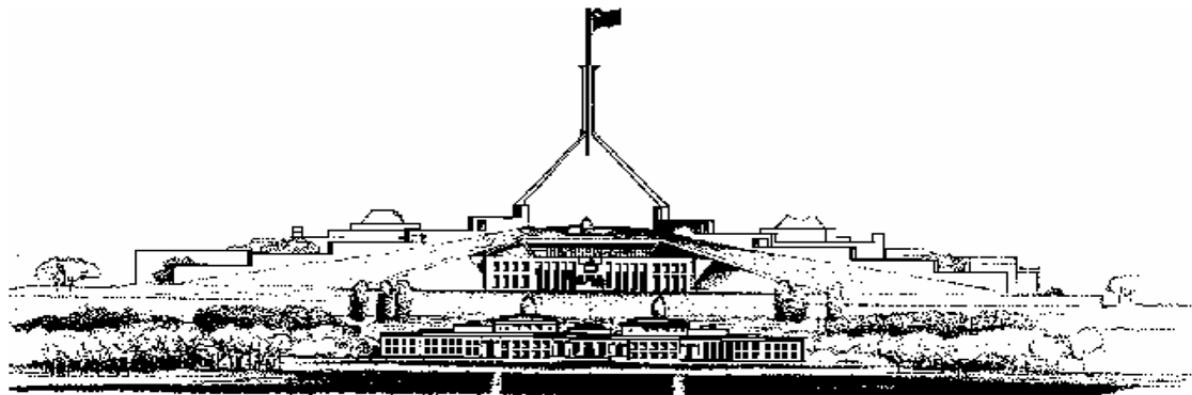




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 188, 1993
Wednesday, 26 May 1993

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

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

THIRTY-SEVENTH PARLIAMENT

FIRST SESSION—FIRST PERIOD

Governor-General

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

House of Representatives Officeholders

Speaker—The Hon. Stephen Paul Martin

Chairman of Committees—Mr Harry Alfred Jenkins

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

Leader of the House—The Hon. Kim Christian Beazley

Leader of the Opposition—Dr John Robert Hewson

Deputy Leader of the Opposition—Dr Michael Richard Lewis Wooldridge

Manager of Opposition Business—The Hon. John Winston Howard

House of Representatives Party Leaders

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

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

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

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

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

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

Members of the House of Representatives

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

Members of the House of Representatives—*continued*

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

Members of the House of Representatives—*continued*

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

PARTY ABBREVIATIONS

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

SECOND KEATING MINISTRY

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

(The above Ministers constitute the Cabinet)

Second Keating Ministry—*continued*

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

THE COMMITTEES OF THE SESSION

FIRST SESSION: FIRST PERIOD

STANDING COMMITTEES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Pursuant to resolution

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

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

JOINT STATUTORY COMMITTEES

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

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

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

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

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

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

JOINT COMMITTEES

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

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

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

JOINT SELECT COMMITTEES

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

PARLIAMENTARY DEPARTMENTS

SENATE

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

HOUSE OF REPRESENTATIVES

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

PARLIAMENTARY REPORTING STAFF

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

LIBRARY

Parliamentary Librarian—

JOINT HOUSE

Secretary—M. W. Bolton

Wednesday, 26 May 1993

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

MEMBERS SWORN

The following honourable member made and subscribed the oath of allegiance:

Halverson, Robert George, Casey, Victoria

GOVERNOR-GENERAL'S SPEECH

Mr SPEAKER—I have ascertained that His Excellency the Governor-General will be pleased to receive the Address-in-Reply, at Government House, at 5.30 this afternoon. The sitting will be suspended at 5 p.m. I should be glad if the mover of and the seconder to the motion, together with other honourable members, would accompany me to present the address.

ASSENT TO BILLS

Affsent to the following Bills reported:

Broadcasting Services Amendment Bill 1993

Broadcasting Services Amendment Bill (No. 2) 1993

COMMITTEES

Australian Security Intelligence Organisation Committee

Membership

Mr SPEAKER—I have received advice from the Prime Minister nominating members to be members of the parliamentary Joint Committee on the Australian Security Intelligence Organisation.

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

That, in accordance with the provisions of the Australian Security Intelligence Organisation Act 1979, Mr Campbell, Mr Dodd, Mr Gorman and Mr B.C. Scott be appointed members of the Parliamentary Joint Committee on the Australian Security Intelligence Organisation.

Membership

Appointment

Mr SPEAKER—I wish to inform the House that I have received notifications from the party Whips nominating members to be

members of certain committees. As the list of nominations is a lengthy one, I do not propose to read the list to the House. It will be incorporated in *Hansard* and recorded in the *Votes and Proceedings*.

STANDING COMMITTEE FOR LONG TERM STRATEGIES

Mr Adams, Mr Jones, Mr Haviland, Ms Henzell, Mr O'Connor, Mr Snow and Mr Staples have been nominated by the Government Whip, Mr Carlton, Mr Dobie and Mr Wakelin have been nominated by the Opposition Whip and Mr Truss has been nominated by the National Party Whip.

PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND SECURITIES

Mr Cleeland, Mr Humphreys and Mr Tanner have been nominated by the Government Whip, Mr Moore has been nominated by the Opposition Whip and Mr Sinclair has been nominated by the National Party Whip.

PARLIAMENTARY JOINT COMMITTEE ON THE NATIONAL CRIME AUTHORITY

Mr Cleeland, Mr Duffy and Mr P.F. Morris have been nominated by the Government Whip, Mr Filing has been nominated by the Opposition Whip and Mr Vaile has been nominated by the National Party Whip.

JOINT STANDING COMMITTEE ON ELECTORAL MATTERS

Mr Melham, Mr Griffin and Mr Swan have been nominated by the Government Whip, Mr Connolly has been nominated by the Opposition Whip and Mr Cobb has been nominated by the National Party Whip.

JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

Dr Blewett, Mr Bevis, Mr Campbell, Mr Ferguson, Mr Fitzgibbon, Mr Gibson, Mr Grace, Mr Hollis, Mr Kerin, Mr Langmore, Mr Price and Mr Simmons have been nominated by the Government Whip, Mr Halverson, Mr Hawker, Mr Lieberman, Mr MacKellar, Mr Moore and Mr Taylor have been nominated by the Opposition Whip and Mr Hicks and Mr Sinclair have been nominated by the National Party Whip.

