet certain conditions will be able to make use of a more limited prospectus that contains information relating to the particular offer of securities, including the rights attaching to those securities. These new prospectus arrangements will obviously have to be consistent with the enhanced disclosure obligations contained in the rest of the bill. These requirements for secondary prospectuses are abolished and replaced by the requirement for an information memorandum, except in the case of sales of 30 per cent or more of an entity.

The bill will facilitate the incorporation of documents where the document is lodged with the Australian Securities Commission, where a summary is included in the prospectus and copies of the full document are made available on request and without charge. A number of changes are made to the provisions dealing with supplementary prospectuses. A replacement prospectus, incorporating the original prospectus on any changes, will be permitted as an alternative to a supplementary prospectus.

Refunds are required where applications for securities are made on the basis of an out-of-date prospectus. The bill comes in the context of the government's stated intention to simplify the Corporations Law, which is widely recognised as being exceedingly complex. The government is continually making claims to the effect that it intends to simplify certain areas of law, tax law being a noted example. So far, the stated intentions have not amounted to a row of beans, to be precise, and we are waiting for progress in simplifying the Corporations Law. Perhaps that can be achieved under the new Attorney-General.

The Attorney-General, in his second reading speech, described the simplification of the Corporations Law as a 'long-term process'. That is not as hopeful as we would have liked and is not in tune with the rhetoric of his predecessors. We can only hope that it is not too long term because action is required now to simplify the existing legislation for the benefit of the thousands of people who must meet its requirements on a daily basis. In the meantime, we have before us this evening this amending legislation, which will serve to add even more bulk and complexity to the Corporations Law. We should remember that since the Corporations Law came into effect in 1991 the government has added something like 1,500 pages to its original legislation. Now we have this legislation, and we are also waiting on a bill or bills dealing with a wide range of other matters.

The government, through the Attorney-General, has signalled its intention to introduce legislation to address a range of deficiencies and anomalies in the Corporations Law and the Australian Securities Commission Act 1989. We are also waiting on proposals in relation to the regulation of collective investments, the rights of shareholders and the needs of small businesses. Some of these initiatives may well serve to simplify the existing law, but they may also serve to add even more complexity to the existing legislation if they fail to dovetail with the long-term simplification processes that the Attorney-General referred to in his speech. What we need to hear from this government is exactly how it proposes to simplify the Corporations Law and to what timetable. Vague reassurances about the government's intentions really do little to indicate the direction the government will be taking in these matters. This is a problem we observe in the area of tax law as well, so it is a general problem that the government needs to come to grips with in its legislative processes.

The principal purpose of this legislation is to ensure a better informed and, therefore, a more efficient market. Full disclosure of information is an important part of this process of ensuring that financial markets operate efficiently and fairly. It should be noted,

however, that the market is necessarily an uncertain place. If there were no uncertainty, then there would be no profit opportunities in trading financial instruments or investing in new business ventures. The enhanced disclosure provisions contained in this legislation should not be seen as an excuse for market participants to fail to exercise due caution in their activities and in their business affairs. It is incumbent upon the individual investor to obtain all the necessary information he or she needs to make informed investment decisions.

The Corporations Law can facilitate the process of obtaining this information, but the responsibility for any subsequent investment decisions rests squarely with the individual investor. Whatever the prevailing disclosure requirements, investors will still make mistakes and they will still sometimes be led astray by imperfect information in the market-place.

So we should not kid ourselves that legislation such as this will eliminate all of the problems that we saw in the 1980s. While we can put in place the necessary regulatory framework, the onus is still on the individual investor to use that framework to best effect. We cannot go on blaming regulatory frameworks for the mistakes made by individuals and companies. If we do, we risk putting in place a regulatory framework that will be too onerous and too burdensome and which will reduce market efficiency. To the extent that such over-regulation causes investors to fail to exercise due diligence, then such over-regulation will compound its own mistakes leading to calls for even more regulation as people seek to shift the blame back onto the authorities.

The legislation before us provides for a review of the operation of the disclosure and enforcement provisions by the Companies and Securities Advisory Committee 18 months after its commencement. The review will provide the government with an opportunity to assess this legislation to see whether it has got the balance right in terms of promoting full disclosure, while ensuring that market efficiency is not compromised. It will be interesting to hear from the government exactly what the nature of this review will be

since there is little or no indication from the legislation or the second reading speech.

The point needs to be made that the consultative processes that brought this bill into being should not be considered to be complete just because this legislation has passed into law. The consultative process will need to be an ongoing one which takes into account the views of the Australian Stock Exchange, the Australian Securities Commission, and the corporate and investment communities. This will allow for any necessary finetuning of the legislation. It should also serve to facilitate the corporate law simplification process if regular consultative processes can be instituted between the government and interested parties.

It will also be interesting to examine what effect, if any, the legislation has on securities prices. A lot of research has been done to see how quickly markets take into account new information in the pricing of securities. This is obviously an important measure of market efficiency and so any assessment of this legislation will need to include an assessment of its impact on securities pricing.

The bill has the support of the coalition. The coalition was sharply critical of the previously proposed legislation. We were pleased when the government came out with this new bill. We have a number of reservations about the progress that the government is making on the simplification of the Corporations Law and the way in which the government plans to monitor the implementation of this legislation. (*Time expired*)

Mr CADMAN (Mitchell) (8.20 p.m.)—I am indebted to the previous speaker, the honourable member for Curtin (Mr Rocher), for giving the House a clear explanation as to some of the avenues that the government has explored in considering changes to the Corporations Law. The Corporate Law Reform Bill 1993 flows from a consideration that has been of concern to both the government and the opposition for some time. The extravagances of the 1980s focused public attention on the need for Australia to adopt a more comprehensive approach to the way in which public bodies, public companies and financial institutions relate to the Australian community.

Honourable members will remember the rorts and havoc of VEDC in Victoria and the Tricontinental scam. These things that happened during the middle to late 1980s are starting to lose focus in the minds of the Australian public. That does not mean those days cannot return; for example, the former Wran government in New South Wales, through its imaginative accounting processes and unusual arrangements with the business community; and the grand-daddy of them all was the way in which the former Premier of Western Australia, Mr Burke, developed all of these processes to an art form. Those matters are still before royal commissions and under examination by legal processes and by tribunals as well as being under the scrutiny of the Australian people through the Western Australian parliament. All of those things took place during a period when the federal government appeared to be incapable of coming to grips with the difficulties that confronted the whole of the corporate community in Australia.

Some of the reasons are obvious. There was a mates problem in that the association and close link between the then Prime Minister, Mr Hawke, and the current Prime Minister (Mr Keating) with particular high flying Australian individuals did impose limitations as to what they could do and what they thought they should do. However, a parliamentary committee—of which the Attorney-General (Mr Lavarch) is well aware—was working diligently to prepare reports in some of these complex and difficult areas. I refer the House to the report of the House of Representatives Standing Committee on Legal and Constitutional Affairs dated May 1989 entitled *Mergers, takeovers and monopolies: profiting from competition?*. The Attorney-General was sitting in the background while the government, of which he was a member, was trying to deal with these issues but failing dismally to do so. He was also chairman of the House of Representatives Standing Committee on Legal and Constitutional Affairs which produced the report entitled *Corporate practices and the rights of shareholders* dated November 1991. I want to pay a tribute to the Attorney-General not only for his work as chairman of that committee but also for the

fact that as Attorney-General he has been able to move forward with this legislation. I do not know what is in his mind. In my view, this current legislation is far from what most members of the House would desire but it is an interim measure.

The problem is that the delay has stifled Australia's corporate environment so that we are at a disadvantage when compared with other similar nations. I refer the House to some decisions of both the New Zealand government and the United States government where they have moved to a less definitive approach to corporate law. Whilst there is a softening of the prescriptive or black-letter law in this legislation, it will probably be another three or four years before this House comes up with a proper expression of law that is workable, efficient and capable of being understood by the Australian corporate sector and is a protection for shareholders and investors. Legislation is needed which is not so heavily imposed on corporations that their time is spent in nothing but reporting, note keeping and record taking, but acknowledges that corporations have a responsibility and can deal with the factors that are raised and dealt with in this legislation in a more satisfactory way.

I guess that is a criticism of the government for failing to take action at an earlier point. I have outlined the inhibitions on the government at that time to take the action that was needed. I can remember the criticisms made of the Fraser government in the latter 1970s and early 1980s for failing to take action in certain areas of corporate crime. The fact is that this government has not sought to carry through the wishes of the majority of Australians so that people, such as the Laurie Connells of this world, could and should be dealt with properly. Here in 1994 we are coming to a way of dealing with the problems of the 1980s.

This legislation in part flows from the report entitled *Corporate practices and the rights of shareholders* of the House of Representatives Standing Committee on Legal and Constitutional Affairs that I referred to earlier. It also draws on other reports, including a report issued in September 1991 by the

Companies and Securities Advisory Committee.

This bill amends the Corporations Law; firstly, to require enhanced and continuous disclosure by certain listed and unlisted entities; secondly, to reform prospectus provisions—something that allows people to believe what they read and have certain confidence in the prospectus of a company or a corporation—to provide for continuous disclosures and to also facilitate fundraising; thirdly, to relax the present restrictions on companies indemnifying and insuring their officers and auditors; and, fourthly, to facilitate the use of print-outs from the Australian Securities Commission national database as evidence in court proceedings. Those are the four main grounds contained in this legislation.

This legislation has become increasingly complex. Whilst the government has proposed a program to simplify the Corporations Law, in the last three years the government has added 1,500 pages to that legislation. This is a Sir Humphrey approach of simplification by expansion and complication. I know that the Attorney-General will seek to rectify that matter. I expect that, when he winds up this second reading debate, he will lay out a bit of a program for the way in which he intends to approach that process.

I am pleased to note that the consultative group may shortly be announced because there has been a considerable delay. Major institutions and business organisations around Australia are waiting for the announcement. They wish to establish the balance in the membership of that consultative group. They want to be assured that he has listened to and taken into account their submissions on the composition of that body and that the consultative group will be given a direction that will not only achieve the objective of simplification but also the other objective of proper accountability to the Australian community.

The three- or four-year delay, created by the government's failure to act, cannot ever be recaptured, but I know that with some vigour and some enthusiasm we can recapture some of the ground. That is a dark page of Australian history where both the investor and those

who were responsible for the funds had attitudes which were far from their own best interests and the best interests of Australia. It was a period when greed and avarice seemed to reign across Australia. We have learnt from that and the process of rectification is in train.

Rights of the shareholders have not been dealt with in this legislation. That is something which we also await. I refer the House to a submission to the House of Representatives Standing Committee on Legal and Constitutional Affairs from the Institute of Chartered Accountants in Australia. That submission was put before the committee on or about 16 November 1990. The words of that submission show the sense of responsibility of accountants and their concern for the way in which these matters should be handled. That submission, in part, states:

As the number of failed and ailing companies has increased examples of allegedly questionable reporting and accounting practices has been raised. Questions have been asked in relation to the roles of directors, who approve the form and content of company reports and accounts, auditors who audit the accounts, and regulators who monitor the corporate sector generally. Directors are responsible for the form and content of financial accounts and must fully accept this responsibility. As regards the auditor, this phenomenon is not new and again demonstrates the wide gap between what the community expects of auditors and what auditors are required to do by legislation.

There are two components of the audit expectation gap. First, there is the occasionally inadequate performance of audits through deficient standards and individual performance, and secondly, there are often unrealistic expectations of the public.

The second complaint can be approached through public education, such as by more adequately informing the users of financial statements of the objectives of an audit.

I think that is a pretty clear statement of the professional concern that arose in the late 1980s which the government and the House seeks to address. We believe that this process is too slow, too cumbersome and creates further complexity. In my view, the sooner we move towards a less definitional approach than the one which has been adopted by the government the better the Australian corporate community will be.

This is a revamped bill of one previously rejected as being absolutely impossible and unworkable. In that sense, this bill deserves to be supported and is being supported by the House. One of the difficult matters in the original legislation was that companies were required to provide similar information to both the Australian Securities Commission and the Australian Stock Exchange under its existing listing rules.

A second problem was that it created a discrepancy in time frames, which meant that companies had to report similar information at different times, thereby imposing considerable cost and inconvenience on companies that were by that stage in a state of shell shock in the recession. The original bill allowed for three days in which to make a disclosure to the Australian Securities Commission. The practical effect was likely to result in a lesser standard of disclosure than we would require. I am indebted to the shadow Attorney-General, the honourable member for Tangney (Mr Williams), for raising some of these specifics where difficulties were identified with that earlier legislation.

Thirdly, the bill specifically allowed withholding of disclosure of confidential or commercially sensitive information—the 'carve out' process that has already been referred to. The Attorney-General is aware of these factors. It is a revamped bill, it is a desirable consolidation, but it does really increase complexity.

Business really does not like the further overlay of regulation, and it has said as much. But, at the same time, there is widespread recognition that the consultative processes entered into to establish this legislation have been sound and there is community expectation that there should be further and increased accountability. So there is little protest or comment from the business community. This legislation, by the way, only applies to those organisations, those corporations, with 100 shareholders or more. So small business is basically untouched by the legislation before the House tonight. There has been a general recognition of the need to have business behaviour put beyond any criticism. But the

slow approach, and the slow approach to a less prescriptive process, does deserve immediate attention.

One can but wonder why it has been necessary for this slow approach. I attach no blame to the previous Attorney-General, the honourable member for Holt (Mr Duffy). He was wrapped up in the processes of the then government. Very difficult things were going on in Western Australia with the Treasurer denying any knowledge of Reserve Bank decisions or notifications. People in Victoria, with the huge and massive deficit piled up there, were under constant defence from the then Premier, John Cain, seeking to have the public gaze averted from the disaster that he had brought on that state. Mr Burke in Western Australia was doing similar things.

I remind the Australian community that, although this government is moving ahead in this area with the general agreement of the coalition and of the Australian people, it should have taken the issue in those areas very strongly and firmly. No matter who was involved, the government should have held itself up to the Australian community and the small investors and savers—people who understood the threats to their livelihood and the disasters that were being imposed on them in boardrooms over which they had no control. Instead of standing up for those people, the government did the easy thing and let the thing slide. That is where the government is condemned. It was easier to stick with its mates and fudge the issue than come to grips with it.

Mr LAVARCH (Dickson—Attorney-General) (8.37 p.m.)—I start by thanking all honourable members who have contributed to this debate and by responding to my good friend the honourable member for Mitchell (Mr Cadman), as he spoke last. Perhaps of all the speakers he was probably the most critical of the government in this area. As the honourable member will well recall from his service on the House of Representatives Standing Committee on Legal and Constitutional Affairs and the work we did over a fair period in the area of corporate practice, the overwhelming theme of the evidence which came through to that inquiry—and which I think is

fundamentally true—was that the major failure of Australian corporate regulation in the late 1980s was not a general failure of the substantive law but rather a failure to adequately enforce that law and to have in place a system capable of enforcing it.

The honourable member for Mitchell seemed to be attributing this to the mates syndrome and the government having had its hands tied and not responding, and he started reeling off a few state governments. I assure the honourable member that this was not confined to one side of politics. Coming from the state of Queensland, I rather recall some shoddy practices occurring with the National Party government of that state. As for high profile business people and so-called mates, one rather high profile business person who seemed to be associated with rather high levels of the Liberal Party—he even might have been the president of the Liberal Party—is also, like Mr Burke, facing charges before the Australian courts at this time. I will go no further with the matter, except to make the obvious point that we should not really be throwing too many stones in this sort of debate about some of the practices of the late 1980s.

As for dragging the chain and not coming to grips with the necessary corporate reform, which was again argued by the honourable member for Mitchell, the truth of the matter is that during the last term of the parliament the former Attorney-General, the honourable member for Holt (Mr Duffy), achieved the single most important reform to corporate regulation and corporate law in this country that we will ever see: the creation of the national scheme and the Australian Securities Commission. It replaced the cooperative scheme, which over the years came into increasing disrepute, between the states with a clear line of ministerial authority in the enforcement and responsibility of corporations law in this country. Various state corporate affairs commissions and the old NCSC were replaced by one single regulator, decently resourced and empowered to enforce the law.

Whatever we do in the process of simplification during this term of parliament will be very much icing on the cake—the substantial

reform cake which was achieved during the term of the last parliament under the leadership of the former Attorney-General. Nothing we do in this term will come anywhere near the overwhelming significance of those particular reforms.

Most contributions of other honourable members were extremely thoughtful, and I think they deserve a response. The contribution of the honourable member for Tangney (Mr Williams) was in two parts: firstly, he spoke in the broad about the corporate reform processes and the measures in this bill; and, secondly, he raised a few specific concerns. He said that this bill was welcomed only as an improvement from what it replaced in terms of enhanced disclosure and that it was not generally received by the business community or industry as a welcome reform.

That has not been my experience. The vast bulk of the reforms in this bill are welcomed. I certainly cannot say that about the extensions of the rights of companies to indemnify directors or company officeholders. The reforms are warmly welcomed by the business community. In terms of enhanced disclosure, I think there is a broad recognition that, while business dislikes anything which it may see as putting an additional cost on the operation of business, it is necessary to have the right balance between an informed market, adequate investor protection and the rights of business to be able to operate in a competitive environment which recognises costs. It has been my experience, through very extensive consultations done in relation to this bill, that the reforms are fairly warmly regarded. Obviously, nothing is ever regarded well universally. I think the reforms contained in this bill are fairly well regarded.

Secondly, the shadow Attorney-General asked, 'Why are you doing this at this stage? You have announced a simplification program. You should be waiting for that process to go through. Every time you change the law you create a certain amount of uncertainty, which is terribly undesirable. The only time you should be moving away from the simplification program is if something is urgently required as an area of reform'. Again, one has to see this in context. This is a series of

reforms to the substantive law following on from the adoption of a national scheme. It is in the same light as reforms to the insider trading provisions, reforms to the prospectus provisions and the important reforms to loans to directors and company officers.

In that light, it is another leg in that series of substantive law reform and it has been argued for a long time that it is extremely important. The honourable member for Fisher (Mr Slipper) in his speech, unlike his shadow Attorney-General, did not criticise the government for doing it; he criticised the government for dragging the chain and for not having done this some time before. Those opposite cannot have it both ways. In my opinion, this is extremely worthwhile and important reform.

On the question of whether it is urgent reform and, hence, should not be done independently of the simplification process, I think urgency is very much in the eye of the beholder. I imagine the business community would believe that the extension of the right to indemnify company directors is very worthwhile and urgent reform and would be very upset if that were to wait until the simplification process was completed. From that perspective, I believe they would think the indemnification rules are very urgent but they may think that the enhanced disclosure provisions are not that urgent. The investing community of Australia may have a different view. They may think the indemnification rules are not quite so urgent but that the enhanced disclosure provisions are very urgent. I think the question as to what one considers urgent very much depends on where one sits in this equation of the balance between investor protection and the proper regime for business.

I agree with the shadow Attorney-General on his general point. That is the approach that we are attempting to take in terms of the simplification program, but the program should be allowed to run its course. We should not be having large scale policy debates independently of the simplification program, unless they are genuinely considered very desirable or quite urgent. It is a fact of life that a series of reforms to the Corpora-

tions Law is necessary, in my view, which will need to be proceeded with separately from the simplification program. I think collective investments are probably in that particular category. It is an area of the Australian economy in which we have had a number of difficulties in the past. We have had a major review of the area. The report from the CASAC and the Law Reform Commission is now available for public comment. After we receive those comments we will proceed this year in line with our considered approach.

The simplification process is an extremely big task. The honourable member for Curtin (Mr Rocher) chided me for saying that it was going to be a long-term project and, therefore, that I was not being too enthusiastic or keen enough, but that is a fact of life. It is an extremely complicated and major piece of legislation. It will be a long-term project, particularly if we are going to be genuine about the consultative processes which I have set out that we wish to follow.

Mr Rocher—Give us a timetable.

Mr LAVARCH—I will get to that and explain it to the honourable member. It will mean that, throughout the life of this parliament, a product will be produced in terms of the simplification program. A program of the sections of the act to be undertaken was released at the end of last year for public comment by the task force involved in the project. I will make sure that a copy is sent to the honourable member for Curtin so that he can acquaint himself with its provisions and comment on whether he thinks it is the right way to go about it. It is out there at the moment so that we can get learned dissertations from people, such as the honourable member for Curtin, on these subjects. But it will take time; hence, we will need to proceed with other reforms as well.

The shadow Attorney-General then made more specific points. He thought that there was a general perception that the fundraising reforms that the government had proceeded with were haphazard. I will accept to an extent that there have been a number of reforms to prospectus provisions and that they have not all been incorporated in a single

package with bells and bows on it. The new prospectus provisions are relatively new. They created a little controversy at the time but they have now been generally welcomed. We do have a major report—the Lonergan sub-committee of CASAC—on prospectus reforms and some of those reforms are contained in this bill. Again, with the range of work that needs to be done in this area, it is not always possible to devote all the resources that we would like in order to get these things done in one bite. Sometimes they have to be done in smaller pieces. To some extent I think that has been the case in changes to prospectus provisions.