JOINT STANDING COMMITTEE ON MIGRATION

Mr Ferguson, Mr Holding and Mr Woods have been nominated by the Government Whip, Mr Ruddock and Mrs Sullivan have been nominated by the Opposition Whip and Mr Sinclair has been nominated by the National Party Whip.

JOINT SELECT COMMITTEE ON CERTAIN FAMILY LAW ISSUES

Ms Henzell, Mr Price and Mr L.J. Scott have been nominated by the Government Whip and Mr K.J. Andrews and Mr Williams have been nominated by the Opposition Whip.

Mr SPEAKER—I have also received messages from the Senate:

- (a) acquainting the House that the Senate concurs with the resolutions of the House relating to the appointment of the following joint committees:

Corporations and Securities
National Crime Authority
Electoral Matters
Foreign Affairs, Defence and Trade
Migration, and
Certain Family Law Issues, and

- (b) acquainting the House that the Senate has appointed senators to be members of the following committees:

Corporations and Securities
National Crime Authority
Broadcasting of Parliamentary Proceedings
Electoral Matters
Foreign Affairs, Defence and Trade
Migration
Certain Family Law Issues, and
Australian Security Intelligence Organisation

I do not propose to read these messages, which will be recorded in the *Votes and Proceedings*.

National Capital and External Territories Committee Appointment

Mr SPEAKER—Order! The following message from the Senate has been received:

The Senate acquaints the House of Representatives that it concurs in the resolution transmitted to the Senate by message no. 29 of the House of Representatives relating to the appointment of a Joint Standing Committee on the National Capital and External Territories, subject to the following modification:

Paragraph (2), omit the paragraph, substitute the following paragraph:

- "(2) That the committee consist of 11 members: the Deputy Speaker and Chairman of Committees, 2 members of the House of Representatives to be nominated by the Govern-

ment Whip or Whips, 2 members of the House of Representatives to be nominated by the Opposition Whip or Whips or by any independent Member, the Deputy President and Chairman of Committees, 2 Senators to be nominated by the Leader of the Government in the Senate, 2 Senators to be nominated by the Leader of the Opposition in the Senate and 1 Senator to be nominated by any minority groups or independent Senators."

The Senate requests the concurrence of the House of Representatives in the Senate's modification of the resolution transmitted to the Senate by the House.

In relation to this matter, joint committees of this kind are not formed until both Houses have agreed to resolutions of appointment in identical terms. As the next scheduled item of business indicates, the resolution of appointment of this proposed committee has been modified by the Senate, and I understand that in considering this modification the House will be requested to make an alternative modification.

The appointment of the committee is not yet resolved. Indeed, it is the very question of the composition of its membership which is the subject of negotiation between the Houses. I feel that no action should occur which could be taken to anticipate the final decision of either House in this matter. Therefore, it is not appropriate that I report to the House at this stage details of the messages concerning membership of that proposed committee. However, one of the messages also informed the House of Senate appointments to the Joint Standing Committee on Electoral Matters and the Joint Standing Committee on Migration Regulations. Resolutions relating to these committees have been agreed to by the Houses in identical form and the details relating to these committees will be incorporated in the *Votes and Proceedings*.

Ordered that the message be taken into consideration forthwith.

Mr BEAZLEY (Swan—Leader of the House) (10.08 a.m.)—I move:

- (1) That the modification of the Senate be disagreed to and the following modification be made in place thereof:

Paragraph (2), omit the paragraph, substitute the following paragraph:

- "(2) That the committee consist of 12 members: the Deputy Speaker and the Chairman of Committees, 3 Members of the House of Representatives to be nominated by the Government Whip or Whips, 2 Members of the House of Representatives to be nominated by the Opposition Whip or Whips or by any independent Member, the Deputy President and Chairman of Committees, 2 Senators to be nominated by the Leader of the Government in the Senate, 2 Senators to be nominated by the Leader of the Opposition in the Senate and 1 Senator to be nominated by any minority group or groups or independent Senator or independent Senators."; and
- (2) That a message be sent to the Senate requesting the reconsideration by the Senate of the resolution in respect of the modification made by the House in place of the Senate modification.

Basically what this does is increase the number of members from 11 to 12. The initial modification which occurred in the Senate was effectively to add an opposition senator. We were of a mind to accept that, and we did so in the Senate. However, an anticipated change was not assented to by the Senate: that there be an extra government member from the House. So there is a view on this side of the chamber that the basis on which those arrangements were entered into was not fully conformed with by the Senate. Hence the amendment that we put forward here.

It is a general practice on joint committees that a relative balance is maintained that reflects the numbers in the House of Representatives, in particular, in these arrangements. Therefore, I have moved to effectively add a government House of Representatives member to the committee. I have no particular reason to believe that if we were to pass this motion the Senate would reject it.

Mr TIM FISCHER (Farrer—Leader of the National Party of Australia) (10.09 a.m.)—Let me say that part of my role as shadow Minister for Trade impinges indirectly on part of the work of the Joint Standing Committee on the National Capital and External Territories. Let me further say that following discussion with the Manager of Opposition Business (Mr Howard) the coalition accepts the general

convention associated with committee number structure. I gather that the real reason this has all come about is that the Government did not realise that after 1 July the new Deputy President of the Senate and Chairman of Committees will be a member of the coalition, and that is what has caused the altered circumstances.

Mr Howard—Is that because we did better in the Senate election?

Mr TIM FISCHER—Let me trail that before the House for a brief moment. The coalition did very well in the Senate election. Labor lost Senate positions. The National Party did very well in Hinkler and Kennedy and, I might add, it is a great pleasure not to have the previous member for Hinkler sitting in this House, for which the honourable member for Hinkler (Mr Neville), a member of the National Party, can take a lot of credit. But let me come back to the motion. I simply say to the House, and I also say this to the press gallery and to a lot of political pundits around here—

Government members—There's no-one there.