The shadow Attorney-General then made fair comment in terms of the ASCOT system; that is, the admissibility into court of information contained on the database of the ASC. I think he put the case well. The point is that any evidence which is led in court on the basis of the provisions in this bill is the starting point of a submission to rebut. It is possible to lead evidence to overcome the *prima facie* nature of evidence which has previously been led. I think the honourable member argued that it would not be possible to bring forward a witness to rebut what was contained in an annual report or a chairman's statement. That is not my understanding of how it would work.

The honourable member made the comment that there seemed to be different tests applying to disclosure requirements for listed companies based on the listing rules of the Stock Exchange and the regime which needs to be set up for non-listed entities. A couple of points need to be made about that. It is important that this legislation cover non-listed entities. We are interested in making sure that all entities which are raising funds from the public are generally covered by a disclosure regime, often, in the case of non-listed companies, through the prospectus provisions and, to a more limited extent, through the reforms contained in this bill. But that applies also to listed entities. There needs to be confidence on the part of the investing public. In many cases, when they are deciding where to put their money, they do not draw the distinction

between whether a company is listed on the Stock Exchange or not.

Investors need to know that timely and accurate information which they, as investors, need is available to them when they are making an informed judgment. I think the tests are fairly similar for the two. Given that we need to have a statutory scheme for non-listed entities, the information is not exactly in the same terms as the listing rules but it is very similar.

I am grateful to the honourable member for Barton (Mr Punch) for his contribution. He outlined both the basic rationale of the bill and its major provisions. It is very important to see this in the context of the reforms necessary in response to the excesses of the 1980s. I am very grateful to the honourable member for McMillan (Mr Cunningham) for his strong support for the measures contained in this bill and for his comprehensive coverage of the issues.

The honourable member for O'Connor (Mr Tuckey) made an interesting contribution. He did not really talk much about the bill but instead spoke a bit about small business. I point out to him that a new corporate structure for small business is the top priority in the program of the simplification task force. I ask him to look at the proposal which was contained in the government discussion paper released last year relating to how we can breathe life into the area of Corporations Law. I think it is very important that we get an appropriate small business corporate structure in place. It is important for our economy and that is why it has been given a high priority by the task force proceeding with the simplification process.

The honourable member for O'Connor went on to argue the case for a one-stop shop. He said that the tax office might be an appropriate place for people to lodge both their annual returns for Corporations Law purposes, together with their tax form. This is not an area for which I have ministerial responsibility. It is an interesting idea. I think there are probably some practical difficulties in actually making that work but maybe they could be looked at.

The honourable member for Bendigo (Mr Reid) spoke about corporate crime—white collar crime. He was particularly concerned about an article in the *Australian Financial Review* which stated that a lot of white collar crime is not reported. I have not seen that particular article. The provisions of this bill are important in two ways. They aim to make sure that material information is made available. To that extent hopefully they will do something to break down the veils of secrecy which exist. The provisions are also predicated on memorandums of understanding being entered into between the ASC and the Australian Stock Exchange so that there is a good flow of information and cooperation between the two bodies. That point is not directly in response to the honourable member's comments on the bill; nonetheless the memorandums will play their part in making sure that we have a climate where people know what is going on. That is important in terms of combating serious fraud which is often involved in white collar crime.

The honourable member for Curtin, whose remarks I have addressed slightly, asked about simplification. I can advise the honourable member that the task force actually undertaking the simplification project has now been in place for some months. Membership of the consultative group has now been finalised. I have not announced it yet. I experienced some delay in actually getting a chairperson for the group. We asked a number of people who were willing to put in the time and who also had the standing in the community which I thought was important for the job. That delayed the finalisation of that group for a little time. I am happy that we now have a very good chairperson of the group and I will shortly be making an announcement with due fanfare. Honourable members can be assured that that process is well under way. The program which the group proposes to tackle has been released and it is open for public comment.

All in all, I appreciate the support which honourable members from both the government and opposition have given to this legislation. I think it is good legislation and worthy of the support of the House.

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 Lavarch) read a third time.

CRIMES (SEARCH WARRANTS AND POWERS OF ARREST) AMENDMENT BILL 1993

Second Reading

Debate resumed from 17 November, on motion by Mr Kerr:

That the bill be now read a second time.

Mr WILLIAMS (Tangney) (8.57 p.m.)—The genesis of the Crimes (Search Warrants and Powers of Arrest) Amendment Bill 1993 has a long history. It really started with the report of the Australian Law Reform Commission in 1975 on criminal investigation. The report was a comprehensive one and it recommended that the Commonwealth enact a single piece of legislation governing the investigation of federal offences. In fact, a draft bill was appended to the report. I repeat that the year was 1975. This bill, having appeared in November last year, took just over 18 years to appear.

The government of the day introduced a criminal investigation bill in 1977 but, although it was based on the ALRC report, it was not proceeded with. The next relevant event seems to have occurred in 1984 when the then Attorney-General appointed Justice Watson of the Family Court to conduct a review, the purpose of which was to examine the responsibility of consolidating and rationalising the criminal laws of the Commonwealth. He presented an initial report in 1986.

In 1987 the then Attorney-General decided to extend the review and establish what has become known as the Gibbs committee, the committee to review the criminal law of the Commonwealth. The committee comprised the former Chief Justice of the High Court Sir Harry Gibbs, Justice Watson and Mr Menzies, a former Deputy Secretary to the Attorney-General's Department.

The terms of reference of that committee were to review the Commonwealth legislation creating criminal offences with a view to recommending its scope and adequacy, and the extent to which offences might be consolidated and rationalised. The Gibbs committee produced two relevant reports: the fourth interim report in November 1990 and the fifth interim report in June 1991. Those reports recommended the modernisation of Commonwealth criminal law and sought to strike a balance between effective law enforcement and individual rights and freedoms. The committee relied extensively upon the 1975 ALRC report. This bill, to a considerable extent, seeks to implement the recommendations of the Gibbs committee in relation to search warrants and powers of arrest.

It is relevant to set the bill against the background of the present law. To a large extent, persons enforcing Commonwealth criminal law or investigating allegations of offences against Commonwealth criminal law rely upon state legislation.

Under the Judiciary Act, section 68, the laws of a state or territory respecting the arrest of offenders or persons charged with offences and the procedures for dealing with them, subject to certain provisions, apply. The effect of that is that a person, who may or may not be a Commonwealth officer, seeking to enforce Commonwealth criminal law will be relying largely upon state statutes, common law and decisions of courts concerning those state statutes. There are some provisions in the Commonwealth Crimes Act—they are not neatly collected but are spread throughout the act—which govern some aspects of the investigation of possible criminal offences and the arrest of offenders. However, in the main we are dealing with state statutes.

It is necessary in another respect to understand the background against which this bill is brought. The investigation of offences is carried out by both state and Commonwealth law enforcement officers, but they are not in the luxurious position of being able to investigate a Commonwealth offence discretely as against a state offence. They may be investigating what appears to be a conspiracy under the Crimes Act of the Commonwealth. But a

conspiracy under that act might be a conspiracy at common law where common law is applicable; it might be a conspiracy under a crimes act of a state or a criminal code of a state.

An officer who exercises a power of arrest may be doing so without being able to articulate what the alleged offence is, although he may have a good general idea. He may be unable to articulate whether he is dealing with Commonwealth or state offences at the time. In the light of that, the Judiciary Act scheme under which state laws apply in Commonwealth situations has much to commend it. The act avoids duplication; it avoids the difficulty of an officer who has a Commonwealth offence in mind finding himself able to exercise only state powers relevant to a state offence; and it avoids the situation where a state officer with a Commonwealth offence in mind is unable to exercise Commonwealth powers which are not conferred upon him.

I think it is surprising that in both the second reading speech and the explanatory memorandum there is a significant absence of explanation on how the Commonwealth and state regimes will relate subsequent to the passage of this bill. It is simple to say that a Commonwealth officer can exercise Commonwealth powers under the bill, when enacted, when he is investigating Commonwealth offences, but the life of a law enforcement officer is never so simple. A social security offence may involve common law or criminal code offences as alternatives; for example, stealing, forgery or false pretences.

It must be noted that many other pieces of Commonwealth legislation also deal with aspects of the investigation of Commonwealth offences. In fact, there is a proliferation of regulatory powers in recent statutes, the number and the form of which are becoming a matter of some significant public concern. We are perhaps readily familiar with the coercive investigatory powers under the Corporations Law and its predecessors—the Income Tax Assessment Act and the Trade Practices Act—in the business context. Those statutes confer rights of entry, powers of

seizure, and powers of interrogation in respect of which the right to silence is removed.

A growing number of coercive powers incorporated in Commonwealth statutes relate to the provision of benefits. The social security legislation, including the veterans' entitlements legislation, is one major example of such provisions. In recent times a bill passed through this parliament relating to coercive powers in the health insurance area, and a bill in the current program relates to that area. The crimes bill must be set against the background of those pieces of legislation as well. While it is an issue for another day, the number and range of agencies with intrusive powers is a worry.

The current Labor government, particularly ministers with responsibility for administering large departments, seems to be hell-bent on adding to the coercive powers of those departments in regulating the administration of benefits or the conduct of civilian activity. I hope that the Attorney-General (Mr Lavarch) and the Minister for Justice (Mr Kerr) will urge their colleagues to be cautious and endeavour to ensure that the other ministers limit the intrusions on citizens to a minimum. I regret to say that there is no real evidence that the Attorney-General and the Minister for Justice are exercising that responsibility.

On the face of it, a codification of powers in relation to Commonwealth offences has much to commend it. Such codification, in the form of this bill, would be easily accessible by the people involved in law enforcement and in criminal investigation. If it were properly drafted, it could be readily understood and become reasonably well known by the public, who are most likely to be affected by it, and by the advisers of those members of the public.

In so far as it was Commonwealth legislation, codification would ensure that uniform rights were accorded to citizens across the country. To achieve those goals, that process must be as simple as possible, it must avoid overlapping and duplication as much as possible and it should avoid as much as possible the necessity of distinguishing the powers under it from the powers under other

laws. It is not readily apparent that this bill does those things.

I am not in a position to say that this is the best possible bill, nor am I able to say that there are major failings in the respects that I have suggested need attention, but, for a start, there are some matters to which reference can be made. In the absence of a cooperative national legislative scheme dealing with search warrants, rights of seizure and the like—the matters dealt with in this bill—there will inevitably be differences between what this bill enacts and what is currently enacted in state and territory laws.

At the beginning of my speech I posited the situation that one law enforcement officer might find himself or herself in the position of having to determine in the field whether a criminal offence—for example, a drug offence—that is about to be committed or is anticipated is a Commonwealth offence or a state offence. If it is a drug offence, it may not be readily apparent whether it is going to be an offence under the Customs Act of the Commonwealth or a state misuse of drugs act or equivalent legislation.

This sort of situation is to be expected under the bill, except perhaps in one situation covered by the bill. That situation is where the power sought to be exercised by a law enforcement officer is arrest under warrant. Under proposed new section 3Z of the bill, the state laws and territory laws presently applicable will still apply by virtue of section 68 of the Judiciary Act. But that has to be qualified because the bill proposes to add an overlay of additional Commonwealth procedural requirements which will apply to Commonwealth offences.

The other situation to which reference might be made in this context is proposed new section 3ZV, in which provision is made that, in relation to the taking of forensic samples, state and territory laws will expressly apply concurrently. Other than that, the intention appears to be that in respect of Commonwealth offences this bill will in effect cover the field. Therefore, an officer investigating or in some other way dealing with a Commonwealth offence or a possible Commonwealth offence will be bound to

observe—and will have available to him or her—only the Commonwealth powers.

When it comes to other Commonwealth powers dealing with matters covered in this bill, there is another issue. Under proposed new section 3D, it is provided that this part, which is the bulk of the bill, is not intended to limit or exclude the operation of another law of the Commonwealth relating to the search of persons or premises, or arrest and related matters, or the stopping, detaining or searching of conveyances, or the seizure of things. That obviously means that the provisions of other legislation under which coercive powers are given will operate concurrently. That will not present a simple picture. One of the principal objects, one would have thought, of a bill such as this—to have a simple code which would apply in as many situations as possible—will not be achieved.

I observe that a last-minute amendment has been proposed. Given the nature of this bill, the fact that some significant amendments have been proposed is not quite alarming but it certainly rings alarm bells. If the bill has been in gestation for some 18 years and in some very short period prior to the initiation of the second reading debate significant amendments are circulated, one wonders whether every attention has been given to the bill. The significance of that should not be underestimated. There are reforms proposed in this bill which involve one of the most significant interfaces between the citizen and the government. It may even be the most significant in terms of the powers of government as against a citizen because it involves potential loss of liberty.

We are talking here about dealings between the police and a possible or an alleged offender. It is here where the protection of the law is at its most vital to the citizen. It is also in this context that the police or other enforcement authority is most vulnerable to accusations of harassment, bullying, assault, theft and a range of other sins, omissions, misdemeanours and crimes. In that context, the codification of the rules relating to arrest, relating to search and relating to entry of premises and the like must be as near to perfect as can be achieved. In my humble

view, there has not been adequate time for the public to scrutinise this bill.

Mr Kerr—Eleven years is a fair opportunity.

Mr WILLIAMS—One can suggest that the period available has been 18 years, but one knows that people do not focus upon potential legislation in the same way until they see a bill introduced. From the point of view of the public, there has not even been adequate time in relation to a bill as important as this for them to consider whether the bill does enact reports that they have previously seen and does take into account comments on the reports that were part of the genesis of this bill.

It is of considerable significance, regrettably, that the bill was introduced at one of the busiest times of the parliamentary sittings—mid-November, just prior to the conclusion of the budget session, when public focus was largely on Mabo. To the extent that it was not, it was on a number of other bills that were at that stage being finalised in the parliament through the guillotine process in this House. Once parliament rose, we were into Christmas and the holiday season.

In the main, the public interest groups which have the time, the inclination and the genuine interest in addressing this bill are volunteers. They are civil liberties groups; they are professional groups; they are academics. The input to this bill has been very small. I can put that down only to the fact that everybody has been on holidays. This bill is being debated on the first day that parliament resumes, which is a day before many schools return, and public focus just has not been addressing this legislation—or any other, much, for that matter.

I suggest that the appropriate course of action in relation to this bill is that it ought either to be allowed to lie on the table for further time for public scrutiny or, preferably, be referred to the House of Representatives Standing Committee on Legal and Constitutional Affairs. That committee is as eminently qualified as any group within this House to undertake a proper review. I suggest that it could be done relatively quickly.

The minister, like the Attorney-General, has been an active member of that committee in the past and knows its capacities well. The opposition is, in suggesting this, not in the least intending to seek to delay the bill for delay's sake. The anxiety instead is to ensure that the bill is the quality bill that is demanded in dealing with the interface between a citizen and the government, between the police and the alleged offender. That can be best done by ensuring that there is the maximum opportunity for review. I move:

That all words after "That" be omitted with a view to substituting the following words: "whilst not declining to give the Bill a second reading, the Bill be referred to the Standing Committee on Legal and Constitutional Affairs for review".

The opposition would be happy to do whatever is within its power to ensure that any consideration by the Standing Committee on Legal and Constitutional Affairs is done as expeditiously as possible if there is a real need for this bill to be dealt with as it might otherwise be dealt with. If the motion is not successful, the opposition in the Senate will ensure that the matter is sent to the Senate Standing Committee on Legal and Constitutional Affairs for, hopefully, proper review. I would suggest, however, that the proper function of this House in relation to a bill like this which has the possibility of achieving bipartisan support is to have this matter reviewed by a committee of this House.

Mr DEPUTY SPEAKER (Mr Andrew)—Is the amendment seconded?

Mr Slipper—I second the amendment.

Mr MELHAM (Banks) (9.22 p.m.)—On a personal level, I certainly embrace a lot of the things that the honourable member for Tangney (Mr Williams) has said in speaking to the Crimes (Search Warrants and Powers of Arrest) Amendment Bill. Unfortunately, on 17 November 1993, when this bill was first introduced into the House I was representing the parliament on a parliamentary delegation to the Middle East so I did not have an opportunity to see the bill before it was presented to the House. Those are just the facts of life.

Some of the points that the honourable member for Tangney made are valid. I do not

know whether we are going to be able to accommodate him in relation to this bill. In view of his final words, the government has basically been given the opportunity to refer the bill to a committee of this House, otherwise it will go to a committee of the Senate. In this instance, I believe that the House of Representatives committee is better qualified to look at this bill. I say that on the basis that the House of Representatives committee contains practitioners in the field, both past and present, and a former Attorney-General. That is not derogating from my good friend Senator Barney Cooney. The problem with the Senate committee is that it really is overworked.

I was party to a Procedure Committee report that was tabled in the House prior to Christmas. It was envisaged in that report that members of this House and committees of this House would take on work such as this. I can speak only from a personal point of view. Obviously, if the government does not embrace the amendment from the opposition I will vote with the government. I certainly encourage the Minister for Justice (Mr Kerr), who is at the table, that this is an ideal opportunity. The points that the honourable member for Tangney made are valid.

When I arrived back from overseas I did not have a chance to read all my correspondence. However, I was recently asked to speak in relation to this matter. The correspondence over my desk includes correspondence from the acting senior public defender for New South Wales, Martin Sides QC, for whom I have enormous respect. He has written a four-page letter to the Attorney-General (Mr Lavarch) which was passed on to the Minister for Justice. The Minister for Justice, being his usual diligent self, has responded in 4½ pages to him. I have not had a chance to meticulously go through the arguments; there are differences of opinion. Mr Sides raised serious concerns in relation to the bill which the Minister for Justice certainly attempted to answer.

I also have correspondence from Beverley Schurr, a solicitor in New South Wales, who is involved with the New South Wales Council for Civil Liberties. She raises a number of

concerns with the bill from a civil libertarian point of view. I made some inquiries today and was advised that Ian Barker QC of the New South Wales bar has been charged by the New South Wales Bar Association to look at this legislation. Unfortunately, he has just come back from a stint of holidays, so he has not had adequate time to have a look at it.

The problem is that this is far-reaching legislation. There are members of the community, members of the bar in various states—solicitors and practitioners—who can bring forward some opinions and views that can enrich the legislation that we bring before the House. I know that part of the amendments that have been brought before the parliament this evening results directly from a letter written by Mr Sides QC. The government has taken on board one of the concerns that he raised in his letter.

My difficulty is this: I have a healthy cynicism and a deep suspicion of the bureaucracy; in particular, in recent times, the Attorney-General's Department, although I have enormous respect for it. But it appears to me, as someone who has practised in the criminal law field, representing accused persons for over a decade before coming into the parliament, that a culture is developing—and it is happening in New South Wales more so than at a federal level—which really is all one way.

There is a mentality in the community, a growing conservative populist opinion, which is being expressed by the New South Wales conservative government. The legislation that continually comes before the House is legislation that appears to erode the rights of the accused or the rights of the individual, all in the name of securing convictions. That is fine; I do not have a problem with that. My problem is that we as members of parliament are given a raft of papers shortly before a committee hearing; we are expected to digest them properly and then to participate in debate and to vote. That is just a nonsense. That is why I believe that we, as a House of Representatives, need to start taking our committee system a little bit more seriously. It is not until legislation is produced in the parliament that we can properly scrutinise it.

I have a network, and I do not apologise for this. When legislation comes before the parliament that I can release into the community, I do so. I seek advice so that I can test the advice that is coming from a particular department. I have discovered that there is a limited circle within which the Attorney-General's Department and other departments seem to go for advice. We as representatives of the community need to make sure that we are getting balanced advice, not only from the Australian Federal Police and the union that covers the Australian Federal Police but also from civil liberties organisations, from bar associations, from law societies, or whatever.

A massive bureaucracy has now built up. As the honourable member for Tangney quite rightly says, a lot of the people in the community who are charged with really scrutinising or making submissions are doing so in a voluntary capacity. Beverley Schurr, for instance, has for over 15 years that I can recall, in her association with the New South Wales Council of Civil Liberties, continually kept a watching brief in relation to these matters. Alarm bells start to ring when I get five pages from her expressing some concerns. I think we as legislators need to test the advice we are getting from the respective departments and from the advisers and subject it to scrutiny.

The unfortunate thing with this piece of legislation is that it has come at a very awkward time, as the honourable member for Tangney quite rightly says. It came at the same time as the Mabo legislation was being debated and our attention, quite rightly, was diverted to that legislation. There has also been the holiday period.

The problem we have here is that if we do send it through the House of Representatives it will get stuck in a Senate committee. It is about time the House started taking its committees seriously. One thing the Senate has got right is that it has established a committee system. Quite frankly, I think it sends too much legislation to committees but at least it sends it and bills do get scrutinised.

There is an imbalance, because I do not happen to agree with some of those Senate committee reports. I think, quite rightly or

wrongly, the prime force behind them is the office of the Clerk of the Senate. I place on record that I do not have much respect for what I regard as some political views that are being pushed through Senate committee reports. I think this House should start looking at bills in its own way.

I do not need an interpretation from the Clerk of the Senate about section 53 or section 55 of the constitution. I do not even need to have a look at it to find out where he is coming from. He is plainly on the record, so it is about time this House started to use the office of the Clerk of the House of Representatives through its own committee system.