Mr TIM FISCHER—AAP can always be relied on to be there and doing a good job—that it is about time that people around Canberra and around this nation realised that it will be a different Senate from 1 July. After all, Senator Peter Walsh will have departed. It is about time people realised that it will be a whole new ball game, and that whilst the election took place on 13 March and changes took place immediately as from the next sitting of the lower house, the changes in the Senate—most members of the public do not realise this because they do not focus enough on the importance of the Senate—in fact will not take place until 1 July.

It is at that time that the composition of the Senate will change, when we come back for the Budget session. A very interesting legislative circumstance will arise as legislation is dealt with in both Houses of Parliament. We recognise with joy the gains we have made in the Senate, and we will use those responsibly. Equally, we are responsible in our approach to this Parliament and will not oppose the motion before the chair.

Mr BEAZLEY (Swan—Minister for Employment, Education and Training) (10.12 a.m.)—in reply—While I am deeply grateful that the Opposition has chosen to preserve the normal practice in regard to this, and I do not in any way, shape or form detract from that gratitude, I think some history needs correction. The fact of the matter is that we find ourselves—

Mr Howard—That is passing strange coming from your side.

Mr BEAZLEY—We are very good at history on our side of the House, as the honourable member for Bennelong has had occasion to acknowledge from time to time. He has said quite friendly and kindly things about the Australian Labor Party's devotion to a sense of history, and how he feels that that is needed in the Liberal Party as well. I think honourable members opposite should press Australia Post very hard for a fiftieth anniversary celebration stamp for the Liberal Party, and that they should get about doing that as soon as possible. But I digress.

Basically, the problem alluded to was a suggestion that by virtue of a change of numbers in the Senate there will no longer be two government officers presiding. As I understand the arrangements which occurred in the Senate previously, the minority parties in the Senate—which still have the numbers in terms of cross-bench control, irrespective of the outcome of the last Senate election—previously decided that they did not like the Liberal Party nominee for Deputy President, Senator Noel Crichton-Browne. I understand that either the decision has been made not to put him forward again on this occasion or, if he is to be put forward again, it is now considered by the minority parties that he is potable and therefore they will be prepared to vote for him.

Whatever the situation is in that regard, it is a matter for those parties but the Opposition ought not kid itself that in some way or another it has obtained a Senate majority. It emphatically has not done that. It has agreed to put forward an acceptable candidate for one of those positions. Be that as it may, there is still upon us a requirement to ensure that there is an appropriate balance of opposition

and government members on this joint committee, and I am glad that the Opposition, as I said at the outset, is standing by past practice in this regard.

Question resolved in the affirmative.

BILLS RETURNED FROM THE SENATE

The following Bills were returned from the Senate without amendment or requests:

International Development Association (Further Payment) Bill 1993

Australian National Training Authority Amendment Bill 1993

Employment, Education and Training Amendment Bill 1993

Aboriginal Land Rights (Northern Territory) Amendment Bill 1993

Taxation Laws Amendment (Superannuation) Bill 1993

Dairy Produce Amendment Bill 1993

Telecommunications Amendment Bill 1993

Excise Tariff Amendment Bill 1993

Road Transport Charges (Australian Capital Territory) Bill 1993

Bankruptcy Amendment Bill 1993

Australian Wool Realisation Commission Amendment Bill 1993

SOCIAL SECURITY AMENDMENT (LISTED SECURITIES) BILL 1993 [S]

First Reading

Bill received from the Senate, and read a first time.

Mr Tim Fischer—On a point of order, Mr Speaker: the House is placed in a unique situation this morning on two counts. We are about to consider the Social Security Amendment (Listed Securities) Bill, on which you may be about to make a statement, Mr Speaker. The honourable member for Berowra will then lead for the coalition on the following separately listed Social Security Amendment Bill and Veterans' Affairs Legislation Amendment Bill.

The first of those three Bills is a private member's Bill which was introduced by the honourable member for Berowra here and by his opposite number in the Senate, where it was carried. But subsequently, as I understand

the position, the Senate inserted additional clauses in the second and third Bills to be dealt with here this morning. Certainly, the coalition supports absolutely the first Bill and its contents as they flow through to the other legislation, as will be detailed by the honourable member for Berowra.

Mr Speaker, facing the House are two problems on which I seek your clarification. Firstly, how can we debate this Bill in the knowledge of how matters will be treated in the other two Bills? Secondly, and more particularly, what happens if you take a view that the Senate's amendments do not fall within the Standing Orders on the proceedings of the Parliament relating to the drafting of amendments, leave to introduce a Bill and like matters? Therefore, I simply seek your guidance and clarification for the House on this unique circumstance, whilst reiterating our very strong support for the contents of the listed securities Bill to end notional capital gains tax.

Mr SPEAKER—In respect of the point of order raised by the Leader of the National Party of Australia, debate on the Bill which the Clerk has just read a first time is to be made an order of the day for the next sitting. A motion to that effect will be moved by the honourable member for Berowra. So the Bill will be considered at a time subsequent to the consideration of the following two Bills. The Leader of the National Party is absolutely correct: I will make a statement in connection with the Social Security Amendment Bill, so further consideration of the matter can rest until after that time.

Mr RUDDOCK (Berowra) (10.17 a.m.)—I move:

That the second reading be made an order of the day for the next sitting.

I want to emphasise the importance of this legislation being debated at an early opportunity. I note that we have only one more sitting day. This motion is to the effect that the legislation be debated at the next sitting. I assume that arrangements can be made for it to be debated tomorrow.

This is a pressing matter. The Department of Social Security is gearing up to administer this new test, which commences in Septem-

ber. If we are to put an early end to that expensive process, it needs to be done at a time which enables the department to gear up—to gear down might be more appropriate—and to stop the process. Otherwise we are only putting the Australian taxpayers to a good deal of expense in computer equipment and subjecting pensioners to intrusive questions about their securities.

If we are to delay the debate of this matter, the opportunity to put this matter right in a timely fashion is lost to us. As I have moved that the second reading be an order of the day for the next sitting, honourable members should clearly understand that the next sitting ought to be tomorrow and that tomorrow is a convenient opportunity to bring this legislation forward and to carry it through all stages to ensure that, well before September, this process that is now afoot is aborted.