I am quite proud of the fact that I am Chairman of the House of Representatives Standing Committee on Legal and Constitutional Affairs. There is a bit of self-interest here, but when we look at this committee we see that it comprises a former Attorney-General and a number of former ministers as well as, from an opposition point of view, the shadow Attorney-General, a QC in his own right, not appointed because he happened to be the shadow Attorney-General or whatever but quite properly as a well-regarded member of the Western Australian bar. We also have the old warhorse, the right honourable member for New England (Mr Sinclair), who does enrich that committee. I regard it as probably the premier committee in the parliament.

It is about time legislation such as this was sent to a House of Representatives committee. That might not be appropriate tonight and I accept that because of the late nature of the amendment. I am interested to hear what the Minister for Justice, who is at the table, says in reply, but this is a classic piece of legislation to demonstrate my point. If we are not going to refer this, then it is about time we started looking at doing it and setting in train a procedure whereby we do refer bills to House of Representatives committees so that we can use the resources of the Clerk of the House of Representatives.

I am trying to be honest with the House. I will obviously support the minister at the table and the government's position in relation to this legislation, but from a personal point of view I cannot give my personal

stamp of approval to this legislation—I do not think there is anyone in this House who has had more experience in criminal matters—because I have not had, for good reason or bad, the opportunity to properly scrutinise this. I have not addressed my mind to it, so I am not going to stand up before the House and give the legislation the stamp of approval.

I do have enormous respect for the minister at the table. We share a different view at times in relation to what we regard as appropriate legislation. I tend to be a little more conservative than the minister at the table in relation to some matters, and vice versa. If it is possible for our committee to have a look at it, I encourage the minister to send it to us. There is not much more I have to say, but I do take on board the manner in which the honourable member for Tangney has spoken tonight. He is trying to engender a constructive element into the debate.

This is very important legislation. It is legislation that does impinge on the liberty and rights of the subject. When we look at a couple of instances in New South Wales of recent times—the Gundy and the Brennan cases jump to mind quite readily—of police arrest and entering and searching houses that went badly wrong, I think we as a federal parliament need to be very cautious. We can never be cautious enough in relation to this type of legislation.

I happen to believe that we should be standardising legislation around the nation and that it should be the federal parliament that acts basically as the measure. Our legislation should be able to be easily picked up by each of the respective state parliaments. It is not good enough that at the moment we have a situation in relation to a lot of the criminal law within the Commonwealth that it really depends on which state people reside in as to their rights. This legislation is important because it purports to set the standard for Australia. I think other states may well pick it up, although there might be some marginal differences at the edges.

Without being treacherous or traitorous, if the minister at the table can accommodate the amendment of the honourable member for Tangney I would urge him to do so. If he

cannot, obviously the sorts of contributions that I have made tonight will unfortunately have to be looked at and visited in the other place.

Mr SLIPPER (Fisher) (9.37 p.m.)—I am pleased to rise in the House to support the contribution made by my colleague the honourable member for Banks (Mr Melham) and the earlier contribution made by the honourable member for Tangney (Mr Williams). An ounce of prevention is better than a ton of cure and so often we find under varying governments legislation being sent through the parliament which is later on found to not be what everyone thought it was. The parliament far too often is used as a sausage machine.

Although, as has been pointed out earlier, this legislation has had a gestation period of some 18 years, I think when it becomes obvious to both sides of the House and to the community at large that there are very serious concerns about a piece of legislation, the Minister for Justice (Mr Kerr) ought to take these concerns on notice and consider very seriously either letting the legislation lie on the table or, better still, sending it off to the House of Representatives Standing Committee on Legal and Constitutional Affairs.

Like the honourable member for Banks and the honourable member for Tangney, I am a member of that committee. When I was elected to this House in March of last year and appointed to that committee, I did not really know what to expect. Having attended quite a few meetings, I have been genuinely impressed by the bipartisan manner in which matters coming before that committee are dealt with.

We all have political views and we will never always agree on everything. Certainly in our committee we do not always agree on everything. However, I endorse the comments made by the honourable member for Banks about the committee's value and that it is one of the very best committees of this House.

It is also clear that if we do not refer this piece of legislation to our committee it will go to a committee in the other place. I have no objection to legislation being considered by Senate committees. Senate committees

have been responsible for the tempering of legislation which, in many cases, would otherwise have been quite disastrous. If we are to make this place operate properly, we ought to use our committee system. We ought not to abrogate our responsibility by allowing a Senate committee to take on the responsibility of considering the concerns raised by the people who wrote to the honourable member for Banks and the concerns raised by the Law Council of Australia and the Law Society of New South Wales.

The minister is on notice from a wide group of respected people who have no political axe to grind that there are some problems with this legislation. The opposition is endeavouring to participate in this debate with the right motives. We do not seek to embarrass the minister or the government on this matter, although we will certainly seek to embarrass the government on other matters. We see this as being a very important bill which has come before the parliament.

We are not suggesting that the government has brought the bill before the House motivated in the wrong way. However, we are pointing out very clearly that the House now has notice that this legislation could be flawed in some way. The opposition is not opposing the legislation, but we very strongly support the amendment moved by the honourable member for Tangney, which was quite generously supported by the honourable member for Banks. It ought to be placed on the record that the honourable member for Banks indicated that if it does come to a division he certainly will not be crossing the floor to join us, although we would be very happy to have him.

A number of matters require consideration. I hope that the committee will be given the opportunity to talk about them and, hopefully, to remove the concerns raised by the people who have contacted members of this place, such as the people who wrote to the honourable member for Banks, the Law Society of New South Wales, the Law Council of Australia and so many other private practitioners and members of the community.

In the time remaining to me, I will highlight a few of the concerns of the Law Society of

New South Wales. I respect the society for the views it puts forward. It does not have any particular axe to grind, it is not a political pressure group representing any political party, but it is a group of people who have expertise in this area and who have raised genuine concerns about some items contained in the legislation.

The aims of this bill are to amend the Crimes Act 1914 and to insert a new part 1AA dealing with the issuing and execution of search warrants for the search of premises and persons; the seizure of evidential material; the stopping and searching of vehicles; the power of arrest without warrant—that is, citizens arrest—the issuing of warrants for arrest; the conduct of body searches; legal professional privilege; the taking of identification materials; and the conduct of identification procedures. The bill also seeks to repeal the current sections of the act which deal with search warrants and powers of arrest.

The honourable member for Tangney pointed out the very long history of this legislation. Its immediate genesis can be traced to the Review of Criminal Law Committee that was set up in 1987 by the then Attorney-General, the Hon. Lionel Bowen, and chaired by the Rt. Hon. Sir Harry Gibbs, a former Chief Justice of Australia. The membership of the committee included the Hon. Mr Justice Watson and Mr Menzies.

The government has taken on board most of the recommendations of the committee and produced this piece of legislation. Most people in the House would agree that Sir Harry Gibbs is one of the finest jurists, lawyers and judges this country has ever produced. If Sir Harry Gibbs comes forward and recommends certain things, I for one will take them on board and consider them very seriously. That is why I hope the government abandons its republican push. I see the Minister for Justice (Mr Kerr) nodding his head, hopefully in an affirmative way.

Sir Harry Gibbs has pointed out that an Australian republic could well be an Australian dictatorship. I mention that in passing to indicate the quality of the advice issued by Sir Harry Gibbs on so many occasions. He is a man who understands the law and our

constitution. He understands the benefits to the Australian people of the stability that we have had since 1901.

Similarly, having been a judge of the Queensland Supreme Court, a judge of the High Court of Australia and the Chief Justice of this country, his appointment as chairman of this committee was very suitable. But the fact that Sir Harry Gibbs and the other people comprising this committee brought forward these recommendations does not mean that we ought not to refer the bill, which emanates from those recommendations, to a standing committee of this place.

The review committee released its fourth interim report, which dealt largely with the law in relation to search warrants, in November 1990. In June 1991, the fifth interim report was released, including a review of the law in relation to arrest and related matters. Recommendations were made to modernise the Commonwealth criminal law using modern technology while seeking to balance law enforcement and individual rights and freedoms. The recommendations of the review committee pertaining to search warrants and powers of arrest made in its fourth and fifth interim reports are implemented in the bill that we are presently discussing and which we are hoping, with the minister's concurrence, to send off to the committee.

I will summarise the main provisions of the bill. Proposed sections 3E and 3R of the bill provide a detailed legislative base for the issuing and execution of search warrants in relation to Commonwealth offences. Proposed section 3C allows for a warrant to be issued only by a magistrate, a justice of the peace or other person employed in a state or territory court who is authorised to issue search warrants. This was a review committee recommendation. The committee thought that problems, such as the unavailability of magistrates in remote areas, could be dealt with by enabling warrants to be obtained from magistrates by phone.

The Law Council discussion paper has suggested that warrants only be issued by magistrates as a general rule except in exceptional circumstances. This point requires further consideration. An investigation of this

issue could reveal that the public may be better served if magistrates were only the issuing officers. The need to include justices of the peace as issuing officers can be avoided if warrants are obtained by telephone or facsimile. The use of electronic methods for this purpose has been provided for in this bill.

Proposed section 3E, which outlines when search warrants may be issued, has also drawn concerns from the Law Society of New South Wales. Proposed section 3E(2) states:

An issuing officer may issue a warrant authorising an ordinary search or a frisk search of a person if the officer is satisfied by information on oath that there are reasonable grounds for suspecting that the person has in his or her possession, or will within the next 72 hours have in his or her possession, any evidential material.

The Law Society of New South Wales has raised the point that the existing powers of police entitle police officers to carry out a search as an adjunct to arrest, whereas the proposed new power entitles police to search a person without committing themselves to arrest or charge.

This proposed change contains serious potential for harassment and concerns in the area of civil liberties. The Law Council discussion paper made similar observations, noting that police already have a right to arrest upon suspicion. It seems as though this ought to be the minimum consideration upon which a person should be personally searched.

It is important that the observations of the Law Council and the Law Society of New South Wales be given serious consideration. The minister can back down without losing face by referring this legislation to the committee.

Another major provision of the bill—proposed section 3E(4)—has been highlighted in the Law Council discussion paper. This proposed section deals with the listing of issues to be identified on the warrant, including the nature of the evidential material being sought, the name of the executing officer and the period for which the warrant is in force.

The Law Council raises the issue of flexibility in relation to this clause, questioning the requirement that the warrant ought to be addressed to a named constable. If this suggests that warrants ought to go only to a

particular constable, instead of to a group of officers named on the warrant, then this, in the Law Council's view, could be remarkably restrictive. This could be easily solved. It has been suggested that the warrant be directed to a number of nominated police officers to give improved flexibility to the warrant during its period of existence. This is another matter which the House of Representatives Standing Committee on Legal and Constitutional Affairs could appropriately investigate.

The Crimes (Search Warrants and Powers of Arrest) Amendment Bill also deals with extra-territorial warrants, allowing the issue of a warrant in relation to premises or a person in an external territory if there are special circumstances, or anywhere within Australia if the person's whereabouts cannot be predicted. Proposed section 3Q allows an application for a warrant to be made by telephone, facsimile or other electronic means and it allows the warrant to be granted in an urgent case. A warrant issued under these circumstances cannot remain in force for more than 48 hours.

Provisions detailed in relation to the execution of search warrants in the proposed legislation include that the executing officer must announce that he or she is authorised to enter the premises unless it is believed that immediate entry is required to ensure the safety of the person; that the officer may obtain assistance and use such force against persons or things as is necessary and reasonable under the circumstances; and that, if the person is on the premises, the officer must show the person the warrant.

The bill introduces provisions relating to arrests and identification procedures which provide additional requirements to be complied with. Proposed section 3U, for example, allows for a constable to request the name and address of a person whose name is unknown, if the constable considers that the person can assist in inquiries. A person must not refuse to answer and a person must not give a false answer.

Again, the New South Wales Law Society has raised concerns by suggesting that such a power could discriminate against the underprivileged. This government postures as the

party of the underprivileged. The New South Wales Law Society considers that the proposed amendment provides a serious risk that the new power could be used as a weapon of harassment. In its response, the society said:

There is no justification for the introduction of this additional police power. The potential for mischief on the part of police which would be created by its introduction is far greater than any advantage it might serve.

Further provisions of the bill enable a constable to arrest a person without a warrant if the constable believes on reasonable grounds that the person has committed or is committing an offence and proceeding by summons would not ensure appearance in court or prevent the repetition or continuation of that offence.

The rights of a private person to make an arrest without warrant are retained under proposed section 3Y; however, a citizen can make an arrest only if he or she believes the other person has committed or is committing an indictable offence. Previously, the old citizens arrest meant that any citizen could arrest another allegedly committing a breach of the peace. That created enthusiastic action by zealous people. Obviously, some people overdid it. That is a very sensible amendment included in the legislation. It is appropriate to water down the citizens arrest rights.

In relation to proposed section 3ZA, which deals with the power to enter premises to arrest an offender, the Law Society of New South Wales claims that the clause permits police to enter private premises without a warrant. The Law Society stated:

The existence of such a power would be an encouragement to police to refrain from taking out a search warrant and to enter private premises (including the home of an innocent householder) without benefit of warrant on the excuse that they are in the process of making an arrest. Existing laws permit police to search premises and to seize and take away any items which might lead to a charge or might be evidence for a charge (so the proposed amendments give police the same powers as a search warrant would do if an arrest was made). The significant difference (apart from the inconvenience that getting a search warrant from a justice could entail) is that there is no judicial returnability of a warrant and no requirement to

inform a judicial officer that the warrant resulted in the discovery or otherwise of material promised. A further concern raised by the Law Society of New South Wales relates to proposed section 3ZT, which deals with the court of summary jurisdiction permitting a thing to be retained. It is suggested that the clause be amended to ensure that reasonable attempts are made to notify the person from whom the goods were seized or the owner of them before an application to retain the thing is made, unless a constable satisfies the court that notification is inappropriate.

Very briefly, I would like to highlight and reiterate these concerns of the Law Society of New South Wales and the Law Council of Australia. They relate to whether the issuing officer should be only a magistrate or a justice of the peace as well, which is dealt with in proposed section 3C; whether the police should be given the power to seek a search warrant to search an individual person, which is dealt with in proposed section 3E(2); whether a warrant should be directed to a number of nominated police officers, rather than the limitation of just two, as in the bill, which is dealt with in proposed section 3E(4)(d); whether failure to supply name and address to police should be an offence, which is dealt with in proposed section 3U; whether police should have the power to enter premises without a warrant to arrest, which is dealt with in proposed section 3ZA; and whether a reasonable attempt should be made to notify the relevant parties of an application to continue to hold seized goods, which is dealt with in proposed section 3ZT(1).

As previously mentioned, the aim of this bill is to implement the recommendations of the review of Commonwealth criminal law and to make reforms relating to search, arrest and related matters for the investigation of Commonwealth offences. We on this side of the House, through the shadow Attorney-General, the honourable member for Tangney (Mr Williams), have recommended very strongly that this bill be sent off to the House of Representatives Standing Committee on Legal and Constitutional Affairs.

Our view has been supported by the Law Society of New South Wales, the Law Council of Australia and many interest groups who

have contacted members of this place. I know the minister has replied to some of those concerns and has endeavoured to allay some of those concerns. But the simple fact of the matter is that there is in relation to this bill an ongoing concern in the community. This government has the opportunity to remedy a problem before it occurs. It is not a question of the government being defeated in this place; it is not a question of the government losing face; it is not a question of the minister being seen to not be in control of his portfolio. It relates to the responsibility of this House, this parliament and this government to ensure that the legislation which passes through is good legislation which is needed by the people of Australia. I urge the government to accept the amendment moved by the honourable member for Tangney and supported by the honourable member for Banks and everyone on this side of the chamber.

Mr REID (Bendigo) (9.57 p.m.)—It gives me pleasure to support my two learned colleagues, the honourable member for Tangney (Mr Williams) and the honourable member for Fisher (Mr Slipper) and to participate in this debate. I also commend the comments made by the honourable member for Banks (Mr Melham), who made a very honest appraisal of the Crimes (Search Warrants and Powers of Arrest) Amendment Bill. His contribution to the debate highlighted the importance of further debate, discussion and investigation of the concerns that have been raised not only by the honourable member for Banks but also by the New South Wales Law Society and the Law Council of Australia.

I felt that the contribution of the honourable member for Banks was extremely honest. He indicated to the House that he had not read his correspondence since returning from leave and that he had not scrutinised the legislation. What he was saying to his colleague the Minister for Justice (Mr Kerr), who is at the table, was that, as one of the leading legal people on the government side of the House, the minister has not given proper consideration to this course of action and that he has not given proper consideration to the concerns that have been raised by very eminent people in the community. I ask the minister to take

those comments into consideration. He is hearing them not only from his own colleagues, but also from our shadow Attorney-General, the honourable member for Tangney who has scrutinised the legislation and who has taken note of the concerns of the community and the people in the legal field in this regard.

Bearing in mind the eminent people who have given their comments and concerns to the minister and to other honourable members of this chamber, I think that it would be absolutely out of order for him to proceed with this legislation without proper scrutiny. As he would be well aware, the time of honourable members prior to the House rising in December last year was fully occupied with a massive backlog of legislation—which the government introduced at the last minute of the session—as well as the native title legislation, which I am sure occupied the thoughts of the minister and the thoughts of many other honourable members in this chamber in the lead-up to that.

Amongst that legislation under consideration was the bill that is under discussion tonight. Quite honestly, it appears now that government members have not given the proper consideration to this legislation that it deserves. I am not sure of the way in which the Labor Party operates in relation to its legislative committees but I envisage that it operates in a similar fashion to the way we do on this side of the House. We have backbench committees and honourable members are coopted to committees to discuss bills and legislation. They discuss a lot of the comments that they have received from their own networks as well as from informed sources throughout Australia and they arrive at a position on which they then make a recommendation to their minister who is bringing forward the legislation. That minister is very foolish if he does not take note of that backbench committee.

I would imagine that the minister's party operates in much the same way as we do in this regard. I think the minister should take into consideration the views of one of his colleagues who is well qualified in the criminal law and obviously has been a practitioner

in that field for something like 15 years—I think that was the comment—and someone who has grave reservations about supporting this legislation. But purely and simply he has to support it because he would be seen as breaking party ranks and would find himself—if the minister does not change his mind—having to vote for this legislation which in fact he does not personally support.

I think the honourable member for Banks has given us a very wide insight tonight into the real reasons why this legislation should go to a committee for further examination, debate and discussion; to consider all of the points and the concerns that the Law Society of New South Wales through the Law Council of Australia has highlighted. The questions and concerns that it posed were whether the issuing officers should only be magistrates or should include a justice of the peace as well. I have some concerns about that because in many remote and isolated areas of Australia a magistrate is not always available to issue that warrant. My opinion as a lay person in the legal field is that it is necessary to include a justice of the peace but it needs to be fully debated. There may well be other reasons that could come forward from a committee properly constituted under the parliament to examine that, to allow for some spirited debate over that and to come up with a decision.

There is no doubt in my mind that the parliamentary committee system in Australia is alive and well and does great service to the parliament of Australia in its consideration and deliberations on a wide range of topics. I think that here is an opportunity for a parliamentary committee to examine the ramifications of this legislation.

There are also a number of other concerns which the Law Council of Australia highlighted, and they are whether the police should be given the power to seek a search warrant to search an individual person, whether a warrant should be directed to a number of nominated police officers rather than the limitation of just two as in proposed section 3E(4)(d), whether there should be an offence of failure to supply a person's name and address to the police and whether police should have the power to enter premises without a warrant to arrest.

We really have some funny laws in Australia. I know that this particular bill relates to search warrants under the Crimes Act but, for example, in other fields of jurisdiction, there are public servants in Australia who can just knock on a person's door and walk in and who do not require any warrant at all. In fact, an article which appeared in the *Sydney Morning Herald* on 10 June last year attracted my attention. It stated that the manager of the entry, compliance and systems division of the department of immigration can knock on a person's door and come into that house at any time of the day or night in search for the estimated 80,000 illegal immigrants in Australia. The manager of the entry, compliance and systems division of the department of immigration has the power to issue warrants ordering entry into any premises in Australia. I know it is in another jurisdiction and not in the criminal law area, but the unsuspecting public and people who are not skilled in all aspects of the law simply do not understand that. Maybe there needs to be greater debate and discussion on a whole range of aspects, not only of this bill going to that committee but maybe there is another opportunity for further scrutiny of some of the powers that some public servants have in this nation.

In fact, the manager of the entry, compliance and systems division of the department of immigration also oversees the work of five area officers who are also able to authorise entry through search warrants under the power of the Migration Act. The manager of the entry, compliance and systems division said that before a search warrant is granted the officers have to make sure that they have done their research and got the address right. I hope they got the address right, too. He went on further to say that it would be very embarrassing if they got the address wrong. It would certainly be embarrassing under the Crimes Act if they got the address wrong and went to the wrong address.

There is no doubt that there are powers available through not only the Immigration Act but also others. I raise that as something that certainly the general public does not understand. In New South Wales there are 12 other acts under which people can enter

premises without a warrant. There is a power under the Annual Holiday Act 1944 which allows people to enter into premises without knocking on the door. There is the Bennelong Point (Parking Station) Act 1985, the Dividing Fences Act and the Funeral Funds Act—there are all sorts of acts.

It appears to me, and to the lay people in the general community, that this is a very complex and vexed question where people perhaps do not understand or recognise the difference between the powers that a public servant could have under some of that state legislation and the Immigration Act and the powers under the Crimes Act and other acts when officials come to their door under those circumstances. People are confused by it all. There are many concerns about this legislation which I think need to be further examined.

The contribution made by my learned colleague the honourable member for Tangney explored those issues with the minister. All I can say is that those issues, which have been addressed by bodies such as the Law Council of Australia, need to be fully addressed before this legislation is rammed through the parliament. We saw too much of the undue haste of the government in the lead-up to the end of the 1993 sittings when the guillotine was applied and legislation was forced through this House.

I can guarantee that many of those bills will come back to the House during the current year of 1994 and will have to be amended again. Not only will they be amended but the government will also have the opportunity of seeing some of the undesirable effects that some of that rushed legislation has had. Legislation that went through the House in late December was not debated in this House at all because of the guillotine approach that was applied right through the last sitting weeks of this chamber.

The legislation was then sent over to the Senate. At that time the Senate was extremely overworked and was sitting into the wee small hours of the morning. It was trying to examine legislation which the government had introduced so late in the parliamentary proceedings that no-one had a proper opportunity

to consult with people out in the community on the effects of that legislation. The government also did not have the opportunity to canvass with the community many of the legislative processes contained in the bills that it brought before this House. The community was unaware of many of the bills that went through this chamber during that crazy month of December when the government decided to pull out all the stops and guillotine every piece of legislation that went through this House.

I suggest to the minister that, in the spirit of good government—to which his Prime Minister (Mr Keating) lays claim that his government is attempting to lift the quality of legislation, the quality of debate which does take place in the parliament and the consultative process that should be embarked upon by the government—here is a very good opportunity for the Keating government to prove to the community that it has turned over a new leaf in 1994 and that it is prepared to send this legislation off to a committee for further examination. Without addressing the concerns that have been raised in detail I can tell the minister now that, even though the government might have the numbers in this House to force this legislation through, it does not remove the concerns that have been put forward.

Those concerns will once again be raised with the minister in the period of the legislation moving from this House into the Senate for further debate. What we will have is a situation in the Senate where there will be a last ditch attempt, with a bit of wheeling, dealing and horse-trading, to come up with a bill which properly addresses the concerns of those people. Those concerns have not had the opportunity to have been properly considered in a non-confrontational atmosphere.

I think that is really what the honourable member for Banks was saying tonight: show some wisdom in this piece of legislation, support the amendment that has been put forward by my colleague the honourable member for Tangney and allow this legislation to be fairly and properly considered by a committee. This would ensure that the bill is the best possible legislation that the govern-

ment can produce. It would also ensure people in the community are given the opportunity to have more input into this legislation by having it opened up to proper discussion and debate through the committee process.

Mr PYNE (Sturt) (10.16 p.m.)—The Crimes (Search Warrants and Powers of Arrest) Amendment Bill 1993 implements many of the recommendations that the Commonwealth Law Reform Commission has made since it was asked in 1975 to inquire into legislative means of safeguarding individual rights and liberties in relation to the investigation of Commonwealth offences. It updates provisions for obtaining and executing search warrants, stopping and searching conveyances, arrests, personal searches, taking and destroying of fingerprints, holding identification parades and other procedures for identification. The bill is also designed to remove the secrecy surrounding the manner in which these powers can be exercised, so the powers of police and the rights of individuals in the areas of police investigation covered by the bill are available to the public.

The Liberal and National parties support the bill. However, we believe that some elements of this legislation deserve further consideration. The Law Society of New South Wales and the Law Council of Australia have both raised significant matters stemming from the bill. For that reason, we have moved an amendment that the bill be referred to the House of Representatives Standing Committee on Legal and Constitutional Affairs for further discussion. I want to place on record tonight some of the concerns of both the New South Wales Law Society and the Law Council. I want to discuss three specific sections of the bill: proposed section 3E(2), that gives police the power to seek a search warrant to search an individual person; proposed section 3U, that creates an offence of failure to supply a name and address; and proposed section 3ZA, that gives police the power to enter premises without a warrant to arrest.

At the moment, there is no legislative or Commonwealth power to stop and search a person before arrest. Proposed section 3E(2) will give police the power to detain a person to be searched. The New South Wales Law

Society quotes from a 1975 Australian Law Reform Commission recommendation that there be a power to stop and search:

... where there are reasonable grounds to suspect that there may be found:

- (a) an offensive weapon
- (b) something which is the fruit of a serious offence (punishable by more than 6 months imprisonment), the means by which it was committed, or material evidence to prove its commission.

The society repeats its warning:

... any misuse of this power, for the purposes of harassment of citizens innocently going about their business, would be eminently well suited to disciplinary action.

Existing police powers entitle officers to carry out a search as an adjunct to arrest. As the society says, the proposed new power gives police the right to search a person without committing themselves to arrest or charge. This could contain serious potential for harassment. The society concludes its remarks on this matter with the comment:

If sufficient information was available to ground a warrant for a personal search, it would seem to follow inevitably that the police ought have some grounds upon which to validly arrest a person.

Proposed section 3U, the requirement to furnish a name and address to constables, was tackled in some detail in the 1975 report, which again raised questions of harassment. The commission acknowledged that such a power could discriminate against the underprivileged, especially Aboriginal Australians. Section 3 of the 1914 Crimes Act defines 'constable' to include a member of a state or territory police force. As the law society observes, the New South Wales police, who do not have such a power, have managed well enough in the past. The Law Society goes on to say:

The legislation proposes that the penalty provided be a fine, not jail. This is no protection against a custodial sentence; many disadvantaged citizens are unable to pay a fine and will eventually find themselves cutting out the fine in a police cell or jail.

Even though the penalty be only a fine police will nonetheless have power of arrest in order to initiate the prosecution for the offence. This creates a power of arrest where there should be none; why should the police have the power to arrest a person who might be only an eye witness who wishes to

keep private the fact that he or she was at a particular place at a particular time?

The Law Society's final comment on this matter states:

There is no justification for the introduction of this additional police power. The potential for mischief on the part of police which would be created by its introduction is far greater than any advantage it might serve.

The final part of the bill I will discuss tonight is proposed section 3Z(a) which deals with powers to enter premises without a warrant to arrest suspected offenders. The New South Wales Law Society observes:

This clause permits police to enter private premises without a warrant and without any court oversight. The legislative basis for the entry of police is that they are seeking to make an arrest. Police have long sought such a power as a sort of legislative extension of the idea of pursuing a fugitive into premises.

The existence of such a power would be an encouragement to police to refrain from taking out a search warrant and to enter private premises (including the home of an innocent householder) without benefit of warrant on the excuse that they are in the process of making an arrest. Existing laws permit police to search premises and to seize and take away any items which might lead to a charge or might be evidence for a charge (so the proposed amendments give police the same powers as a search warrant would do if an arrest is made). The significant difference (apart from the inconvenience that getting a search warrant from a Justice could entail) is that there is no judicial returnability of a warrant and no requirement to inform a judicial officer that the warrant resulted in the discovery or otherwise of material promised.

The society also points out that proposed section 3Z(a) may violate article 17 of the International Covenant on Civil and Political Rights, which provides:

- 17(1) No-one shall be subject to arbitrary or unlawful interference with his privacy, home, family or correspondence . . .
- 17(2) Everyone has the right to the protection of the law against such interference or attacks.

Under the bill, the police have the power to search the premises at which the arrested person is arrested for evidence in plain view. The legislation reiterates the common law power which police have to search an arrested person. However, when someone is not arrested, the bill is silent on the power police

may have to detain persons on the premises and to search and seize persons and the contents of the premises. If the common law rules apply, they should be included for clarity in the legislation.

I have not repeated these comments out of any libertarian bent or a fondness for police bashing. Law societies are not known for offering gratuitous advice. Rather, I believe that these matters highlight some serious deficiencies in the bill which violate its spirit. The explanatory memorandum to the bill states:

The Bill is designed to make public the powers of police and the rights of individuals in the important areas of police investigation with which it deals. The unavailability of the details is incompatible with modern concepts of open administration and access to justice.

This intention is in the best spirit of progressive, liberal minded legislation. The ambiguities in the bill seem to cut across this and so, while we support this legislation, these matters must be given further consideration.

Mr KERR (Denison—Minister for Justice) (10.20 p.m.)—Given the hour, I think we will have to resume debate on the Crimes (Search Warrants and Powers of Arrest) Bill in the morning. I will make some brief comments in relation to the amendment. The government does not intend to accept the amendment. Tomorrow morning I will address the specific points that have been raised in the course of debate. I thank all honourable members for the courteous way in which they have approached this bill. I will respond to each of the points of substance that have been addressed, albeit briefly, tomorrow morning.

The proposal to refer this matter to the House of Representatives standing committee does have some attractiveness. Had the matter been raised with me at an earlier stage, it may have been possible to secure an agreement with the Leader of the House (Mr Beazley) for subsequent parliamentary time and an agreement with the Australian Democrats that might have obviated the need for further and subsequent proceedings in the Senate. Regrettably, my understanding is that, notwithstanding any undertaking that might be given to that effect by the opposition, the Democrats,

and in particular Senator Spindler, have a particular interest in this matter and will be referring this matter in the Senate to the Standing Committee on Legal and Constitutional Affairs. Without the opportunity to discuss this matter with either the Leader of the House or with the other parties in the Senate, I think we would simply be doubling up the work that obviously will be commissioned in the committee stage for review of this bill.

I should place on record before I address some of the specifics that, whilst I am glad of the general expression of the opposition supporting this legislation, I think the impression from simply reading the debate might be that this legislation is oppressive. Far from it. This legislation reflects a commitment, first manifested by the Law Reform Commission and later by the Gibbs committee, to improve the way in which we commit ourselves to a fair enforcement of the criminal justice system and certainly does not commit us to measures which are oppressive.

In that general regard, I make mention of the findings of the Senate Standing Committee for the Scrutiny of Bills, which is charged with reporting to the Senate in relation to proposed issues which may require the attention of that chamber. In relation to this bill, which was introduced on 17 November 1993, that Senate committee stated:

The bill proposes to amend the Crimes Act 1914 to implement recommendations of the review of Commonwealth criminal law providing specific powers and safeguards relating to search, arrest and other matters for the investigation of most Commonwealth offences. The bill deals with matters such as the power either of a police officer or a private citizen to arrest a person without a warrant. This may be regarded as trespassing on the rights of an individual who is arrested. In all the circumstances of the bill however in which personal rights and liberties are affected, either the provisions are the same as the existing law, both common law and statutory law, or they afford greater protection to personal rights and liberties. For this reason the committee makes no further comment on the bill.

Mr Deputy Speaker, I think this would be a convenient time, were you so disposed at this stage, to move to the adjournment. I will

conclude my remarks in the morning, if that suits the convenience of the House.

Debate interrupted.

ADJOURNMENT

Mr DEPUTY SPEAKER (Mr Snow)— Order! It being 10.30 p.m., I propose the question:

That the House do now adjourn.

Question resolved in the affirmative.

House adjourned at 10.30 p.m.

REQUESTS FOR DETAILED INFORMATION

Purchase of Gould Prints

Mr Connolly asked Mr Speaker, upon notice, on 17 November 1993:

- (1) Has the Joint House Department bought John Gould prints; if so, (a) how many, (b) at what individual cost and (c) what is the (i) title, (ii) size and (iii) provenance of each print.
- (2) Were any commissions or expenses paid in relation to these acquisitions; if so, (a) what commissions and expenses, (b) to whom were they paid and (c) why were they paid.
- (3) Were any costs incurred for (a) reframing, (b) remounting, (c) displaying or lighting, (d) transporting, (e) valuing and (f) any other work concerning the prints; if so, in each case, (i) what sum was paid and (ii) to whom was it paid.
- (4) Did the Prime Minister or his staff suggest who should carry out the (a) reframing, (b) remounting, (c) valuation, (d) display and (e) any other work in relation to the prints; if so, in each case, what instructions were given.
- (5) Has Christies or any other valuer appraised the prints; if so, what (a) was the valuation of each work and (b) what type of valuation was conducted.
- (6) Has advice been received that the prints should not be lighted; if so, (a) who provided the advice and (b) were they subsequently lighted.
- (7) Will a publicity or information campaign publicise the acquisition of the prints; if so, (a) what campaign, (b) how far has it progressed and (c) what funding has been allocated for the campaign.
- (8) Were purchasing guidelines followed with respect to the purchase of the prints; if not, why not.

Mr Speaker—The answer to the honourable member's question is as follows:

(1) Yes.

(a) 15.

(b) and (c)(i) The individual costs and titles are as follows:

PRICES PAID

ACCESSION No.	TITLE	PRICE PAID
92/0022.001	White-tailed Tanyptera	\$ 2,200
92/0022.002	Yellow-bellied Parakeet	3,200
92/0022.003	Barraband's Parakeet	2,500
92/0022.004	Fiery Parakeet	8,800
92/0022.005	Gang-gang Cockatoo	6,000
92/0022.006	Brown's Parakeet	3,200
93/0001.001	Crested Cockatoo	7,500
93/0001.002	Philip Island Parrot	2,500
93/0001.003	Red-collared Lorikeet	2,500
93/0001.004	Scaly-breasted Lorikeet	2,200
93/0001.005	Cockatoo Parakeet	3,100
93/0001.006	Warbling Grass-parakeet	2,800
92/0001.007	Blue-banded Grass-parakeet	1,500
93/0001.008	Pale-headed Parakeet	3,300
93/0001.009	Leadbeater's Cockatoo	15,000

(c)(ii) All the prints are the same size. The sheet size of each print is height 97.0 cm x width 76.4 cm.

(c)(iii) The provenance, or history of ownership, of each print is not known to the Department. Fourteen of the prints were produced between 1840 and 1848 and formed part of the first 600 lithographs in John Gould's *The Birds of Australia*. The print of *Tanyptera Sylvia* was one of the final 81 plates published by 1869 as *The Supplement*.

(2) No.

(3) Costs were incurred for the following:

(a) The prints were bought unframed.

(i) The cost of framing was \$13,440.

(ii) This cost was paid to Charles Hewitt Frames Pty Ltd, 5-7 Bourke Road, Alexandria, NSW, 2015.

(b) The prints were bought unmounted.

(i) The cost of the mounts was \$3,708.

(ii) This cost was paid to Charles Hewitt Frames Pty Ltd.

(c) The cost of picture lights totalled \$2,866 involving:

\$1,476 paid for nine raw and unassembled picture lights to Louis Poulsen Lightmakers, 755-759 Botany Road, Rosebery, NSW, 2018. The ninth light was required as a test model for the refinishing of the lights to match the bronze fittings in the Cabinet Room.

\$1,390 for the refinishing, wiring, modification and assembly of the lights (ii) paid to Charles Hewitt Frames Pty Ltd.

Joint House Department electricians installed the wiring and switches required for the installation of the picture lights. This was done as part of the department's normal responsibilities.

(d) (i) Costs of \$121 were incurred for the transport of prints between Parliament House and Charles Hewitt Frames in Sydney.

(ii) This cost was paid to Woollahra Art Removals, PO Box 275, Woollahra, NSW, 2025. The cost of the delivery of frames, mounts and lights by Charles Hewitt Frames Pty Ltd was included in their cost.

(e) The prints were valued by Christie's in September/November 1993 as part of the valuation of the whole of the Parliament House Art Collection. The cost of valuing

individual works or groups of works is not available.

- (f) (i) \$100 was paid for the provision of advice on the condition of some of the prints offered.
 - (ii) This cost was paid to Ms H McPherson of Fine Bookbinding and Conservation, 193 Rochford Street, Erskineville, NSW, 2043.
 - (4) The Prime Minister's Personal Assistant provided specifications for the following work and advised that it was at the request of the Prime Minister:
 - (a) In response to his request for gilded frames, the personal assistant was provided with a catalogue of frames by Charles Hewitt Frames Pty Ltd which was held by the art section. The personal assistant specified a particular frame from the catalogue and also asked that the frames be of a particular approximate size suitable for the Cabinet Room.
 - (b) The personal assistant accepted Mr Charles Hewitt's advice that triple mounts would be more suitable for the frame size requested
- than the French line and wash double mounts that he (the personal assistant) had suggested.
- (c) No valuation was suggested.
 - (d) No persons other than the staff of the Joint House Department were suggested for assistance with installing the display. It was specified that two works be placed on each wall and where on each wall they were to be placed.
 - (e) The personal assistant specified that traditional picture lights be provided for the prints and that they have a bronze (or bronze colour) finish. The personal assistant was provided with several illustrated catalogues of lights and was advised that unsuitable finishes could be modified. One model of light was recommended by the art section as being more suitable for the Cabinet Room than the others and this was accepted. Dimmer switches were also specified for the lights.
- (5) See 3(e).

- (a) The valuation of each work was:

ACCESSION NUMBER	TITLE	CHRISTIE'S VALUATION	
		\$ September	\$ November
92/0022.001	White-tailed Tanysiptera	2,200	
92/0022.002	Yellow-bellied Parakeet	2,000	
92/0022.003	Barraband's Parakeet	3,000	
92/0022.004	Fiery Parrakeet	9,000	
92/0022.005	Gang-gang Cockatoo	1,200	4,500
92/0022.006	Brown's Parakeet	2,400	2,000
93/0001.001	Crested Cockatoo	1,500	
93/0001.002	Philip Island Parrot	1,200	1,200
93/0001.003	Red-collared Lorikeet	800	
93/0001.004	Scaly-breasted Lorikeet	2,200	
93/0001.005	Cockatoo Parakeet	1,900	
93/0001.006	Warbling Grass-parakeet	1,400	
93/0001.007	Blue-banded Grass-parakeet	750	
93/0001.008	Pale-headed Parakeet	1,800	
93/0001.009	Leadbeater's Cockatoo	8,000	

- (b) The valuation was based on the value of the prints on the then current market, according to the following criteria:
 - The depreciation of the book value between 1989-1993 taking into account international fluctuations.
 - Retail print values of the individual plates from several sources.
 - Auction records over a six year period.
 - The definition of willing buyer, willing seller which is based mid-way between an auction estimate and a retail price.

- . Demand for the individual plates in the current market.
- . Prints in the context of adjustments to the art market as a whole.

The application of the criteria to the same three prints in September and again in November this year gave the following valuations:

	September	November
Philip Island parrot	\$1,200	\$1,200
Gang-gang cockatoo	\$1,200	\$4,500
Brown's parakeet	\$2,400	\$2,000

- (6) No.
- (7) The Joint House Department has no plans for a publicity or information campaign to publicise the acquisition of the prints beyond noting their purchase in the 1992-93 Annual Report.
- (8) The Department followed standard purchasing guidelines with respect to the purchase of the prints. However, the detailed internal procedures were not completed for two transactions totalling \$14,700. This resulted in the non-gazettal of those purchases. The details of this matter are discussed in answer to Mr Connolly's question of 22 November 1993.

Purchase of Gould Prints

Mr Connolly asked Mr Speaker, upon notice, on 22 November 1993:

- (1) Did procedural difficulties hamper the gazettal of a sum of \$14,700 for Gould prints; if so, what were the difficulties.
- (2) Was \$25,700 assigned to the purchase referred to in part (1); if so, (a) why and (b) why is there a difference of \$11,000 between the two sums.

Mr Speaker—The answer to the honourable member's question is as follows:

- (1) Procedural difficulties did hamper the gazettal of a sum of \$14,700 for Gould prints.

In most cases purchase action includes the raising of a purchase order on the Joint House Department's computerised purchasing system. The purchase order then triggers the gazettal of the transaction. In this instance a purchase order was not raised and consequently gazettal did not occur.

Telephone discussions confirmed the purchase of the group of Gould prints which together cost

\$14,700 and Mr Ebes despatched them and sent two invoices to cover the transaction. The Accounts Section then sought to match the invoices to a purchase order. In the absence of a purchase order the approval of the Presiding Officers to expend the funds on Gould prints was accepted as sufficient authority to pay the account. This payment therefore did not enter the Department's ADP system at a point in the procedures which would have enabled gazettal.

The requirement to commit funds was entered into the Public and Marketing Activities (P&MA) funds committal system but not into the purchasing system. Purchasing was advised that prints would be bought but purchase orders were not raised at this stage because the availability of the prints had not been confirmed and their prices had not been agreed. When prices were agreed the need to undertake further data processing was not picked up in time by staff of the P&MA Section to enable a purchase order to be raised.

Following the question in respect of the candle holders, the Department researched all purchase actions to determine which items of notifiable expenditure had not been properly gazetted. These enquiries established the difficulties with the OPEL system and resulted in the identification of purchases which had not been gazetted. All these purchases were published in Gazette Number PD 46, 24 November 1993.

These system failures resulted in the Department reviewing its procedures to ensure that all notifiable purchasing action is published in the Gazette.

- (2) No. \$25,700 was not assigned to the purchase referred to in part (1).

The Gould prints were purchased in 3 groups. Four payments in all were made to cover these purchases.

The first group was purchased for \$25,900 and appeared on page 3946 of Gazette Number PD 51, 23 December 1992.

The second group cost \$14,700 and has been published on page 5332 of Gazette Number PD 46, 24 November 1993. This purchase was comprised of two payments against two invoices. One payment was for one print costing \$2,500 and the second payment was for three prints costing a total of \$12,200.