Mr SINCLAIR (New England) (10.19 a.m.)—I suggest to the House that on many occasions when we have legislation of a similar character we have cognate debates. While I understand the motion is that this matter be made an order of the day for the next sitting, in this instance there is a time constraint. The payments to which this legislation relates commence from September. The two Bills about to be put before the House are similar in context, if not in substance. I put to the Leader of the House (Mr Beazley) that for all that the Government might have views on the matter, would it not be more convenient for the three matters to be dealt with by way of a cognate debate? Each of the issues would then be put separately to the Parliament, as is the normal practice of this place.

That would mean that instead of taking up time tomorrow, or on some other occasion, we would be able to deal with these matters now. It would seem to be the most expeditious way for the convenience of the House, as well as for dealing with a matter that is of some significance, and of considerable concern to members on both sides of the House.

Question resolved in the affirmative.

SOCIAL SECURITY AMENDMENT BILL 1993

Consideration of Senate Message

Bill returned from the Senate with an amendment.

Mr SPEAKER—I wish to advise the House that the Senate amendment to this Bill raises an issue to do with the interpretation of the Constitution. Paragraph 3 of section 53 of the Constitution provides that the Senate may not amend any proposed law so as to increase any proposed charge or burden on the people. The Senate amendment to this Bill would overturn changes already made in the principal Act, and due to be effective from 20 September. The substance of those changes is that, from 20 September, an increase in the value of shares or other listed securities held by a person will be included in the calculation of the person's income for the purposes of benefits.

If the Senate amendment is agreed to, from 20 September a beneficiary would not have a change in the value of shares, et cetera, included in his or her income calculations. Looked at from the point of view of section 53, the matter is unclear. The burden on the people after 20 September would, in this aspect, be no greater than it would be before that date. After 20 September the impact is uncertain. Still, it is probable that some persons would become eligible for a benefit or for an increased benefit, but a person will not necessarily be better off being on a dividend basis, as at present, rather than on a share value basis. Further, notional losses that would otherwise be allowed will not be available if the amendment is made, thus affecting entitlements.

Similar issues arise in respect of the Senate amendment to the Veterans' Affairs Legislation Amendment Bill. It is for this House to decide whether it wishes to take any action on these matters. In my view, it needs to be recognised that it is very difficult to be confident about the eventual financial impact of the proposals. It also has to be recognised that the burden on the people may, in this aspect, be no greater after 20 September than it will be before then. I present a copy of a

short paper on this matter. It can be incorporated in *Hansard*, if it suits the convenience of the House.

The paper read as follows—

SENATE AMENDMENT TO THE SOCIAL SECURITY AMENDMENT BILL 1993

The Senate's amendment to the Social Security Amendment Bill 1993 raises the issue of the requirement of the third paragraph of s. 53 of the Constitution which provides that the Senate may not amend any proposed law so as to increase any proposed charge or burden on the people.

By its inclusion of a new Part 1A in the Social Security Amendment Bill 1993 the Senate has proposed a change in the provisions of the Principal Act in so far as the treatment of shares and other listed securities is concerned.

The background is that by Social Security Legislation Amendment Act (No. 3) 1992 the Parliament inserted changes in the Principal Act to come into effect from 20 September 1993.¹ The particular changes in question were to the effect that, from 20 September, changes in the value of shares and other listed securities were to be treated in the same way as changes in the value of certain other types of investments. One of the effects would be that from that date an increase in the value of shares would need to be included in the calculation of a person's income and this will mean that in many cases a person's notional income will be increased, and so their entitlement to a benefit reduced (it also has to be recognised that the reverse could happen and a decline in the value of a person's shares could lead to a notional reduction in income and thus an entitlement to a greater benefit). The purpose of the Senate amendment is to ensure that the changes already made in the Principal Act and due to be effective from 20 September do not proceed.

A private Senators' Bill introduced by Senator Patterson² and subsequently passed by the Senate contained very similar provisions except that it had an additional provision to the effect that although the details of the law would be changed no benefits could be paid or payable until the Parliament passed a law to appropriate the necessary money.³ This important qualification has not been included in the Senate amendment to the Social Security Amendment Bill.

The issue for consideration is a difficult one because:

the amendment does not deal immediately with or alter the particular proposals put before the Parliament in the Social Security Amendment Bill 1993, rather it changes, in the way described, provisions already inserted in the Principal Act but provisions which have not yet come into effect;

as is often the case in these matters it is impossible to be precise about the financial impact of the change (although it is noted that when the provisions which are now in prospect of being reversed were introduced it was estimated that significant savings would be made⁴—but this has been a matter of dispute in so far as it has arisen in connection with the Social Security (Listed Securities) Bill⁵:

the change resulting from the Senate amendment could have an effect either way, depending on whether shares held by beneficiaries increase or decrease in value—ie. only some might receive an increased benefit;

the effect in practice is that a particular beneficiary in receipt of a pension before 20 September this year will, if the Senate amendment is agreed to, not have an increase in the value of shares included in income calculations after 20 September. On the other hand, if it were not for the amendment, such a person would have this fact taken into account from 20 September and in some cases a lower benefit would be payable. In other words the effect of the amendment will be that the "burden on the people" will be no greater than it would otherwise be in the period up to 20 September but it will probably be greater than it would otherwise have been in the period after 20 September.

A similar amendment has been made by the Senate in respect of the Veteran's Affairs Legislation Amendment Bill. The points made in relation to the Social Security Amendment Bill are also relevant in that case.

In the paper prepared in this office and tabled on 9 November 1992, the view was expressed that in considering such matters (ie., whether any particular proposal by the Senate should be made by way of an amendment or a request) the only satisfactory approach was for each case to be looked at on its merits; the detail of a proposed amendment needed to be looked at in the context of the bill in question and with reference to any existing principal legislation. It proposed that, rather than applying a strict test of logic, regard had to be had to the intended and expected practical outcome of the proposed amendments.