The third group cost \$25,700 and was gazetted on page 2992 of Gazette Number PD 29, 28 July 1993. However, owing to the 'contractor' and 'value' information not being correctly aligned with 'description of supplies' in this gazette, the same purchase was correctly re-gazetted on page 4157 of Gazette Number PD 37, 22 September 1993. All the Joint House Department's entries

on page 2992 of Gazette Number PD 29, 28 July 1993 were incorrectly aligned and were subsequently corrected.

The figures of \$14,700 and \$25,700 refer to two different purchase transactions for two different groups of prints. The \$11,000 difference between those two figures has no relevance.

NOTICES

The following notices were given:

Mr Nehl to move—

That this House recognises the need for fair and just treatment of shares and investments owned by Australians of pensionable age in the context of social security and veterans' affairs payments.

Mr Reid to move—

That Australian road transport infrastructure be improved to meet the needs of primary industry, manufacturing and tourism which will enhance Australia's export performance and lead to improved economic performance on overseas and domestic markets.

Mr Tickner to present a bill for an act to amend the Aboriginal Land Rights (Northern Territory) Act 1976.

Mr Connolly to move—

That this House:

- (1) expresses its sadness at the loss of human life and damage to fauna and property caused by the recent NSW bushfires; and
- (2) commends the efforts and sacrifices of regular and volunteer firefighters from New South Wales and interstate in quelling those fires.

PAPERS

The following papers were deemed to have been presented on 1 February 1994:

Aboriginal and Torres Strait Islander Commission Act—

Notice 1994—No. 1.

Regulations—Statutory Rules 1993 No. 379.

Zone Election Rules—1994 Amendment No. 1.

Aged or Disabled Persons Care Act—Guidelines 1994 No. 9BG 1.

Air Navigation Act—Regulations—Statutory Rules 1993 No. 369.

Anti-Dumping Authority Act—Instrument of approval 1993 No. 1.

Audit Act—Regulations—Statutory Rules 1993 Nos. 360, 361, 381.

Australian Citizenship Act—Regulations—Statutory Rules 1993 No. 362.

Australian Wine and Brandy Corporation Act—Regulations—Statutory Rules 1993 No. 374.

Banking Act—Regulations—Statutory Rules 1993 No. 378.

Christmas Island Act—Ordinances 1993 Nos. 12, 13, 14.

Civil Aviation Act—

Civil Aviation Regulations—Civil Aviation Orders—Parts—

20—Amendment, 14 January 1994.

40—Amendment, 13 January 1994.

105—Amendments, 21, 22(2), 24 December 1993, 10, 12(2) January 1994.

106—Amendments 1994—January 10, 12.

107—Amendments 1994—January 5, 7, 12.

Regulations—Statutory Rules 1993 No. 368.

Cocos (Keeling) Islands Act—Ordinances—1993 Nos. 10, 11, 12.

Commonwealth Electoral Act and Referendum (Machinery Provisions) Act—Regulations—Statutory Rules 1993 No. 356.

Currency Act—Determination 1993 No. 15.

Customs Act—Regulations—Statutory Rules 1993 No. 382.

Defence Act—Determinations—1993 Nos. 41, 42, 43, 44, 45, 46, 47, 48.

Domestic Meat Premises Charge Act—Regulations—Statutory Rules 1993 No. 375.

Export Inspection and Meat Charges Collection Act—Regulations—Statutory Rules 1993 No. 376.

Export Inspection (Establishment Registration Charges) Act—Regulations—Statutory Rules 1993 No. 377.

Family Law Act—Regulations—Statutory Rules 1993 No. 358.

Fisheries Levy Act—Regulations—Statutory Rules 1993 Nos. 354, 355, 364.

Fishing Levy Act—Regulations—Statutory Rules 1993 Nos. 355, 364.

Health Insurance Act—Statements under section 106AA—

(Dr Prabhat Raj Sinha), 27 December 1993.

(Dr Robert Rustem Molnar), 28 December 1993.

Higher Education Funding Act—Determinations—Nos. T74/93, T75/93, T76/93, T77/93,

- T78/93, T79/93, T80/93, T81/93, T82/93, T83/93, T84/93, T85/93, T86/93, T87/93.
- Income Tax Assessment Act—Regulations—Statutory Rules 1993 No. 370.
- Judiciary Act—Rules of Court—Statutory Rules 1994 No. 1.
- Meat Inspection Act—Meat Inspection Orders—1993 Nos. 3, 5.
- Migration Act—Regulations—Statutory Rules 1993 Nos. 363, 371.
- Murray-Darling Basin Act—Murray-Darling Basin Agreement—Schedule D, application of agreement to Queensland.
- Mutual Assistance in Criminal Matters Act—Regulations—Statutory Rules 1993 No. 357.
- National Health Act—
- Declarations—1994 No. PB 1.
 - Determination 1994 No. PB 2.
- Native Title Act—Regulations—Statutory Rules 1993 No. 380.
- Navigation Act—Orders—1993 No. 5.
- Ozone Protection Act—Regulations—Statutory Rules 1993 No. 359.
- Proclamations by His Excellency the Governor-General fixing the dates on which the following provisions of Acts shall come into operation—
- Industrial Relations Reform Act 1993—Sections 75 and 76—2 January 1994.
 - Native Title Act 1993—
 - Act other than sections 1 and 2 and Part 10—1 January 1994.
 - Part 10—1 July 1994.
 - Vocational Education and Training Funding Act 1992—Part 3—31 December 1993.
- Public Service Act—Determinations—1993 Nos. 98, 99, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 235, 236, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 252, 253, 256, 257, LEC 2, LES 22, LES 23.
- Quarantine Act—Proclamations Nos. 149A, 151A, 152A.
- Radiocommunications Act—Determinations—Nos. CR 1993/2, RC 1993/2, RCL 1993/4, RCL 1993/5, RCL 1993/6, RD 1993/2, RQO 1993/2, RT 1993/2.
- Radiocommunications Act and Radiocommunications (Transmitter Licence Tax) Act—Determination No. RD 1993/2.
- Radiocommunications (Permit Tax) Act—Determination 1993 No. 1.
- Radiocommunications (Receiver Licence Tax) Act—Determination 1993 No. 1.
- Radiocommunications (Transmitter Licence Tax) Act—Determination 1993 No. 1.
- Remuneration Tribunal Act—Remuneration Tribunal—Determination—1993 No. 14.
- States Grants (TAFE Assistance) Act—Determinations—Nos. TAFE 30/93, TAFE 31/93, TAFE 32/93, TAFE 33/93, TAFE 34/93, TAFE 35/93, TAFE 36/93, TAFE 37/93, TAFE 38/93, TAFE 39/93, TAFE 40/93, TAFE 41/93, TAFE 42/93, TAFE 43/93, TAFE 44/93, TAFE 45/93.
- Student Assistance Act—Regulations—Statutory Rules 1993 Nos. 365, 367.
- Superannuation Act 1976—Regulations—Statutory Rules 1993 No. 353.
- Superannuation Benefits (Supervisory Mechanisms) Act—Regulations—Statutory Rules 1993 Nos. 3, 4, 5, 6.
- Superannuation Industry (Supervision) Act—Determinations 1993 Nos. 352, 373.
- Telecommunications Act 1991—Determination of technical standard—1993 No. TS 11.
- Tradesmen's Rights Regulation Act—Regulations—Statutory Rules 1993 No. 372.
- Training Guarantee (Administration) Act—Regulations—Statutory Rules 1993 No. 366.

ANSWERS TO QUESTIONS

The following answers to questions were circulated:

**Department of Finance: Review of Government Programs
(Question No. 379)**

Mr Costello asked the Minister for Finance, upon notice, on 27 September 1993:

(1) What work has his Department completed in regard to the series of reviews of various Government programs referred to at page 3.13 of Budget Paper No.1 of 1993-94.

(2) Did his Department advise him before the 1993-94 Budget was introduced that the areas listed for review could provide future savings for the Government.

(3) Did his Department advise him of the size and scope of any future savings which might result from the reviews.

(4) When will the reviews (a) begin and (b) be completed.

(5) Is there an aggregate target for savings from the reviews.

(6) Did he advise his Department before the introduction of the 1993-94 Budget of the purpose of the reviews; if so, when.

(7) Has he provided the Department with guidelines for conducting the reviews.

Mr Willis—The answer to the honourable member's question is as follows:

(1) Reviews are in nearly all cases joint, with the Department of Finance involvement ranging from agreeing terms of reference and review methodology to full participation as equal partner in the conduct of the review. Terms of reference have been agreed for all reviews envisaged for commencement in 1993-94 referred to at page 3.13 and most are under way.

(2) My Department advised me that the review program could be expected to identify options for future savings.

(3) No.

(4) The following shows the commencement and the estimated completion date for the reviews listed at page 3.13 of Budget Paper No.1 of 1993-94. This timetable results from a recent review.

Title of Review	Commencement Date	Estimated Completion Date
Benchmarking for best practice in service delivery areas of selected Commonwealth agencies	October 1993	(a)
Aspects of the education system to be identified for specific scrutiny aimed at achieving greater cost-effectiveness in education outlays	September 1993	Mid 1994 and late 1994 (b)
AUSTUDY compliance procedures	October 1993	January 1994
The scope for improving efficiency and effectiveness in the Home and Community Care Program	October 1993	December 1994
The level to which the Disability Reform Package has met its objectives in changed labour market and economic conditions; and consideration of whether any changes to the objectives and timeliness for the package are needed	August 1993	Late 1994 (c)

Title of Review	Commencement Date	Estimated Completion Date
The appropriateness of the existing links between the age pension and superannuation entitlements with the aim of improving the way in which they interact to promote the Government's retirement income policy objectives	Yet to commence (d)	1995-96 Budget
The delivery of veterans' entitlements, including the addressing of the implications of <i>Bushell v. The Commonwealth</i> (1992) and issues raised by the Australian National Audit Office	August 1993	1994-95 Budget
Areas of substantial outlays growth in the health area	September 1993	1994-95 Budget and December 1994
Nursing home efficiency gains and structure of funding	October 1993	1994-95 Budget
The contribution of tourism to the economy and private sector funding for the Australian Tourist Commission	August 1993	January 1994
ABC and SBS funding	September 1993	February 1994
Commonwealth law enforcement arrangements, including the role and functions of relevant agencies and ways of maximising cooperative effort	August 1993	February 1994
The Commonwealth Government's overseas and domestic property arrangements	September 1993	January 1994
The direction of commercialisation of DAAS agencies	August 1993	January 1994
National Corporate Regulation Scheme administration	September 1993	February 1994/June 1994 (b)
Environment, natural resources management and energy programs	August 1993	February 1994
Programs and policies potentially in conflict with ecologically sustainable development objectives	Yet to commence	December 1994
ABS population census frequency	September 1993	December 1993

(a) Depending on the assessment of the efficacy of the initial work, this program may be ongoing.

(b) Two-stage review.

(c) Review of employment aspects may be completed in time for consideration in context of Employment White Paper.

(d) The need for this review will be reassessed following completion of the independent review of the Pension Income and Asset Test.

(5) No.

(6) No.

(7) The reviews are being conducted in accordance with the terms of reference and methodologies considered by Ministers, generally in the Budget context.

Department of Industry, Technology and Regional Development: Contracts

(Question No. 482)

Mr McArthur asked the Minister for Industry, Technology and Regional Development upon notice, on 20 October 1993:

What contracts of an individual value of \$100,000 or more have been entered into by (a) the Minister's Department or (b) agencies for which the Minister has portfolio responsibility with (i) Abigroup Ltd, (ii) Baulderstone Hornibrook Pty Ltd, (iii) Barclay Mowlen Constructions Ltd, (iv) Civil and Civic Pty Ltd, (v) Concrete Constructions Group Pty Ltd, (vi) Fletcher Construction Group Ltd, (vii) Grocon Ltd, (viii) Macmahon Holdings Ltd, (ix) Theiss Contractors Pty Ltd, (x) Transfield Group and (xi) Watkins Pacific Ltd between (A) 1 January and 30 June 1993 and (B) 1 July 1993 and 30 September 1993 and for what works was each contract awarded.

Mr Griffiths—The answer to the honourable member's question is as follows:

(a) The Department of Industry, Technology and Regional Development has not entered into any such contracts.

(b) Of the agencies for which I have portfolio responsibility, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) has entered into a contract with Baulderstone Hornibrook Pty Ltd for \$7,938,226 on 19 March 1993 for the construction of a joint facility for the CSIRO, the University of Adelaide and the South Australian Department of Primary Industries, known as the Sails and Water Research Facility, Urrbrae, South Australia.

No other agencies for which I have portfolio responsibility have entered into any such contracts.

Department of the Prime Minister and Cabinet: Video Productions

(Question No. 491)

Mr Connolly asked the Prime Minister, upon notice, on 20 October 1993:

(1) Does the Minister's Department or any agency for which the Minister has portfolio responsibility have in-house video production facilities; if so:

(a) what is the cost of the facilities,

(b) how many persons are employed (i) full time or (ii) part time with the units operating the facilities and what are their salaries,

(c) how many videos have been produced since 1990,

(d) how many videos were for (i) training and (ii) other purposes,

(e) what was the (i) title and (ii) cost of each video,

(f) were any videos entered into competitions, and

(g) does the Department assess the quality of the videos produced; if so, how.

(2) Has the Minister's Department contracted private sector firms to produce videos since 1990; if so, (a) how many videos and (b) what was the cost of each.

Mr Keating—The answer to the honourable member's question is as follows:

(1) Yes. The Aboriginal and Torres Strait Islander Commission and two Land Councils have in-house video production facilities.

(a) \$125,153.

(b) 1 full time officer—salary \$33,024pa; 3 part time officers (total 9.75 days per video)—salaries \$42,088pa, \$35,971pa, \$23,397pa.

(c) 43.

(d)(i) Nil.

(ii) 43.

(e) 34 titled Land Rights Views—\$4,000 for each production

CLC Video Newsletter No: 1 August 1990—\$250*

CLC Video Newsletter No: 2 October 1991—\$450*

CLC Video Newsletter No: 3 February 1992—\$670*

CLC Video Newsletter No: 4 February 1993—\$2,750*

CLC Video Newsletter No: 5 August 1993—\$550*

CLC Video Newsletter No: 6 October 1993—\$400*

Anangu Exploration, March 1991—\$1,680

Mistake Creek Station, August 1992—\$8,797

Tennant Creek Constitutional Convention, October 1993—\$1,800

* Copying and distribution costs for the CLC Video Newsletter amount to an additional \$785 per video.

(f) No.

(g) Yes, in-house assessment and feedback from Aboriginal constituents.

(2) Since 1990, the Department and portfolio agencies have contracted private sector firms to produce videos.

(a) 85

(b) \$11,100; \$1,185.85; \$12,000; \$41,400; \$160,000; \$29,975; \$5,000; \$7,500; \$59,946; \$59,291; \$50,000; \$52,300; \$27,000; \$15,000; \$35,000; \$992; \$942; \$1,200; \$147,000; \$58,003; \$57,906; \$80,000; \$300,000; \$80,000; \$41,273; \$288,000 (12 videos); \$240,000 (8 videos); \$60,000 (3 videos); \$150,000; \$392,136 (11 videos); \$9,050; \$47,500 (2 videos); \$422,000 (11 videos); \$149,612 (5 videos); \$27,326; \$29,760; \$40,500; \$16,031; \$16,031; \$13,051.

Department of the Environment, Sport and Territories: Video Productions

(Question No. 499)

Mr Connolly asked the Minister for the Environment, Sport and Territories, upon notice, on 20 October 1993:

(1) Does the Minister's Department or any agency for which the Minister has portfolio responsibility have in-house video production facilities; if so:

- (a) what is the cost of the facilities,
- (b) how many persons are employed (i) full time or (ii) part time with the units operating the facilities and what are their salaries,
- (c) how many videos have been produced since 1990,
- (d) how many videos were for (i) training and (ii) other purposes,
- (e) what was the (i) title and (ii) cost of each video,
- (f) were any videos entered into competitions, and
- (g) does the Department assess the quality of the videos produced; if so, how.

(2) Has the Minister's Department contracted private sector firms to produce videos since 1990; if so, (a) how many videos and (b) what was the cost of each.

Mrs Kelly—The answer to the honourable member's question is as follows:

DEPARTMENT OF THE ENVIRONMENT, SPORT AND TERRITORIES

Environment Program

(1) No

(2) (a) 'Greenhouse' 3 segment video produced for the Australia In Profile series

(b) \$44,314

Antarctic Program

(1) No

(2) (a) Antarctic helicopter training video

(b) \$2,900

Meteorology Program

(1) No

(2) (a) 'Weather People'

(b) \$29,500

Territories Program

Cocos (Keeling) Islands Administration:

(1) Video production facility used as part of a low power television broadcast station to provide bilingual cultural and educational service to the residents of the Cocos (Keeling) Islands.

(a) Video production component of the television broadcast facility—\$22,005.

(b) (i) One person is employed full time as Communication Officer/Interpreter. The officer's salary is \$33,924 p.a. and responsibilities include the video production facilities. As a voluntary, after hours activity, this officer supervises a volunteer group of residents who produce the video programs.

(ii) Nil

(c) 27

(d) (i) Nil

(ii) 27

(e) (i) 'Cocovision'—12 episodes of an English language news bulletin.

'Cerita Dan Berita'—12 episodes of a Malay language version of the 'Cocovision' news bulletins.

'What's Happening'—a one-off experimental current affairs bulletin.

'Cyclone Drill'—two community information programs on emergency measures for the populace during cyclones.

(ii) Each video was produced at no cost by community volunteers.

(f) No

(g) No

(2) Nil

Christmas Island Administration:

(1) Video production facilities which complement the local television broadcast station providing multilingual programs to the residents of Christmas Island.

(a) The video production component of the television broadcast facilities—\$12,165

(b) (i) None

(ii) None

- (c) 17
 (d) (i) Nil
 (ii) 17
 (e) (i) 'It's Christmas Time'—a multilingual local news bulletin.
 (ii) \$500 (paid to local television production company)
 (f) No
 (g) No
- (2) Yes. The local television production company was engaged at the cost of \$500 per episode to produce 'It's Christmas Time' by providing technical expertise including camera work, editing and final production. All other contributors were involved on a voluntary basis. Episodes are also produced with the assistance of the Christmas Island Shire Council, the Phosphate Mine Corporation and other commercial bodies.
- Corporate Management Program**
- (1) No
 (2) (a) 'I Make the Difference' two community service announcements.
 (b) \$8,456
 (a) 'B Smart Play Your Part' advertisements as part of a public awareness campaign about waste minimisation and recycling
 (b) \$150,000
 (a) 'Waste Minimisation'
 (b) \$19,425
 (a) 'Water in Australia in Profile Series'
 (b) \$15,340
 (a) 'Cleaner Production—The Green Line' and 'Cleaner Production—The Bottom Line'
 (b) \$102,156
- STATUTORY AUTHORITIES**
- Australian Heritage Commission**
- (1) No
 (2) (a) 'A Joint Venture'
 (b) \$39,920
 (a) 'Our Special Places'
 (b) \$51,400
- Great Barrier Reef Marine Park Authority**
- (1) No
 (2) (a) 'Deckhand'—commercial fisheries information series of eleven 60 minute videos
 (b) \$126,500
 (a) 'A Question of Balance'—Great Barrier Reef Marine Park 30 minute information video
 (b) \$16,000
- (a) 'Reef Report'—series of four 30 minute videos
 (b) \$24,000
 (a) 'A Walk in the Sea'—60 minute interpretive/promotional video released for the international market on the Great Barrier Reef Aquarium
 (b) \$50,000
- Australian Sports Commission (ASC)**
- (1) The ASC has modest video production facilities, largely based on domestic quality VHS and Super VHS equipment. This equipment is used on a daily basis to record training and coaching sessions for the use of athletes and coaches training at the Australian Institute of Sport. Videotapes are retained for short periods and are then recycled. Material produced is in raw footage format for replay with little editing, no voice over and limited titling.
- (a) The video production facility is not a separate facility. It is part of an audio visual service department which incorporates photographic services, media monitoring, block mounting, audio recording and equipment service.
- In 1992 a Betacam camera and video recorder were purchased (valued at \$37,000) to enable the ASC to take footage of athletes and events. This raw footage can then be forwarded to video production houses making videos on behalf of the ASC and thus reduces the cost of video production. Raw Betacam footage is also forwarded to the media to incorporate into news reports on activities and programs of the ASC.
- The capital cost of the facility is \$73,000.
- (b) Two full-time audio visual technicians are employed by the ASC (salary costs \$36,592 and \$25,623) to undertake all tasks associated with audio visual services. These tasks include photographic services, videotape production, equipment set-up and maintenance, audio recording and media monitoring.
- 25% of the time of the Audio-visual Technician paid at the annual salary cost of \$25,623 is devoted to audio-visual production.
- (c) Because the videotapes produced by the audio-visual section are of an ephemeral nature and are recorded over after use, it is not possible to provide specific numbers of training tapes produced. Approximately three training sessions per week are videotaped, resulting in approximately 400 tapes since 1990. The costs associated with these tapes are staff time in production, which is included in the Audio-visual Technician's salary and the tape cost which amounts to approximately \$3,200.
- Raw footage on the recent ASC Altitude Study has been forwarded on three Betacam tapes to

television stations for incorporation into television news programs. The costs associated with these tapes were in staff time to undertake the recording. Videotapes are provided by the television stations.

(d) and (e) See 1 (c).

(f) Videotapes have not been entered into competitions.

(g) The ASC informally and formally requests feedback from major users of training videotapes to assess client satisfaction with audio visual services and products.

(2) (a) 'Give it a Go'—a training video for coaches of athletes with disabilities

(b) \$25,780

(a) 'AUSSIE ABLE: Australia in Profile'

(b) \$12,000

(a) 'Sport Everyone's Game'—Corporate video

(b) \$70,000

(a) 'AUSSIE SPORT: Benefits of Sport'—series of four videos

(b) \$40,000

(a) CAPS Program (Challenge Achievements and Pathways in Sport)—two videos

(b) \$15,000

(a) 'Sportsfun'—two videos

(b) \$18,000

(a) 'Sport Search'

(b) \$12,000

(a) 'AUSSIE SPORT'

(b) \$16,000

(a) 'The Coach in Action' and 'Fit for Sport'

(b) \$53,000

(a) 3rd Elite Coaches Seminar (4 videos)

(b) \$6,000

(a) 4th Elite Coaches Seminar (8 videos)

(b) \$14,490

Australian Sports Drug Agency

(1) No

(2) (a) 'Drug Testing in Sport'—a 12 minute video providing the elite sporting community with a step by step guide to drug sampling procedures.

(b) \$11,000

(a) 'ASDA Promotional Video'—an 8 minute video about ASDA's work with the sporting and general community, tackling the complex issue of drug use in sport.

(b) \$33,000

Attorney-General's Department: Video Productions

(Question No. 508)

Mr Connolly asked the Attorney-General, upon notice, on 20 October 1993:

(1) Does the Minister's Department or any agency for which the Minister has portfolio responsibility have in-house video production facilities; if so:

(a) what is the cost of the facilities,

(b) how many persons are employed (i) full time or (ii) part time with the units operating the facilities and what are their salaries,

(c) how many videos have been produced since 1990,

(d) how many videos were for (i) training and (ii) other purposes,

(e) what was the (i) title and (ii) cost of each video,

(f) were any videos entered into competitions, and

(g) does the Department assess the quality of the videos produced; if so how.

(2) Has the Minister's Department contracted private sector firms to produce videos since 1990; if so, (a) how many videos and (b) what was the cost of each.

Mr Lavarch—The answer to the honourable member's question is as follows:

(1) Yes, the Australian Federal Police, the Australian Security Intelligence Organisation and Auscript have in-house video production facilities:

Australian Federal Police

(a) Approximately \$200,000.

(b) The Video Operations Section employs three persons full time, one Sergeant and two constables. All three are on 24 hour call out for various operational duties. Combined salaries total approximately \$115,000 p.a.

(c) Approximately 190.

(d) (i) None.

(ii) Approximately 170 of the videos were produced for court purposes and 20 for Police information.

(e) (i) The 170 videos produced for court purposes were untitled. Of the 20 remaining videos, 17 were of a classified nature produced for police operational purposes. Three videos were produced for community policing purposes: "Shop Stealers get Court", "South Patrol District video" and "ACT Motor Registry Most II Test".

(ii) Production costs for all videos were encompassed in staff salaries. A total of \$390 was paid for music copyright costs in the production of two of these videos.

(f) No.

(g) The Officer in Charge of the Video Operations Section is responsible for assessing the quality of any material produced, ensuring that it is of satisfactory standard.

Auscript

(a) Approximately \$9,000.

(b) No full time or part time staff are dedicated to the production of videos.

(c) 10.

(d) (i) Five.

(ii) Five videos were for marketing purposes.

(e) (i) The videos were not titled but dealt with subject areas such as workplace bargaining and services provided by Auscript such as how to use video-conferencing, arbitration room facilities and digital audio technology as well as a description of the range of services and products offered by Auscript to be shown at exhibitions.

(ii) Each video cost between \$200 and \$1000 to produce.

(f) No.

(g) The quality of videos is assessed through viewer feedback.

Australian Security Intelligence Organisation¹

(a) \$100,000.

(b) The equivalent of one half-person, full time, is employed for the production of non-operational videos.

(c) 30.

(d) (i) 15.

(ii) 15.

(e) (i) No titles were given to these videos.

(ii) Each video cost approximately \$1200.

(f) No.

(g) The quality of the videos is assessed by the person in charge of the video unit.

(2) Yes. The following table details all videos produced by private sector firms for the Attorney-General's Department since 1990²:

Office	Title/Subject	Cost
Information Technology ²	<i>LOIS</i>	\$31,000
Insolvency and Trustee ² Service Australia	<i>Meet the Dimpsons</i>	\$2,500
Insolvency and Trustee Service Australia	<i>Life After Debt</i>	\$119,990
Office of Legal Aid and Family Services	<i>Family Skills</i>	\$4,000
Office of Legal Aid and Family Services	<i>Marriage Celebrants Training Video</i>	\$14,800
Practice Development Group	<i>A Practice Made Perfect</i>	\$20,338.50
Resources Group		0
National Police Research Unit	<i>Agency Bargaining: Your Say</i>	\$10,000
AUSTRAC ²	<i>Training Video</i>	\$2,115
AUSTRAC ²	<i>CTRA Progress Report 90/92</i>	\$26,000
Australian Protective Service	<i>AUSTRAC. A New Focus</i>	\$40,000
Australian Protective Service	<i>Airport Security Video</i>	\$7,230
Australian Protective Service	<i>Protective Security Attendant Video</i>	\$6,060
Australian Protective Service	<i>War and Peace (Customer Focus) Video</i>	\$33,755
Australian Protective Service	<i>Dodgey Bros. (Private Security Video Awareness)</i>	\$33,000
Auscript	<i>Marketing Video</i>	\$12,340

1. Includes only information in respect of non-operational use of videos

2. Includes videos produced by Film Australia Pty Ltd

Blood Lead Levels Survey

(Question No. 540)

Mr McArthur asked the Minister representing the Minister for Health, upon notice, on 26 October 1993:

(1) Has \$1 million been allocated for surveys in 1993-94 to assess community blood lead levels; if so, (a) when will tenders be called for the conduct of the surveys and (b) what is the target date for completion of the surveys.

(2) Will the conductors of the surveys be required to include a quota of residents of localities, such as Port Pirie, SA, where median blood lead levels are known to be high; if so, what proportion of respondents will come from such areas; if not, why not.

(3) Will the National Health and Medical Research Council play a role in the surveys; if so, what role.

Mr Howe—The Minister for Health has provided the following answer to the honourable member's question:

(1) Funds have been allocated from the portfolio of Environment, Sport and Territories in 1993-94 towards the conduct of a national blood lead survey of children aged from 12 to 60 months.

(a) Tenders were called in October 1993 for consultants to undertake the development of a nationally agreed methodology for the survey. The agreed methodology for the blood lead survey will be available in late December 1993. The proposed timetable for the blood lead survey is that it should commence in the first half of 1994.

(b) Interim results are expected from the survey by July 1994 with further periodic reporting. The completion date is expected to be December 1994.

(2) A statistically random group of Australian children aged between 12 and 60 months will be surveyed. The group may therefore include a number of children from areas such as Port Pirie with high median blood lead levels. It will not, however, specifically target such children. State authorities are already taking action to reduce exposure in communities such as Port Pirie where blood lead levels are known to be high.

(3) The National Health and Medical Research Council has accepted responsibility for the development of a nationally agreed uniform methodology for undertaking blood lead surveys in children. This methodology will allow surveys to be conducted in each State with results being comparable between the States.

Midford Paramount: Claim for Compensation

(Question No. 543)

Mr Costello asked the Minister for Finance, upon notice, on 26 October 1993:

(1) Is an interdepartmental committee, comprising representatives from the Department of Finance, the Attorney-General's Department and the Department of the Prime Minister and Cabinet, considering the Midford Paramount claim for compensation.

(2) Did the committee commission Coopers and Lybrand to prepare a report on the matter; if so, (a) when will the report be completed and (b) did the

committee require the report to be completed by 23 July 1993.

(3) If there has been a delay in completing the report, (a) why has there been a delay and (b) what costs to the Commonwealth for interest on the compensation claims have resulted.

Mr Beazley—The answer to the honourable member's question is as follows:

(1) Yes. Such a committee was established on the Prime Minister's instructions on 14 April 1993. The IDC completed its task and reported its findings to the Attorney-General and the then Minister for Finance on 22 October 1993. Those Ministers considered the report and then made recommendations to Cabinet on the questions of whether/how much compensation should be paid to the claimants (twelve natural persons; and two businesses). In the event, Cabinet agreed to compensate the claimants amounts totalling some \$25.2 million. Payments were made in November 1993.

(2) Yes—to provide independent expert valuations of the costs and losses claimed by the two businesses.

(a) The key dates involving the reports on valuations of the claims by the two businesses were:

30 July 1993—Valuations by Coopers & Lybrand received on one of the businesses; report forwarded to that claimant.

25 August 1993—Revised claim submitted by that business forwarded to Coopers & Lybrand for comment.

14 September 1993—Valuation by Coopers & Lybrand received on the other business; report forwarded to that claimant.

24 September 1993—Second business claimant responded, disagreeing with Coopers & Lybrand.

28 September 1993—Comment received from Coopers & Lybrand on the revised claim from first business.

1 October 1993—Second business claimant's response sent to Coopers & Lybrand.

8 October 1993—Coopers & Lybrand confirms its original assessment in respect of the second business claims.

(b) Yes.

(3) (a) The time specified by the IDC, within which Coopers & Lybrand was to assess the claims, was underestimated. That is, the date set at the outset of the consultancy proved unachievable in the face of:

(i) the large and technically complex nature of the business claims;

(ii) the time taken to ensure that the claimants were accorded natural justice; and

(iii) the differences of opinion over the validity of the respective methodologies employed by Coopers & Lybrand and the legal and financial advisers for the business claimants.

(b) The basic requirement to furnish reports on the two business claims took some 7 weeks longer to complete than was originally planned for (ie, from 23 July to 14 September 1993). For those particular elements of the claims accepted by the Government as attracting interest, and at the rates that the Government agreed to pay, that period of 7 weeks generated additional compensatory interest payments to claimants totalling approximately \$0.25 million. That amount did not exceed the normal bank interest accruing to the Commonwealth for the same period in relation to the full \$25.2 million.

Department of the Environment, Sport and Territories: Government Program

(Question No. 578)

Mrs Gallus asked the Minister for the Environment, Sport and Territories, upon notice, on 16 November 1993:

(1) What specific activities are covered by the:

(a) \$10,257,000 allocated to the Environment Program under the sub-program 1.2: Climate change and environment liaison,

(b) \$1,390,000 allocated to the Environment Program under sub-program 1.3: Environment planning,

(c) \$6,305,000 allocated to the Environment Program under the sub-program 1.4: Conservation,

(d) \$6,198,000 allocated to the Environment Program under sub-program 1.5: Natural resources management,

(e) \$12,822,000 allocated to the Environment Program under the sub-program 1.6: Environment protection; and

(f) \$46,957,000 allocated to program costs under sub-program 1.9: Australian Nature Conservation Agency—

in her Department's program performance statements for 1993-94.

(2) With respect to each activity referred to in part (1), what sum (a) was spent in 1992-93 and (b) has been allocated for 1993-94.

(3) What specific capital works are covered by the \$7,190,000 allocated to capital works and services under sub-program 1.9: Australian Nature Conservation Agency, in her Department's program performance statements for 1993-94.

Mrs Kelly—The answer to the honourable member's question is as follows:

I wish to draw to the honourable member's attention a variation in relation to an amount listed in the question. The amount that appears in the Program Performance statements for sub-program 1.6: Environment protection is \$12,872,000 not \$12,822,000 as listed in the question.

(1) ACTIVITY	(2)(a) Sum spent 1992-93 \$'000	(2)(b) 1993-94 Allocation \$'000
(a) (1.2) CLIMATE CHANGE AND ENVIRONMENTAL LIAISON		
Greenhouse Research	5,060	4,961
Greenhouse Gas Inventory	20	825
Climate Change	2,836	2,802
Grants to Voluntary Conservation Organisations	1,532	1,669
	9,448	10,257
(b) (1.3) ENVIRONMENTAL PLANNING		
Commonwealth Contribution to the Australian and New Zealand Environment and Conservation Council	117	120
Implement the Government's 1992 Tropical Timber Policy	59	123
Support the Department's involvement in the work of the International Tropical Timber Organisation (ITTO)	0	250
Research into Ecologically Sustainable Development	204	388
Research into Environmental Economics	89	509
	469	1,390

(1) ACTIVITY	(2)(a) Sum spent 1992-93 \$'000	(2)(b) 1993-94 Allocation \$'000
(c) (1.4) CONSERVATION		
Commonwealth Contribution to the International Union for the Conservation of Nature and Natural Resources (IUCN); and the United Nations Educational, Scientific and Cultural Organisation (UNESCO)	251	251
World Heritage Assessment and Nominations	190	228
Biodiversity	1,073	1,318
Wet Tropics Structural Adjustment Package Labour Adjustment	2,163	2,095
Wet Tropics Structural Adjustment Package Business Compensation	761	1,305
National Network of Reserves	0	258#
Sydney Opera House World Heritage Listing	0	100
World Heritage Properties Management	0	750
	4,438	6,305
# NB: Transferred to ANCA (Sub-program 1.9) as part of the restructure of the Department		
(d) (1.5) NATURAL RESOURCES MANAGEMENT		
National Rainforest Conservation Program	26	29
Cape York Land Use Study	206	370
Investigation of environmental flow requirements of Australia's waterways	49	1,251
Development of National Strategy and Action Plan for Rangelands Management	0	396
Negotiation of an International Convention on Desertification	65	250
Implement the conservation initiatives of the National Forest Policy Statement	750	847
Survey old growth forest and wilderness	0	925
Ocean Rescue 2000 Program	292	297
Marine Research to support Ocean Rescue 2000	650	665
Marine Reserves Program (part of Ocean Rescue 2000—to develop marine protected areas)	428	1,033
Coastal Strategy development	70	135
	2,536	6,198
(e) (1.6) ENVIRONMENT PROTECTION		
Environment Protection	5,193	5,063
Measuring and Monitoring	700	1,500
Eco Design	134	1,441
National Environment Industry Database	12	555
National Pollutant Inventory	29	3,279
Halon Management & Recovery	22	250
Closer links to ASIA	0	500
Waste Management Secretariat	0	284
	6,090	12,872

(1) ACTIVITY	(2)(a) Sum spent 1992-93 \$'000	(2)(b) 1993-94 Allocation \$'000
(f) (1.9) AUSTRALIAN NATURE CONSERVATION AGENCY		
Minor Works	3,342	3,744
Fitout	6	411
Kakadu National Park operating costs	5,038	5,269
Uluru National Park operating costs	2,047	2,498
Ashmore Reef Surveillance	274	286
Jervis Bay National Park operating costs	1,307	1,327
Public Information and Education	202	313
One Billion Trees	5,385	5,435
Endangered Species Program	4,061	4,447
Aboriginal contract Employment	3,764	3,976
Save the Bush Program	2,896	2,422
National Nature reserves	489	2,344
Feral Pest Control	1,962	1,947
Aust. Biological Resources Study	2,843	2,432
Aust. National Botanic Gardens	1,905	1,944
Mimosa Pigra control	240	1,913
Environmental Resources Information Network	1,631	1,473
Research survey and Mapping	1,606	1,308
River Murray Corridor of Green	100	955
States Co-operative Assistance Program	840	883
Waterwatch Program	98	731
OR 2000	494	573
Grasslands Ecology	0	207
Integrated Forest Assessment	7	119
Externally funded projects	626	0
	41,163	46,957

(3) Capital Works—Sub-Program 1.9

	Budget 1993-94
Uluru National Park—Cultural Centre	2,130,000
Kakadu National Park Visitor Centre	2,800,000
Kakadu National Park—Cultural Centre	2,260,000
Total Appropriation	7,190,000

Medicare: Rebates for Paramedical Services
(Question No. 580)

Mr Cameron asked the Minister representing the Minister for Health, upon notice, on 16 November 1993:

Does Medicare provide rebates for paramedical services; if not, (a) why not and (b) will the Government consider allowing rebates.

Mr Howe—The Minister for Health has provided the following answer to the honourable member's question:

(a) and (b) the current health insurance arrangements were basically designed to provide assistance to people who incur medical expenses in respect of clinically relevant professional services rendered by qualified medical practitioners.

Medicare benefit coverage was extended to cover optometrists in view of the interchangeability of

some services with those provided by ophthalmologists. Benefits are also available on a limited basis for some medical services of an oral surgical nature but not general dentistry. Medicare grants to all States make a contribution to the cost of some paramedical services provided in outpatient Departments.

The question of extending Medicare benefits coverage to professional services provided by paramedical and other allied health care professionals has been considered on a number of occasions in the context of periodic reviews of the national health care system, including Medicare.

However, due to economic constraints it has not been found possible to extend the Medicare fee-for-service arrangements. The Government has nevertheless provided access to services in other ways. For example, the new dental program is being funded via grants to the States.

Nevertheless, this matter will be kept under review and considered by the Government in the light of future budgetary priorities and general economic circumstances.

Aborigines and Torres Strait Islanders: Monetary Assistance or Benefits

(Question No. 594)

Mr Nugent asked the Minister for Industry, Technology and Regional Development, upon notice, on 16 November 1993:

(1) What direct monetary assistance or benefit is available on an individual basis to Aborigines and Torres Strait Islanders under programs operating within the Minister's portfolio.

(2) Which forms of assistance or benefits are not means tested.

(3) How many persons received each form of assistance or benefit in 1992-93.

Mr Griffiths—The answer to the honourable member's question is as follows:

(1) The Industry, Technology and Regional Development portfolio administers programs which aim to increase the international competitiveness of Australian manufacturing and service industries and to develop the nation's science and technology capabilities and infrastructure. While many of these programs provide assistance to large and small enterprises, very few provide support to individuals. Where this occurs, assistance is often available to all elements of the Australian community. There has only been one program identified in the portfolio where direct monetary assistance or benefit is available on an individual basis to Aborigines and Torres Strait Islanders. This is a scholarship program administered by CSIRO in Queensland which seeks to support Aboriginal and Torres Strait

Islander students at the year 11 and 12 level interested in pursuing a career in science and mathematics. The scholarships provide direct monetary assistance of \$500 per annum for a maximum of two years with a further benefit of work experience for one year after secondary education is completed.

(2) Testing or assessing the eligibility of participants for program assistance or benefits is a normal part of program procedures. Industry Technology and Regional Development portfolio programs have various criteria against which any participant is assessed prior to or during a project or program. However, no means testing is involved. The eligibility criteria relating to the scholarships mentioned above require the student to be an Aborigine or Torres Strait Islander, to attend a high school, be studying a science or maths-related subject, and show interest in pursuing a career in science or mathematics.

(3) In 1992-93, three Aborigines and Torres Strait Islanders benefited from work experience, and four Aboriginal and Torres Strait Islander students from years 11 and 12 received direct monetary assistance of \$500 each.

Aborigines and Torres Strait Islanders: Monetary Assistance or Benefits

(Question No. 595)

Mr Nugent asked the Minister representing the Minister for Transport and Communications, upon notice, on 16 November 1993:

(1) What direct monetary assistance or benefit is available on an individual basis to Aborigines and Torres Strait Islanders under programs operating within the Minister's portfolio.

(2) Which forms of assistance or benefits are not means tested.

(3) How many persons received each form of assistance or benefit in 1992-93.

Mr Beddall—The answer to the honourable member's question is as follows:

Three areas within the Transport and Communications portfolio have provided assistance on an individual basis to Aborigines and Torres Strait Islanders. These are as follows:

AUSTRALIA POST

(1) Australia Post receives limited monetary assistance from the Aboriginal Employment Strategies Branch of the Department of Employment, Education and Training under the terms of an agreement relating to the Australia Post Aboriginal Employment Strategy. The Strategy provides employment opportunities to benefit long term unemployed Aboriginal and Torres Strait Islander people.

(2) There are no means tests for employment under the relevant programs.

(3) The number of Aboriginal and Torres Strait Islander people who benefited from this assistance during 1992/93 was 55.

BUREAU OF TRANSPORT AND COMMUNICATIONS ECONOMICS

(1) The Bureau has an Aboriginal cadet who was appointed under the Aboriginal and Torres Strait Islanders Cadetship program administered by the Department of Employment, Education and Training.

The cadet was paid the following by the Department in 1992/93:

Salary—\$14,242.92

HECS—\$509.40

Total—\$14,752.32

Any other benefits under the Aboriginal Cadetship Program are paid by the Department of Employment, Education and Training.

(2) Not applicable.

(3) Not applicable.

CIVIL AVIATION AUTHORITY

(1) Although the Civil Aviation Authority provides no direct monetary assistance or benefit on an individual basis to Aborigines and Torres Strait Islanders, a subsidy of \$300,000 to fund the cost of aerodrome inspectors to service the needs of Aboriginal communities in northern Australia was provided to the Civil Aviation Authority in the August 1992 Budget.