In these particular cases, the outcome is by no means clear. It is certainly possible, and indeed probable, that, should the amendments be agreed to, because the effect of the 1992 amendments will be negated, the burden on the people will be greater than it would otherwise be in the period after 20 September this year. As noted above however the burden will not be changed by these amendments from the burden applying before that date. In addition, the effect of the amendment:

would be to continue the present regime under which dividends from shares are included in income calculations (the 1992 changes would have "income" calculated on the basis of changed values, regardless of dividends);

could be to allow a fall in the value of a person's shares to be offset against other investment income for the purposes of any entitlement.

Whilst this is certainly a matter which should be drawn to the attention of Members, the issues are such that it is difficult to predict with any confidence what the impact will be in so far as the "burden on the people" is concerned.

Clerk's Office House of Representatives 26 May 1993

NOTES

1. Act No. 230, 1992 (Division B), and see subsection 2(12).
2. Social Security (Listed Securities) Bill 1993. A bill in the same terms has been introduced in the House by Mr Ruddock.
3. Journals of the Senate, 12 May 1993, p.131.
4. The explanatory memorandum presented on the Social Security Legislation Amendment Bill (No.3) put "estimated program savings" at \$44.50m in 1993-94.
5. Senator Patterson has mentioned an estimate of \$60m but noted that a figure of \$85m had been quoted—Senate Hansard, 6 May 1993, p. 213.

Mr SCIACCA (Bowman—Parliamentary Secretary to the Minister for Social Security)—Mr Speaker, with your indulgence, may I make some remarks in respect of your statement. Thank you for letting the House know about this matter. The Government will shortly move that the amendment be considered forthwith. As you have indicated, the matter is far from clear, but the Government will not object on the grounds that the amendment should have been made as a request.

Mr RUDDOCK (Berowra)—I note the words you have offered, Mr Speaker. I thank you for them, and for drawing this matter to our attention. I emphasise the correctness of your conclusion that it would be very difficult to be confident that this amendment would involve additional costs to the revenue. It is one of the major issues of contention between the Government and the Opposition, as to what the impact of this proposal might be. The Government has, from time to time, offered some views as to estimated savings

that might be made as a result of this measure. Therefore, I imagine it would argue that there will be a cost to revenue if these proposals are to be reinstated.

The shortcoming—which will be a major matter in the debate that follows—is the basis upon which the Government's calculations are made. It made assumptions that there will be absolutely no changes in the behaviour of people who presently own shares and their ability to assume that the savings that they estimate are likely. It is certainly beyond doubt that pensioners who are shareholders will change their behaviour as a result of any legislative changes left in place after this debate. The impact of those changes will mean that the estimated savings will not be present. Therefore, Mr Speaker, your comments and observations are quite correct, and I thank you for the support you have given me. It is very difficult to be confident that there are savings to the revenue involved in this measure.

Ordered that the amendment be taken into consideration in Committee of the Whole House forthwith.

Senate's amendment—

After clause 3, page 2, insert the following Part:

"PART 1A—SHARES AND OTHER LISTED SECURITIES

Index of definitions

"3A. Section 3 of the Principal Act is amended by omitting the following entry from the Index:

'listed security 9(1)'.

Investment product—definition

"3B. Section 9 of the Principal Act is amended:

(a) by omitting the definition of 'investment product' in subsection (1) and substituting the following definition:

"investment product", in relation to a managed investment, means all the investments that are:

- (a) with the same body corporate or in the same trust fund; and
- (b) subject to substantially the same terms and conditions as the managed investment;'
- (b) by omitting the definition of 'listed security' in subsection (1).

Heading to Subdivision AA of Division 1 of Part 3.10

"3C. The heading to Subdivision AA of Division 1 of Part 3.10 is amended by omitting '*and listed securities*'.

Structure of Division

"3D. Section 1073 of the Principal Act is amended by omitting from the table 'STRUCTURE OF DIVISION' the following figures and words:

'4. Shares and other listed securities 1084-1089'.

Investments to which Subdivision applies

"3E. Section 1074A of the Principal Act is amended by omitting subsection (2)."

Mr SCIACCA (Bowman—Parliamentary Secretary to the Minister for Social Security) (10.27 a.m.)—I move:

That the amendment be disagreed to.

The current legislation, which was passed in 1992, contains a definition of an investment product and provides for all investment products to have capital gain or loss and income distributions counted when working out a rate of return to be used for that investment under the income test. A listed security is currently included within the definition of 'investment product', thus allowing capital gain or capital loss on a listed security to be counted under the income test. The Senate amendment will remove the word 'listed security' from the definition of an investment product. This will mean that a listed security can only be assessed for income test purposes under the general definition of 'income', which is not specific enough to allow inclusion of capital gain or capital loss.

The subject of this amendment has been added on by the Opposition to an election Bill, where a number of measures are being taken by this Government to ensure that people such as self-funded retirees who are income poor and asset rich might be able to access some parts of social security. There are a number of other measures which are beneficial to our elderly and senior citizen population in this country.

In 1992, the Opposition accepted these measures, which were passed in December 1992—only some four months ago—yet, for some reason, straight after the election it put in an amendment which agrees with what the

Australian Democrats have been saying, that shares should not be treated for the purposes of income in terms of the income test rules of the Department of Social Security.

I find it very difficult to understand how the Opposition can possibly take this stance when, even over the last couple of days, it has been saying to the Government, 'You need to cut your spending'. The Opposition went to the election on Fightback. It talked about \$1 billion worth of cuts to the social security budget. Yet it is now saying that it will not let us bring in an Act—similar provisions are already in existence—which will allow us to treat invested shares in the same way as other managed investments have been treated since 1988. The Opposition will not allow us to have a situation where we have projected savings of approximately \$80 million—\$60 million in the Department of Social Security budget and approximately \$20 million in the veterans affairs budget.

The Opposition cannot have it both ways. It cannot say on one hand that it was prepared to cut \$1 billion off the social security budget and that it wants the Government to cut spending, and on the other hand not allow us to equitably target what we consider to be situations where some people who do not need to access the social security system are using shares as a means of circumventing the income test.