The subsidy is provided through the Government's safety contract. This is in recognition of the vital role these inspectors play at remote airstrips in northern Australia. The subsidy was continued in the 1993 Budget.

(2) Not applicable.

(3) Not applicable.

Aborigines and Torres Strait Islanders: Monetary Assistance or Benefits

(Question No. 599)

Mr Nugent asked the Attorney-General, upon notice, on 16 November 1993:

(1) What direct monetary assistance or benefit is available on an individual basis to Aborigines and Torres Strait Islanders under programs operating within the Minister's portfolio.

(2) Which forms of assistance or benefits are not means tested.

(3) How many persons received each form of assistance or benefit in 1992-93.

Mr Lavarch—The answer to the honourable member's question is as follows:

(1) The Attorney-General's Department administers two such programs. Following recommendations of the Royal Commission into Aboriginal Deaths in Custody, the Office of Legal Aid and Family Services administers funds which provide reimbursement to State and Territory Legal Aid Commissions for costs incurred in providing legal representation for Aborigines and Torres Strait Islanders in relation to: (i) coronial inquests into the deaths of family members who have died whilst in custody; and (ii) complaints against the police.

The Department also participates in the Aboriginal Cadet Program sponsored by the Department of Employment, Education and Training which provides financial and other assistance to Aboriginal Legal Cadets.

(2) A means test is applied by each Legal Aid Commission in relation to grants of legal assistance. No means test is applied under the Aboriginal Cadet Program.

(3) In 1992-93 three persons received legal assistance in relation to coronial inquests and four persons received assistance under the Aboriginal Cadet Program.

HMAS *Adelaide*: Father and Son Voyages

(Question No. 632)

Mr Evans asked the Minister representing the Minister for Defence Science and Personnel, upon notice, on 22 November 1993:

(1) Were 'Father and son' voyages on HMAS *Adelaide* scheduled for 28 October and 3 November 1993 cancelled; if so, (a) why, (b) what notice was given to intending participants, (c) were the crew and their families given timely notice, (d) how many families were involved, (e) will the Department of Defence reimburse families for any expense they incurred in organising travel arrangements for participation and (f) have the families of the crew been formally notified of the reason for the cancellation.

Mr Beazley—The Minister for Defence Science and Personnel has provided the following answer to the honourable member's question:

(1) No. The cruises planned on this occasion were not cancelled, rather the dates were amended to accord with HMAS *Adelaide*'s revised program.

(a) HMAS *Adelaide* was to conduct a series of parent/child cruises on its return to home port in Western Australia from Sydney in October and November 1993. In accordance with the standing Maritime Orders, Family Days are normally

conducted at the discretion of the Commanding Officer, when programs permit, keeping Maritime Headquarters informed of the timings. HMAS *Adelaide*'s Family Days were to be conducted during the ship's passage to Western Australia. Periods at sea were scheduled between Sydney—Melbourne, Melbourne—Adelaide and Adelaide—Perth. The first of the families were due to embark in Sydney on Wednesday 27 October 1993.

On Tuesday 19 October 1993 the ship failed its Operational Evaluation, and consequently was required to remain in the East Australian Exercise Area until it achieved the requisite standard of operational readiness. Notice of the change was advised to the ship's company on Wednesday 20 October 1993. The ship conducted a successful reassessment and then departed the Sydney area on Tuesday 2 November 1993.

(b) When the change was announced on Wednesday 20 October 1993 the ship was at sea, however every effort was made to enable those affected to contact their families immediately. The onus of informing the families of any changes is left upon the ship's company.

(c) A Ship's company is invariably briefed on the required flexibility of a ship's program including the fact that short notice changes for a number of reasons will occur. On this occasion eight days notice was given to the families for the first cruise and sixteen days to the families joining for later cruises. Additionally, the opportunity was given to all families to join in Jervis Bay on Tuesday 2 November 1993 just prior to *Adelaide*'s departure for passage west.

(d) Initially, thirty-nine families were to have taken part, but with the amended program twenty-seven family members availed themselves of the seairding opportunity.

(e) Noting the voluntary participation that is offered to families, no Departmental liability exists.

(f) Not applicable.

Rubin, Mr R.

(Question No. 634)

Mr Bradford asked the Minister representing the Minister for Immigration and Ethnic Affairs, upon notice, on 22 November 1993:

(1) Is Mr Richard Rubin an immigrant to Australia under the business skills category.

(2) Has the Minister's attention been drawn to an article in the *Sunday Age* of 11 October 1992 which refers to Mr Rubin's business activities in South Africa.

(3) Has the Minister's Department established that Mr Rubin provided it misleading information

on his business record in South Africa; if so, will Mr Rubin's visa be revoked.

Mr Brereton—The Minister for Immigration and Ethnic Affairs has provided the following answer to the honourable member's question:

I am advised that:

(1) Mr Rubin arrived in Australia under the Business Skills category.

(2) Yes, the Ministers attention has been drawn to the *Sunday Age* article of 11 October 1992 which refers to Mr Rubin's business activities in South Africa.

(3) The Department of Immigration and Ethnic Affairs has investigated Mr Rubin's case but has found no evidence to substantiate claims that misleading information was provided by Mr Rubin when he applied for migration.

Cathay Pacific

(Question No. 670)

Mr Prosser asked the Minister representing the Minister for Science and Small Business, upon notice, on 22 November 1993:

(1) Is Cathay Pacific to be allowed to import second hand computer equipment into Australia free of duty; if so, what will be the loss to Commonwealth revenue.

(2) Has Cathay Pacific imported any other equipment, possessions or material free of duty; if so, (a) what were they and (b) what was the loss to revenue.

(3) Did the Government offer the concession referred to in part (1); if not, was (a) the Government approached by Cathay Pacific or (b) the concession negotiated through a third party; if so, who was the third party.

(4) Will the Government offer similar treatment to other companies wishing to relocate their regional headquarters to Australia; if not, why not; if so, what will be the loss to revenue.

Mr Griffiths—The Minister for Science and Small Business has provided the following answer to the honourable member's question:

(1) There are no customs or import duties on complete computer equipment or units thereof. Therefore eligible computer products imported by Cathay Pacific would be duty free upon application. Telecommunications equipment is subject to a tariff of 12% in 1993/94, phasing down to 5% in 1996/97. However, the company has not yet applied to import any computer or telecommunications equipment.

The Government has agreed to provide Wholesale Sales Tax (WST) relief for equipment owned for not less than nine months and imported as part of the relocation of Cathay Pacific's data communications centre to Australia. The WST would have made Sydney less competitive than Singapore and the other competing locations for the centre.

The Government's decision was taken in the light of the perceived national benefits of Cathay Pacific's investment. There are significant spin-offs in terms of employment and industry development. Cathay Pacific's data communications centre will employ around 60 highly skilled workers directly by the time it is established in 1995. There would be many more jobs created indirectly. Cathay Pacific estimates that it will purchase new equipment between the value of \$60 and \$83 million in 1995. Other benefits to the Australian economy will include land purchase, building construction and significant revenue to Telstra/Optus.

The concession is restricted to sales tax on used equipment to be relocated to Australia and which has been owned for not less than nine months. The equipment is to be used in the data communications centre. The WST relief is to be provided through an exemption in the sales tax legislation to be introduced in 1994. An interim mechanism has been established to provide this relief to similar proposals that involve importing the used equipment before the legislation is amended.

The used IT&T equipment to be relocated for the hub may be worth up to \$133m, resulting in relief totalling \$26-30m depending on the equipment's final value and rate of WST at the time of importation, currently 21%, and scheduled to increase to 22% on 1 July 1995.

(2) Cathay Pacific has not imported any other equipment, possessions or material free of duty.

(3) Cathay asked the Commonwealth for advice of the duty status of the used equipment. They were duly informed of the duty free status of computer equipment and the process required to apply.

Cathay requested WST exemption. Several other individuals and organisations involved in their bid also made representations on their behalf to my predecessor, the then Senator Button, and his Department, canvassing a number of issues including the WST issue. These individuals and organisations included:

Telstra, who have been dealing with Cathay Pacific on this proposal for three years;

The Hon Peter Collins, then NSW Minister for State Development; and

John Swire & Son, Cathay Pacific's parent.

Cathay has also engaged a Customs Agent, Bruce Patten Pty Ltd, to determine whether it is eligible for the Computer Bounty scheme.

(4) The Government agreed to compensate Cathay Pacific for the WST levied on equipment owned by the airline for not less than nine months and imported to form part of the relocated data processing hub and for this benefit to be available to similar future proposals. This concession is available on a case by case basis. In each case a company must supply full details of the proposal and demonstrate the economic benefits of their proposal.

A number of companies have had preliminary discussions regarding the relocation of regional operations to Australia and are requesting a similar concession to that extended to Cathay Pacific. An offer to extend WST relief on imported second hand equipment has recently been made to Data General, which has decided to establish its Asian Data Centre in Sydney. The provision of WST relief was an important element in establishing the Centre in Sydney rather than Hong Kong or Singapore. Data General will be provided relief using the interim mechanism.

The loss to revenue in WST relief for Cathay Pacific is estimated at \$20-\$30 million and for Data General \$170 000. In both these cases, however, WST relief was a contributing factor to an investment of over \$200 million by Cathay Pacific and a \$25 million investment by Data General. It is the Government's view that the benefits of this WST relief in terms of the investment and employment it will generate, will outweigh any revenue foregone.

Australia—Your Business Location in Asia (Question No. 681)

Mr Prosser asked the Special Minister of State, upon notice, on 22 November 1993:

Was he responsible for the production of a book entitled—*Australia—Your Business Location in Asia*; if so (a) what was the cost of preparing, printing and dispatching the book, (b) how many copies were printed, (c) to whom were the copies distributed, (d) how was the book delivered, (e) what was the cost of delivery, (f) how was the list of recipients determined, (g) how many regional headquarters are expected to relocate to Australia as a result of the strategy behind the publication; if none is expected, what other benefits are expected.

Mr Walker—The answer to the honourable member's question is as follows:

The publication, *Australia—Your Business Location in Asia*, was based on a consultancy undertaken by Business International, part of the

worldwide Economist group. The consultancy was commissioned under the Government's Investment Promotion Program (IPP). The agency responsible at the time for the IPP and, hence, for initiating the consultancy was the then Department of Industry Technology and Commerce (DITAC). However, with the establishment of the National Investment Council (NIC), of which I am Deputy Chair, responsibility for the IPP shifted to the Treasury Portfolio on 1 July 1993. Accordingly, completion of the consultancy and the ensuing publication and distribution of *Australia—Your Business Location in Asia* was undertaken by the Treasury, with myself as the responsible Minister.

(a) Total cost for the design, production and printing and distribution of the publication and associated printed material was \$155,185.

(b) 6,000 copies.

(c), (d), (e) & (f) Copies of the publication were distributed by post to Commonwealth, State and Territory Government investment promotion agencies for distribution through their domestic and international networks, key industry bodies involved in the development of the campaign, and all Federal Members of Parliament and Senators. In addition, press coverage from the launch of the RHQ campaign has itself generated a large number of requests for the publication from the corporate sector.

(g) A target list of North American and European based multinational companies has been developed as the focus of the initial phase of the campaign over the next couple of years. No quantitative targets for the number of companies expected to relocate to Australia have been established for the campaign. Since the launch of the campaign, several companies have announced their decision to locate in Australia including, for example, HJ Heinz and Tandem Computers. Several other multinationals contacted under the campaign are currently giving serious consideration to locating RHQs in Australia. Further announcements are expected to be made following negotiations over the coming months.

The Lodge: Dining Table

(Question No. 697)

Mr Connolly asked the Prime Minister, upon notice, on 24 November 1993:

What discussions about a new dining table did he have with Mr Kenny (a) before or after his meeting with members of the Australiana Fund Council at the Lodge on 24 November 1992 and (b) before 14 December 1992.

Mr Keating—The answer to the honourable member's question is as follows:

None before the meeting and none after until I rang him informing him that the table was to be returned.

World Heritage Areas

(Question No. 714)

Mrs Gallus asked the Minister for the Environment, Sport and Territories, upon notice, on 25 November 1993.

What sums has her Department spent on (a) Willandra Lakes area, (b) Great Barrier Reef, (c) Kakadu National Park, (d) Lord Howe Island Group, (e) Tasmanian Wilderness, (f) Australian East Coast Temperate and Sub-tropical Rainforest Parks, (g) Uluru National Park, (h) Wet Tropics of Queensland, (i) Shark Bay, WA, and (j) Fraser Island since they were inscribed on the World Heritage List.

Mrs Kelly—The answer to the honourable member's question is as follows:

Since inscription of the abovementioned World Heritage Areas, my portfolio (the Department of the Environment, Sport and Territories, Australian Nature Conservation Agency and the Great Barrier Reef Marine Park Authority) has spent the following amounts to 30 June 1993:

- (a) Willandra Lakes area—\$0.263M
- (b) Great Barrier Reef—\$89.800M
- (c) Kakadu National Park—\$85.281M
- (d) Lord Howe Island Group—\$0.093M
- (e) Tasmanian Wilderness—\$37.646M
- (f) Australian East Coast Temperate and Sub-tropical Rainforest Parks—\$0.896M
- (g) Uluru National Park—\$24.161M
- (h) Wet Tropics of North Queensland—\$63.381M
- (i) Shark Bay, WA—\$1.042M
- (j) Fraser Island—\$17.000M

Department of the Environment, Sport and Territories: Publications

(Question No. 720)

Mrs Gallus asked the Minister for the Environment, Sport and Territories, upon notice, on 13 December 1993:

(1) What (a) books, (b) leaflets, (c) magazines, (d) handouts or (e) other publications did her Department publish in 1992-93.

(2) What was the cost of each publication including payments for (a) text, (b) concept, study and research, (c) distribution, (d) advertising, (e)

printing, (f) collating and binding and (g) photography.

Mrs Kelly—The answer to the honourable member's question is as follows:

(1) The information sought by the honourable member is located in my Department's 1992-93 Annual Report.

(2) The details sought by the honourable member are not readily available and would require considerable resources to extract and collate. I am therefore not prepared to direct that this work be undertaken.

United Nations Social Development Summit

(Question No. 725)

Mr Ruddock asked the Minister for Housing, Local Government and Human Services, upon notice, on 13 December 1993:

(1) Is the UN convening a social development summit at heads of government level in March 1995; if so, (a) will it be held in Copenhagen, (b) what core issues will it concentrate on, (c) has a major theme been set, (d) how long will it last, (e) has sufficient time been allocated for its purposes to be achieved, (f) how many nations are expected to participate and (g) has Australia been invited to attend.

(2) Will Australia attend the summit; if so, (a) will the Prime Minister represent Australia, (b) how many officials will Australia send, (c) at what level will the Australian officials be, (d) will Members of Parliament be among the officials, (e) who will select the officials and (f) will there be additional Australian delegates; if so, which bodies will they represent.

(3) Have objectives been set for the summit; if so, (a) what are they and (b) do they conform with Australia's interests; if not, why not.

(4) Is it intended to agree upon a declaration and a plan of action at the summit; if so, (a) what will they achieve and (b) what input will Australia have in drafting them.

(5) Will Australia be involved in preparatory activities before the summit; if so, (a) what activities, (b) will Australia's involvement be at (i) international, (ii) national or (iii) local levels, (c) will any Australian non-government agencies, commercial enterprises or individuals be involved, (d) what are the anticipated outcomes and (e) what related activities will Australia be expected to engage in after the summit.

(6) Has the UN established a preparatory committee to organise the summit and draft statements for agreement at the summit.

(7) Will Australia be a member of the preparatory committee; if so, (a) who will represent Australia, (b) how many Australian officials will be involved, (c) at what level will the officials be and (d) will the same officials represent Australia at all meetings of the preparatory committee.

(8) Will Australia submit proposals to the preparatory committee; if so, (a) who is drafting the proposals, (b) when will drafting be completed, (c) when will they be submitted and (d) will he provide a copy to me when they have been completed.

(9) Will the work of the preparatory committee be supported by a special unit based in the UN Department of Policy Coordination and Sustainable Development; if so, (a) what is the composition of the special unit and (b) are any Australian officials members of the unit.

(10) Has the preparatory committee approved two expert group meetings comprising two experts from each region chosen by the UN; if so, (a) have any Australians been chosen to attend the meetings and (b) what are the regions chosen by the UN.

(11) Is the Mexican Government convening a conference on poverty alleviation; if so, (a) on what date will it be held, (b) how many nations will attend and (c) will Australia send delegates; if so, (i) how many, (ii) who will select them and (iii) will any Members of Parliament attend.

(12) Will any Australian non-government organisations (NGOs) attend the summit or meetings of its preparatory committee.

(13) Has Australia established a national committee on the summit; if so, (a) what is its composition, (b) are any NGOs represented; if so, who, (c) how often does it meet and (d) will he provide me with copies of the minutes and other documentation released by the committee.

(14) Did the UN call upon each member state to produce a report on its circumstances which are relevant to the summit's core issues by November 1993.

(15) Was or is Australia preparing a report; if so, (a) what was or is the composition of the team preparing the report, (b) what consultations took or have taken place in preparing the report, (c) when will the report be submitted to the summit and (d) will he provide a copy to me when it is completed.

(16) Is the International Council on Social Welfare (ICSW) undertaking a wide range of activities in connection with the summit; if so, (a) what activities has it undertaken, (b) are (i) Australia or (ii) Australian NGOs involved in the activities; if so, to what extent, (c) what input does Australia or Australian NGOs have into the publishing of a quarterly newsletter by the ICSW and the International Council of Voluntary Agencies

(ICVA) about developments in the summit process and (d) what input will Australia have into a series of issues papers by the ICSW aimed at identifying problems and possible responses in each of the core areas to be covered by the summit.

(17) Was a seminar held on the summit in conjunction with the ICSW's Asia-Pacific regional conference in Singapore in 1993; if so, (a) which nations and NGOs participated and (b) what were the outcomes.

(18) Is it a fact that national and international members of the ICSW are being encouraged to publish their own issues papers about aspects of the summit's core issues in which they are especially interested; if so, (a) what issues papers have been published and what are their (i) subjects and (ii) titles and (b) will Australian members of the ICSW publish issues papers.

(19) Have the ICSW and ICVA proposed the establishment by the UN of an NGO fund to help NGOs become involved in summit activities; if so, (a) does he support the establishment of the fund, (b) how much will Australia contribute if it is established, (c) have other nations indicated support, (d) what level of funding is the ICSW and ICVA advocating and (e) does he support the proposed level of funding.

(20) Is the ICSW encouraging the establishment of broadly based national NGO forums or community forums on the summit.

(21) Have any forums been established in Australia; if so, (a) which forums, (b) which NGOs are involved, (c) what has been the outcome to the date of answering this question and (d) does he support their establishment.

Mr Howe—The answer to the honourable member's question is as follows:

(1) The United Nations General Assembly (UNGA) at its 47th session, in consensus Resolution A/Res/47/92, decided to convene a World Summit for Social Development at the level of heads of State or Government. A copy of the resolution has been provided to the honourable member.

(a) Yes, from 11 to 12 March 1995.

(b) Operative paragraph of UNGA Resolution A/Res/47/92 states that the core issues affecting all societies to be addressed by the Summit are:

The enhancement of social integration, particularly of the more disadvantaged and marginalised groups;

Alleviation and reduction of poverty; and

Expansion of productive employment.

(c) UNGA Resolution A/Res/74/92, stated that Member States were "convinced that a world summit for social development should contribute to

efforts by all countries to foster sustainable development and to promote policies against poverty and unemployment in all societies". The objectives for the Summit set out in the resolution are:

To further the objectives of the Charter of the United Nations, as stated in Article 55, to promote "higher standards of living, full employment, and conditions of economic and social progress and development", and "solution of international economic, social, health and related problems", with particular focus on social development aspects;

To express a shared world-wide commitment to put the needs of people at the centre of development and of international cooperation as a major priority of international relations;

To stimulate international cooperation at the bilateral, regional and multilateral levels, through governmental, private and non-governmental initiatives, in order to assist in the implementation of nationally appropriate, effective and efficient social policies and to formulate strategies which will enable all citizens to be actively engaged in those policies;

To formulate strategies on goals, policies and priority actions that could be adopted at the national, regional and international levels to address, in the different development realities, core issues of shared universal concern in the field of social development, giving particular attention to the needs of the least developed countries;

To create international awareness of and address the modalities to attain the necessary balance between economic efficiency and social justice in a growth-oriented, equitable and sustainable development environment, in accordance with nationally defined priorities;

To address, in creative ways, the interaction between the social function of the state, market responses to social demands and the imperatives of sustainable development;

To identify common problems of socially marginalised and disadvantaged groups and promote the integration of those groups into society, highlighting the need for societies to equalise opportunities for all members;

To promote programs to ensure legal protection, foster effective social welfare programs and enhance education and training for different groups in all societies, including the marginalised and disadvantaged groups;

To assist in ensuring a more effective delivery of social services for the more disadvantaged sectors of society;

To highlight the need to mobilise resources for social development at the local, national, regional and international levels;

To make appropriate recommendations regarding more effective action by the United Nations system in the sphere of social development, in particular, measures and policies for the revitalisation of the Commission for Social Development.

(d) The Summit will be held on 11-12 March 1995.

(e) The first Preparatory Committee Meeting to be held in New York between 31 January and 11 February 1994 will consider this matter.

(f) All Member States of the United Nations and observer nations, in accordance with the established practice of the General Assembly, have been invited.

(g) Australia co-sponsored resolutions relating to the convening of the Summit that have been adopted by the United Nations General Assembly (A/Res/47/92 and A/48/627). Australia will participate actively in the preparatory process for the Summit. Australia's Permanent Representative to the UN has been elected as a member of the Bureau for the Summit.

(2) Yes.

(a) to (f)

The matter of the leadership and composition of Australia's delegation to the World Summit for Social Development and its Preparatory Committee meetings has yet to be considered by the Government.

(3) Yes, these are contained in UNGA Resolution A/Res/47/92.

(a) See answer to (1)(c).

(b) Australia co-sponsored the UNGA Resolution A/Res/47/92.

(4) The possible outcomes of the World Summit for Social Development will be discussed during the preparatory process for the Summit. A declaration and/or a plan of action are possible options for consideration. Australia will participate actively in the preparatory process.

(5) Yes.

(a) to (e)

It is the Government's intention to participate actively and constructively at the global and regional levels in the preparations for the Summit. The Government is concerned to ensure that the outcomes from the Summit are practical and capable of being implemented by national governments and the UN system. These outcomes should result in a greater awareness of social policy issues at the national level, a practical acknowledgment

that economic and social development must go hand in hand and that social development issues must be given a much higher priority at the national and global levels.

The Summit should also result in an enhanced capacity for the UN and its specialised agencies to deal more effectively with issues of social policy as an essential part of the Organisation's broader agenda for reform.

The holding of the Summit provides an opportunity for all Australians to consider, in a domestic and a regional context, the issues that have been identified in UNGA Resolution A/Res/47/92.

(6) Yes. The United Nations decided to establish a Preparatory Committee open to the participation of all States Members of the United Nations and members of the specialised agencies, with the participation of observers in accordance with the established practice of the General Assembly.

(7) Yes.

(a) to (d) See answer to (2)(a) to (f).

(8) Yes.

(a) to (d) The Government will send a Submission to the UN before the first Preparatory Meeting (31 Jan-11 Feb 1994) in response to the Secretary General's Note WSSD N VI/93 of 11 August 1993. The Centre for International and Public Law at the Australian National University was commissioned to provide initial draft input to the Government's Submission. The final form of this Submission will represent the outcome of consultation within the Australian Government. The Submission will be available as a public document once it is lodged with the United Nations.

The matter of further Government contributions to the preparatory process will be determined in the light of the first meeting of the Preparatory Committee.

(9) Yes.

(a) It is my understanding that ten UN officials are currently working in the special unit.

(b) There are no Australian officials seconded to the unit. I am not aware that any Australian nationals are members of the Unit.

(10) At an organisational session of the Preparatory Committee the Secretary-General was asked to organise, as part of the preparatory process, expert meetings focused on the core issues of the Summit and financed by voluntary contributions. Two expert meetings have taken place, hosted and funded by Sweden and the Netherlands. One examined the issue of productive employment (Sweden) and the other, social integration (Netherlands). The Preparatory Committee, at its first session, will consider the reports from the two Expert Meetings.

(a) No.

(b) The representatives of the five regions chosen by the UN were selected from the accepted political regional groupings which exist to negotiate within the UN:

Latin America and the Caribbean Group

Asian Group

Africa Group

Western Europe and Others Group

Eastern European Group.

(11) Yes.

(a) The Conference was held between 8 and 11 September 1993.

(b) The conference was attended by delegates from 63 countries representing government, international agencies, non-government organisations and academics.

(c) The Government did not send a representative to the conference.

(12) See response to (2)(a) to (f).

(13) No.

(14) Yes. See response to (8)(a) to (d).

(15) Yes. See response to (8)(a) to (d).

(16)-(21) Information that would enable answers to be given to these parts of the honourable member's question is not available to the Government. It is suggested that information be sought from the International Council on Social Welfare and, where appropriate, from the International Council of Voluntary Agencies.

DEET: Contracts in Geelong Region

(Question No. 734)

Mr McArthur asked the Minister for Employment, Education and Training, upon notice, on 13 December 1993:

(1) What was the (a) title, (b) value, (c) duration and (d) name of the successful tenderer of each contract for more than \$1000 which were entered into between 1 July and 30 November 1993 by each office of the Department or agencies for which he has portfolio responsibility operating wholly or partially in the Geelong region and which have not been published in the Purchasing and Disposals *Gazette* to 24 November 1993.

(2) Is his Department required to publish the awarding of all tenders and contracts in the Purchasing and Disposals *Gazette*; if not, why not.

Mr Crean—The answer to the honourable member's question is as follows:

(1) Of the contracts entered into by the Department in the Geelong region between 1 July and 30 November 1993, 7 were not published in the Purchasing and Disposals *Gazette*. The attachment provides details.

These instances of non-gazetted are being reviewed and arrangements are being made to implement mechanisms to improve compliance with gazettal requirements.

(2) Yes

Title of contract/program	Value => \$1000	Duration	Name of contractor	Gazettal Yes/No
Accredited training for youth				
- Electronics	\$40,400	18/10/93—7/4/93	Gordon Technical College	No
- Retail	\$33,450	18/11/93—8/4/94	Gordon Technical College	No
- Transport	\$33,450	22/11/93—22/4/94	Gordon Technical College	No
- Automotive	\$25,200	2/8/93—10/12/93	Gordon Technical College	No
- Basic Welding	\$21,420	16/8/93—10/12/93	Gordon Technical College	No
- Food Handling	\$32,410	4/10/93—11/3/94	Gordon Technical College	No
- Industrial Skills/ Chemicals	\$34,725	4/10/93—11/3/94	Gordon Technical College	No

Patawalonga Basin: Pollution

(Question No. 741)

Mrs Gallus asked the Minister for the Environment, Sport and Territories, upon notice, on 14 December 1993:

(1) Has her attention been drawn to claims that (a) the Patawalonga Basin in Glenelg, SA, is a polluted urban waterway which functions as a rubbish dump for the local drainage system and as

a result poses a health danger to those who use it and (b) flushing of the Patawalonga creates health hazards on the beach and in the local sea water.

(2) Has she considered federal funding measures to assist the rehabilitation of the Patawalonga.

(3) Did the Government fulfil a 1990 election promise by providing a one-off grant of \$300 000 in 1992 for cleaning up the Onkaparinga River in the electoral division of Kingston; if so, will the Government accord the same importance to clean-

ing up the Patawalonga in the division of Hindmarsh.

Mrs Kelly—The answer to the honourable member's question is as follows:

(1) Yes. I am aware that the Patawalonga Basin is polluted by urban runoff and that this pollution has potential to cause health problems and degradation on the local marine ecosystems.

(2) No. Funds for these purposes are administered by the Minister for Primary Industries and Energy.

(3) In June 1992 the Commonwealth Government provided \$300 000 to the South Australian Government for the environmental restoration of the Onkaparinga River Estuary by the construction of an artificial wetland.

I am advised that the Minister for Primary Industries and Energy has approved two projects related to the Patawalonga in the context of the 1993/94 Budget. Under the Healthier Rivers and Catchment elements of the National Landcare Program, \$52 000 is being provided over two years for a study of silt quality, to identify sources of pollution in the catchment for the purpose of developing remedial measures. Also under the Program, \$205 000 is being provided over four years, for a study to identify water quality and flow rates in the context of seasonal variations. This information will be integrated with the results of the first study. The South Australian Government is meeting the above Commonwealth contributions on a dollar-for-dollar basis.

Aborigines: Wangkajangka Community

(Question No. 744)

Mr Campbell asked the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 14 December 1993:

(1) Has his attention been drawn to a report on the ABC TV *7.30 Report* recently of an argument between the proprietors of Christmas Creek Station and the Wankajanka Community.

(2) Had the argument been substantially resolved before the ABC became involved.

(3) Did the Kimberley Land Council provide financial support to the ABC.

Mr Tickner—The answer to the honourable member's question is as follows:

(1) My attention has been drawn to the report on the ABC TV *7.30 Report* of an argument between the proprietors of Christmas Creek Station and the Wangkajangka community, which was first shown on 28 September 1993.

(2) The Aboriginal and Torres Strait Islander Commission (ATSIC) has advised me that the

matter has not yet been resolved. The Kimberley Land Council (KLC) referred the dispute to the Human Rights Commission and a response is expected in early 1994.

(3) The KLC have confirmed that no financial support was provided to the ABC in respect to news coverage of this issue. The ABC became interested in the dispute as a result of a KLC media release.

Multicultural Affairs: Review

(Question No. 745)

Mr Campbell asked the Minister representing the Minister Assisting the Prime Minister for Multicultural Affairs, upon notice, on 14 December 1993:

(1) Further to the answer to question No. 377 (*Hansard*, 20 October 1993, page 2325), is Mr Yamine a member of any ethnically based organisation; if so, which organisations.

(2) Does the answer imply that the majority of the members of the public are not interested parties in how taxes are allocated as part of the policy of multiculturalism.

(3) Are the public being systematically excluded from the formulation of programs related to multiculturalism; if so, (a) does the Minister approve of the exclusion and (b) is the exclusion consistent with the Minister's approach to multiculturalism.

(4) Do individual members of the public have the right to express their views on multiculturalism.

(5) Has Mr Yamine failed to respond to a request to make available a list of submissions received during the review of funding of multicultural consultative mechanisms; if so, will the Minister provide me with a copy; if not, why not.

(6) Has Mr Yamine kept a written record of every submission received; if not, why not.

(7) Have any submissions been destroyed, disposed of or discarded; if so, what action will the Minister take as a result.

(8) Will the Minister ensure that in the future the public is informed in advance of inquiries of the kind being conducted by Mr Yamine and provided with the opportunity to make submissions.

Mr Brereton—The Minister Assisting the Prime Minister for Multicultural Affairs has provided the following answer to the honourable member's question:

(1) Two critical factors in determining Mr Yamine's suitability to conduct the Review of the Commonwealth's Community-based Consultation Function in Multicultural Affairs were expertise and his assurance that his contacts with ethnic commu-

nities did not present any conflict of interest in relation to his involvement in the consultancy.

(2) No.

(3) No. In fact the Office of Multicultural Affairs consults widely. Recent examples of such consultations include the evaluation of the Access and Equity Strategy and the evaluation of the Community Relations Strategy.

(4) Yes.

(5) Not as far as I am aware. Mr Yamine has included an appendix in his report listing the names of all those who made submissions.

(6) See (5) above.

(7) Not as far as I am aware.

(8) The presumption underlying Part 8 of this question is incorrect. As I indicated in my reply to Question 377, I issued a Press Release on 29 June 1993 announcing the Commonwealth's intention to conduct the review and the terms of reference. My press releases are public documents and not for the exclusive purview of particular sectors of our unique and successful multicultural society.

Strategic Initiatives

(Question No. 758)

Mr Nugent asked the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 16 December 1993:

Has any portion been spent of the sum of \$2 445 000 for Aboriginal and Torres Strait Islander Affairs strategic initiatives identified at page 83 of the Department of the Prime Minister and Cabinet's program performance statements for 1993-94; if so, (a) what portion has been spent, (b) for what purposes was it spent and (c) on whose authority was it spent.

Mr Tickner—The answer to the honourable member's question is as follows:

Yes.

(a) Expenditure at 31 December 1993 totals \$1 771 857.

(b) The purposes of this expenditure were:

as part of the MacArthur River Mine negotiations, purchase of Bauhinia Downs Station, to enable the Commonwealth to contribute to meeting the land and cultural needs of the Aboriginal people in the MacArthur River region. The amount includes the cost of land, stock, plant and equipment—\$1 739 582

costs relating to the Bauhinia Downs purchase, incurred by the Australian Property Group, Australian Valuation Office and the Attorney-General's Department—\$29 625

travel costs incurred by representatives of Aboriginal and Torres Strait Islander organisations, whom I briefed in Canberra on the Government's Native Title legislation on 2 September 1993—\$2 650.

(c) Expenditure relating to Bauhinia Downs Station has been authorised by the Prime Minister, the Minister for Finance and the Special Minister of State.

I authorised expenditure for the briefing on the Native Title legislation.

Department of Defence: Engagement of Former Employees

(Question No. 773)

Mr Braithwaite asked the Minister representing the Minister for Defence, upon notice, on 17 December 1993:

Since 1 January 1990, have any former employees of agencies for which the Minister has portfolio responsibility subsequently been engaged by the same agency (a) as consultants or (b) on contract; if so, (i) how many and (ii) in each case, what was the (A) employee's previous salary as a public servant, (B) new salary conditions, (C) reason for departure from the Australian Public Service and (D) interval between departure and reengagement.

Mr Beazley—The Minister for Defence has provided the following answer to the honourable member's question:

The Defence Organisation and the other agencies within the Defence portfolio are required to take all reasonable steps to avoid the engagement of former staff as consultants or on contract where there might be possible conflicts of interest, or where it would otherwise be inappropriate. Equally, Defence organisations have made use of the expertise of former staff in a variety of circumstances when it has been perfectly proper to do so.

Since January 1990 organisations within the Defence portfolio have entered into a large number of contracts, including for consultancy services. It would be extremely costly to now review these contracts to determine which former Defence employees might have been involved in them. Indeed, in many instances it would have been unnecessary to attempt to collect information of this kind.

In these circumstances, the Minister is not prepared to commit the resources that would be necessary to answer this question.

Department of Finance: Engagement of Former Employees

(Question No. 775)

Mr Braithwaite asked the Minister for Finance, upon notice, on 17 December 1993:

Since 1 January 1990, have any former employees of agencies for which the Minister has portfolio responsibility subsequently been engaged by the same agency (a) as consultants or (b) on contract; if so, (i) how many and (ii) in each case, what was the (A) employee's previous salary as a public servant, (B) new salary conditions, (C) reason for departure from the Australian Public Service and (D) interval between departure and re-engagement.

Mr Beazley—The answer to the honourable member's question is as follows:

- (a) nil
- (b) yes—on contract
- (i) one former officer
- (A) SO Grade B, \$50,690.00

(B) Costs \$60.00 per hour—contract reviewed every six months. Contract was extended every twelve months since September 1990, however the latest contract was extended from September 1993 to December 1993. No further extensions are expected

(C) Age Retirement
 (D) Retired 14 September 1990—contract signed 23 September 1990

Aboriginal Corporations

(Question No. 793)

Mr Cameron asked the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 17 December 1993:

(1) Has he requested or authorised the Registrar of Aboriginal Corporations to investigate the (a) Southern Suburbs Aboriginal Corporation, (b) Woomera Aboriginal Corporation, (c) Binyardi Aboriginal Corporation or (d) Aboriginal Advancement Council of Western Australia; if so, in each case, why.

(2) Is he able to say whether any staff in the Registrar's office are related to a police officer in Western Australia; if so, which staff.

Mr Tickner—The answer to the honourable member's question is as follows:

(1) I have neither requested nor authorised the Registrar of Aboriginal Corporations to investigate any of the Aboriginal Corporations mentioned by the honourable member in his question.

The honourable member should be aware that the Registrar of Aboriginal Corporations is a statutory office-holder and is empowered under Section 60 of the Aboriginal Councils and Associations Act 1976 (the Act) to authorise a person to examine the documents of an Aboriginal body incorporated under the Act. The Registrar does not require my authorisation or direction in these matters.

For the information of the honourable member, examinations have been undertaken of the Southern Suburbs Aboriginal Corporation, the Binyardi Aboriginal Corporation and the Aboriginal Advancement Council of WA Aboriginal Corporation.

(2) The Registrar of Aboriginal Corporations has advised me that it is possible that one junior staff member in the Office of the Registrar could be related to a police officer in Western Australia. This cannot be confirmed as the relevant staff member is overseas on long service leave.

Department of Foreign Affairs and Trade: Fraud Cases

(Question Nos 796 and 803)

Mr Hawker asked the Minister representing the Minister for Foreign Affairs and Minister representing the Minister for Trade, upon notice, on 17 December 1993:

(1) How many cases of fraud did the Government uncover in the Department or any agency for which the Minister has portfolio responsibility in (a) 1991, (b) 1992 and (c) 1993.

(2) How many cases were successfully prosecuted.

(3) What sums were recovered in (a) 1991, (b) 1992 and (c) 1993 from fraud cases.

(4) What percentage of the total loss from fraud does the recovered sum comprise.

(5) How many persons in the Minister's Department or in agencies for which the Minister has portfolio responsibility have been removed from employment for involvement in fraud.

(6) Is the Minister able to say whether any person referred to in part (5) is still employed in the Australian Public Service.

Mr Bilney—As indicated above, the honourable member has asked identical questions of both ministers. The following answer is provided on behalf of both ministers:

The criteria used to list cases of fraud is that the frauds were committed by employees (internal fraud) and were referred to the police.

The frauds listed below all relate to the Department of Foreign Affairs and Trade. There were no internal frauds uncovered in the Australian Trade Commission (Austrade), the Australian International

Development Assistance Bureau or the Australian Centre for International Agricultural Research in 1991, 1992 or 1993.

The frauds listed in answers 1(b) and 1(c) include 12 thefts in 1992 and 20 thefts in 1993 of assets ranging in value from \$65 to \$4,500. No records of thefts were maintained for 1991.

- (1) (a) 1991—2
- (b) 1992—17
- (c) 1993—24
- (2) (a) 1991—Nil
- (b) 1992—Nil
- (c) 1993—Nil (three cases currently under investigation)
- (3) (a) 1991—\$4,573
- (b) 1992—\$743
- (c) 1993—\$1,036
- (4) (a) 1991—100.0%
- (b) 1992—0.3%
- (c) 1993—2.0%
- (5) (a) 1991—Nil
- (b) 1992—2 (One Public Servant and one locally engaged staff member at an overseas post)
- (c) 1993—1 (Locally engaged staff member at an overseas post)
- (6) No person referred to in the response to part (5) is still employed by the Australian Public Service.

Department of Finance: Fraud Cases

(Question No. 799)

Mr Hawker asked the Minister for Finance, upon notice, on 17 December 1993:

(1) How many cases of fraud did the Government uncover in the Department or any agency for which the Minister has portfolio responsibility in (a) 1991, (b) 1992 and (c) 1993.

(2) How many cases were successfully prosecuted.

(3) What sums were recovered in (a) 1991, (b) 1992 and (c) 1993 from fraud cases.

(4) What percentage of the total loss from fraud does the recovered sum comprise.

(5) How many persons in the Minister's Department or in agencies for which the Minister has portfolio responsibility have been removed from employment for involvement in fraud.

(6) Is the Minister able to say whether any person referred to in part (5) is still employed in the Australian Public Service.

Mr Beazley—The answer to the honourable member's question is as follows:

Department of Finance:

- (1) Nil.
- (2), (3), (4), (5) and (6) Not applicable.

Retirement Benefits Office (RBO):

- (1) (a) 1991—8 (eight)
- (b) 1992—6 (six)
- (c) 1993—5 (five)

(2) None. One court case, involving a stolen refund cheque was dismissed due to lack of evidence.

The suspected perpetrator in another case died before the matter came before the court.

The Australian Federal Police (AFP) have abandoned investigations in relation to another case on the grounds of prohibitive costs associated with attempting to locate the perpetrator.

In all other cases, court appearances are pending or investigations are still being conducted by the AFP.

- (3) (a), (b) and (c)—Nil.
- (4) Not applicable.
- (5) None.
- (6) Not applicable.

Australian National Audit Office (ANAO):

- (1) Nil.
- (2), (3), (4), (5) and (6) Not applicable.

Commonwealth Funds Management Limited (CFM):

- (1) Nil.
- (2), (3), (4), (5) and (6) Not applicable.

Ironbark Ridge Native Plant Nursery

(Question No. 824)

Mr Reid asked the Minister for Housing, Local Government and Human Services, upon notice, on 18 December 1993:

(1) Did the Government purchase the Ironbark Ridge Native Plant Nursery in Bendigo; if so, (a) what was the purchase price and (b) when was the nursery purchased; if not, what financial interest does the Government have in the nursery.

(2) Is he able to say how many persons are employed at the nursery and how many have some form of disability.

(3) Is the nursery receiving on-going financial support from the Government; if so, (a) when did the support commence and (b) what total sum has been allocated to the nursery since the support commenced.

Mr Howe—The answer to the honourable member's question is as follows:

(1) The Government has not purchased the nursery. The Government has no financial interest in the nursery other than the on-going support detailed in (3).

(2) There are 10 people employed at the nursery; eight of whom have a disability of some form and the other two are trainer/support workers.

(3) The service has received on-going assistance since it transferred to Federal funding under the Commonwealth State Disability Agreement on July 1992. Since that time the Government has funded rental costs to the value of \$13,200 per annum as

well as paid salaries for the two support workers at the rate of \$25,353 per annum each (in line with the Adult Units (Day Training Centres) Instructors Award). On the basis of the figures detailed above, the financial assistance provided to the nursery from July 1992 and up to January 1994 is approximately \$96,000.

Also, under the Commonwealth State Disability Agreement the Government is to assist with the purchase of a vehicle for the nursery. The Commonwealth has agreed to provide \$16,500 for the purchase of a vehicle and this will be provided early in 1994.