The Opposition cannot have it both ways. It cannot whinge today when in December 1992 it passed the legislation in the Senate. Even Senator Patterson—who still has something to do with social security in the Opposition—agreed with the relevant points of the argument for bringing in these measures.

I look forward to hearing what the honourable member for Berowra (Mr Ruddock) has to say with respect to the so-called exodus of people who are going to leave the share market and invest their moneys in such things as antiques, collectibles, real estate and antique clocks. We are simply bringing these share treatments into line with other managed investments. As a result of our treating managed investments in a certain way since 1988, the pensioner population has not stopped investing in such things as equity trusts,

property trusts and other sorts of managed investments. In fact, quite the opposite has happened: there has been an increase in those sorts of investments.

Today the honourable member for Berowra has already signalled that the Opposition does not believe that the projected savings will be achieved by these measures. The fact is that the Opposition would not have a clue as to what savings will be achieved. The Government, however, is aware of the extent of the savings because we already have the information on record. Whether the honourable member for Berowra knows it or not, people do give us details of their assets. We have been able to ascertain, as best we can, what we believe the savings will be. Since these measures were introduced there has already been an increase in the number of pensioners who will be affected, and that increase will probably bring in further savings.

The Department of Social Security considers that the estimated savings are fairly robust. A lot of this information has already been supplied to the Opposition. Pensioners do not appear to be divesting themselves of shares, despite the widespread publicity this matter has received. A fear campaign has been generated by some financial planners, ably assisted by members of the Opposition who are obviously trying to score some cheap political points. They have lost the election, they are devoid of ideas and absolutely devoid of any policy, but they will come back and change their minds on something for which they have already voted. What is more, they will actually add it on as an amendment to a Bill that is going to be of benefit to our pensioner community.

I find it ridiculous and unconscionable that those opposite will play politics with a situation where we need to ensure that we bring in some of these good measures—which they themselves supported—by a certain time. They will stop that. If anything, the opposite is occurring to what I am sure Opposition members have been saying publicly and what they will say here today. Historically, when similar rules were introduced to managed investments pensioners continued to invest in that area. It is not in the interests of pension-

ers to gift away their assets, to leave the stock market, or to run around and put those investments where they will not be getting the same rate of return. They would be worse off if they did that. Regardless of what the Opposition thinks, pensioners are pretty smart.

We have to try to target what moneys we have available to those who need it. We have to ensure that that scarce dollar is made available to those who need it. We cannot have a situation where we have some pensioners advised—quite properly, I guess, under the existing rules—by financial planners that they can divest themselves of income, or circumvent the social security and the DVA income test, by arranging to place their moneys in certain shares where they can get capital gain which is not counted for the purposes of social security.

The fact is that the number of people who will be affected by this situation will be able to make investment decisions on the basis of the intrinsic value of the investment, not on the basis of whether, by investing in a certain investment product, they will be able to circumvent the income test of the Social Security Department or indeed be able to say, 'Well, we can access entitlement if we do it this way'. The social security system is there for those people who need it, not for those who can access their investment to be able to look after themselves first.

It does not matter what the Opposition says. It knows that we cannot have it both ways. We cannot say, on the one hand, open it up to everybody, let every loophole still remain, and on the other hand say that we have got to cut social security expenditure. I know it is popular out there with the 107,000 pensioners who may well be affected. I know it is very popular for the honourable member for Berowra and all his henchmen, the people in the Opposition who are running around scaring everybody, to say, 'You are going to be absolutely wiped out on this'. Of course it is politically popular. The Opposition has got no policies; it has got no ideas. It has got to do something. I guess that is what it has got to do.

The fact is that at the end of the day the people who will be affected by these meas-

ures will simply have to make investments. It is their personal choice as to whether they keep their money in shares. If they want to keep their money in shares, that is fine. They can go to their financial planner and, I would say that in many instances, they would get to keep their shares. The average portfolio of shares of pensioners, I understand, is not much more than \$10,000. Yet there are pensioners with shareholdings of over \$100,000 who are drawing the full pension.

I know that we do have isolated circumstances where some pensioners have large shareholdings but they have been able to structure their situation in such a way that they are able to circumvent the income test. I do not think that the honourable member for Berowra can really sit there and look me straight in the eye and say that that is fair, because he knows that it is not fair. He knows that if the Opposition were in government the first thing it would do is to look at these loopholes which we have been doing now for some time. Already we are trying to target those scarce dollars as best we possibly can.

The bottom line of this whole argument is that the social security system is there as a safety net; it is not there to be played politics with. The Opposition is saying to us that we cannot realise those savings that we want to arrange to save. As a result of those savings we have been able to do a lot of other things. We have been able to extend Commonwealth fringe benefits and we are still arranging discussions with the States to see whether we cannot come to a deal with them to get them to extend their fringe benefits as well.

I will conclude my remarks at the moment and see what our colleagues on the other side have got to say. I want to say that the Government definitely will not accept this amendment. The Australian Democrats at least have been consistent on this—I have got to give them that—but the Opposition has changed its mind and I think one needs to wonder why. It is grasping for anything at the moment. It tells the Government to stop spending and then it says, 'But you cannot have all these savings because as far as we are concerned it is unfair'. We will wait and see what the

Opposition has to say. The Government definitely does not accept the amendment.

Mr RUDDOCK (Berowra) (10.39 a.m.)—The Opposition of course presses this amendment. I can assure the Parliamentary Secretary to the Minister for Social Security (Mr Sciacca) that in relation to this it does so in good conscience. I do not know how the Parliamentary Secretary, given what he and his colleagues did with the most vulnerable people during this last election in terms of exciting their interest in a whole range of policies proposals—which the Government walked away from after the election—can come in here and accuse us of playing politics in relation to these matters.

The grossest politics that have ever been played with the most vulnerable people in Australia were those played by the Labor Party when it promised, in good faith one thought, that it would remove all pensioners from the taxation system, but immediately walked away from that promise after the election; it promised pensioners a dental health system, which we now know it is walking away from as hard as it can go; it promised the charities that work amongst the most vulnerable people that, for every dollar they raised to look after the needy and the destitute in our community, it would subsidise them dollar for dollar. But what did the Government do after the election? It walked away from that promise as fast as it could and said, ‘Oh, no. We don’t have to give you as much if we only subsidise the expenditure that you actually make on the needy. Any money you raise for your running costs won’t be covered’. Those opposite are the ones who are trying to suggest that in handling this matter in this way we are playing politics. I have never heard so much humbug in my life.

We are dealing here with a Bill with a number of proposals about which the Government is now saying, ‘They were promises, and you, the Opposition, should feel honour bound to implement those promises that we made, when all the others are promises that we feel we can walk away from’. What humbug!

Let me make it very clear to the Parliamentary Secretary, as the Speaker made clear in

his own statement, that these particular provisions will not in any way produce savings for this Government. The Government will be as successful in recouping savings in this area as it was with its sales tax imposed on luxury motor vehicles. When the Government legislated and introduced those provisions, it found that people changed their behaviour. It then had to walk away from those provisions and to repeal them. That is what is going to happen in this very area; the cost of implementing these proposals over three years is \$3.5 million.

Computer people are gearing up special programs—and I think this probably understates it—in order that they can trace people’s shareholdings. On top of that, they are gearing up to analyse the yields on shares to be able to make certain assumptions about whether or not there have been capital increases in the value of the shares that are held by pensioners.

The Parliamentary Secretary is saying that, in relation to these capital increases that occur in the value of shares, the impact of the proposals will be to reduce the income—that is, the pension—that is paid to pensioners who own shares. The pensioners will not have sold their shares, but the Government is deeming that the pensioners will have made a profit on the value of those shares, and it will reduce the pension as income. On the Government’s own estimates, it is taking 60,000 people—something of the order of 400 people in each of our electorates—and reducing their income by, on average, \$1,000 a year. The Government is saying to those people, ‘We know you are going to have a thousand dollars less. You are living on a very meagre income but you can sell your shares in order to survive. Shares are marketable. Sell your shares in order to survive. You can live off that capital increment in lieu of the reduced pension’.

Yet in another breath the Government wants us to believe that we can do some calculations—the Parliamentary Secretary has kindly given me these calculations—in which people can estimate program savings. The assumption the Government has made is that with every pensioner who owns shares it can estimate

capital gains and assume that there will always be capital gains in place. It does not ever look at the prospect, I suppose, that there will be a share collapse, as we saw in recent years, that nobody will change their behaviour, or whether the impact of these proposals will yield those savings that it estimates are there to be made.

Yet in the other breath the Parliamentary Secretary told us that people will sell their shares in order to supplement their income. He knows in his own mind that people will change their behaviour. In fact, he is telling us that, in order to survive, pensioners will sell their shares. He cannot make the assumptions that he made in relation to the savings that will be made once they sell their shares.

The whole point is that the Government made no assumptions about changes in behaviour when it produced these estimated savings. The Parliamentary Secretary finds some solace in the fact that because additional people have become eligible for pensions—in many cases they would be only part-pensioners—there has been an increase in the number of people who own shares. From his brief, he told us that 60 per cent of those people were new pensioners—something of the order of 16,000 new pensioners who had shareholdings had come into the system—and a smaller figure, 40 per cent or about 10,000 existing pensioners presumably, had acquired shares.

The Parliamentary Secretary says that no-one is deterred from owning shares because of the proposal that the Government introduced last September. During the election campaign in March I did not hear a peep out of pensioners or other individuals because they were essentially unaware of these proposals. I can assure the Parliamentary Secretary that since the election there has been a good deal of publicity associated with these proposals. That is what is hurting the Government so much. That is why some government members are not in the chamber to take part in this debate. I will produce the letters that they are writing to their constituents in which they say, 'We will have another look at this'. That is what members on the other side are saying as they try to placate the concerned

pensioners who are worried about the impact of this measure upon their very meagre survival income.

The fact is that we support very strongly the amendment to the Bill. We believe the Government ought to accept it. We do not believe it will cost the Government in the long term anything at all to accede to this request.

I want to make it very clear that it is not our intent to deny the benefits that were provided for in the original Bill to people who receive newstart and the other beneficiary arrangements in place for those who are unemployed; nor do we want to inhibit the assets changes that the Government promised during the election. Our view is that the Government should implement its policy by supporting this Bill with our amendment. It can be done. The Government can support this Bill with our amendment, and its promises will be implemented. That is clear and unassailable. It is for the Government to decide whether it sees its promises as promises worthy of implementation because it can pass the Bill as amended. If this Bill fails, the failure occurs because of the rigidity of the Government in relation to this matter.

We think our arguments are very persuasive. We think the Government will see the error of its ways and our arguments will cause it to accept this amendment in the context of this debate. (*Time expired*)

Mr SCIACCA (Bowman—Parliamentary Secretary to the Minister for Social Security) (10.49 a.m.)—I want to make a few comments on what was said by the honourable member for Berowra (Mr Ruddock). He ended up doing what he normally does: he got involved in theatrics, thumping the table and that sort of thing. He talked about the humbug of this Government in respect of broken promises. He knows full well that the reality is that the so-called broken promises are not broken promises at all. The only matter in respect of which there has been any change is the matter of the treatment of taxation. The Government has decided to have some further discussions to see whether we can use the money better.

In terms of the dental health scheme and other promises that we have made, the cashing out of the home child-care allowance and that sort of thing, we have not broken promises at all. In some cases, for good reasons, we have had to postpone implementation of those promises, but we have not got rid of them at all.

The honourable member for Berowra says that these savings will not be obtained. The fact is that in the past the Department of Social Security has been able to make certain assumptions, because the department does have a lot of information on record in terms of pensioner assets and income. In most cases those assumptions have been fairly well correct. We brought in similar treatment of managed investments in 1988. We made certain assumptions and those assumptions, as I understand it, were basically correct. There is absolutely no reason to suggest that the assumptions in this case will not be correct.

In accordance with the figures and calculations that have been given to the honourable member and to the Opposition we have estimated that in the Department of Social Security alone there will be savings to the tune of \$57.47 million. If anything, it is the Government's contention that people have not been frightened, because they have continued to invest in shares, although the Government's intention was announced in the Budget last year and they have had plenty of time to look at the matter.

Certainly financial planners have had plenty of time to look at it. They are the ones who have been criticising it because they see that some avenues of their business will be affected. They will have to look for other loopholes. A lot of people have looked at this and decided that it is not as bad as the Opposition makes out. We have made assumptions about the investment behaviour of certain people—

Mr Ruddock—Have you? Where is it?

Mr SCIACCA—We have made certain assumptions on the basis of what people did when we brought in changes to the treatment of other managed investments in 1988. People did not completely leave managed investments. In fact, they looked at the intrinsic value of that investment and realised that,

although in some way it would affect their pension entitlement, at the end of the day they would be better off. Contrary to what the honourable member for Berowra says, the fact is that, if people sell their shares and if their investment behaviour is changed, they arrange to make other investments which will give them an income that will make their lives better. At the end of the day shares are different to property investments and all that sort of thing.

The Opposition makes all these sorts of assumptions. It talks about our making assumptions. We have made assumptions on the figures, on the basis of what is on the record, what has happened in the past with other types of managed investments. According to the Opposition, those assumptions are incorrect. Its assumptions as to what might happen, as to what might be the case, are plucked out of the air. At best they are very, very hypothetical. Our assumptions are based on available, detailed information. We reject the arguments put forward by the honourable member for Berowra. There is absolutely no way the Opposition can make the assumptions it is making. We consider that this measure has to be introduced if we are to properly target the welfare dollar.

Mr TUCKEY (O'Connor) (10.54 a.m.)—I love to hear the Parliamentary Secretary to the Minister for Social Security (Mr Sciacca) talk about assumptions. There have been some wonderful assumptions made. The honourable member for Berowra (Mr Ruddock) drew our attention to the assumptions as to how much revenue would be achieved by increasing the sales tax on luxury cars. In fact, the figure was negative. That assumption was no doubt based on exactly the same sort of information to which the Parliamentary Secretary refers. Those assumptions, of course, are like the assumptions the Government made that it had the right sort of contract for pay TV; now that assumption is seen to be wrong.

Then there was the assumption that the Government had the right to collect tariff on fully built-up motor cars. It assumed it had written that into the legislation. It now discovers that it has not and it has a little problem, I am told, worth about \$1.5 billion. That

makes the figures mentioned in this debate pale into insignificance.

In recent times the Minister for Employment, Education and Training (Mr Beazley) made an assumption that his department knew how to send money down to the universities. He said that there had been a little technical fault and that \$900 million had been sent illegally. The assumptions made by this Government are becoming very worrying because they have an administrative vacuum.

We know all about the Government's ability to talk; we would like to know when it is going to start running the country. That is the first thing. The Parliamentary Secretary to the Minister for Social Security talks about assumptions but, if he has received the best advice, I hope it has done him more good than it has done the Minister for Transport and Communications (Senator Collins).

The simple facts are that we are talking about a change which will stop a travesty of justice. The Parliamentary Secretary said something about fairness. I thought that was the principle that applied to all the decisions we made here, and this is not fair. It is not fair because it sets out to tax—I underline the word 'tax'—unrealised gains. That, to me, is a wealth tax. If it has feathers, swims like a duck and walks like a duck, it is a duck. The Government is introducing the first wealth tax ever to be implemented in Australia because it is taxing people on something they have not got.

Mr Sciacca—It doesn't affect their entitlements to social security.

Mr TUCKEY—So there is a difference. The Government says to a person, 'Last week you earned or were paid \$100 by government. We have now made a decision that because the value of some BHP shares you hold'—which he probably paid more for than they are presently valued at—'has increased, we are going to reduce that \$100 to \$80'. As I said, if it walks like a duck and quacks like a duck, it is a duck.

The Government is applying a tax to those pensioners by reducing a government entitlement. The Government makes some reference to the fact that these people are avoiding

some sort of capital gain. Of course they are not avoiding it. Clearly the department can add that value to their asset value and, as such, under the assets test the Government can adjust entitlements, but it wants both. The Government wants to be able to adjust their entitlement under the assets test and get them a bit more regularly.

The Government is attacking a specific group of people—those who have chosen to structure their retirement income on the basis of a shareholding. I remind government members that many of these people bought in at a higher price than currently exists, but the Government is using that low base for the purpose of assessing any increase in the value of these assets. The Government is telling these people to sell off their income base little by little until they approach starvation. That is silly. The honourable member for Berowra is quite right: as they sell off this asset to compensate for the reduction in their income, the point will eventually be reached where these people are 100 per cent on the pension.

Compulsory superannuation has been introduced by the Labor Government, at quite a cost to the productive sector, on the grounds that it wants to increase Australia's savings. The Government is directing that money to superannuation companies. Why? Because these companies will invest in shares. At the very same time the Government is telling people in another segment of the community that they had better get out of shares.

The honourable member for Berowra is quite right. It is all right for the Government to say that it announced this in the Budget. It is unfortunate that every pensioner in Australia does not read the Budget; in fact, many do not even read newspapers. They will first discover this when they are hit between the eyes with a letter from the social security department saying, 'Because your shareholding has increased in value according to our calculations and assumptions, your pension entitlement is decreased by X dollars per fortnight'. That is when they will learn about it and they will find it very difficult to do something about it.

If I can come back to the Parliamentary Secretary's assumptions for a minute: he

made quite a bit about managed investment. Let me tell him a bit about some of those managed investments. Firstly, as the honourable member for Berowra points out, they are often contracted arrangements; and, secondly, because of the disaster of the recession we had to have, many people find they cannot escape them. Some are unsaleable and others, of course, have values at which people cannot afford to part with them. I do not think nearly as many of them—

Mr Cleeland interjecting—

Mr TUCKEY—We are not discussing managed investments today. That has already been dealt with. We are discussing the circumstances of people holding shares. I think the only certainty in all of this is that people will vacate that area of investment. If they all do it in a hurry, there will be an effect on the share markets of Australia; and that, of course, is not interesting.

Mr Sciacca—Wrong.

Mr TUCKEY—The Parliamentary Secretary says, 'Wrong'. As I said, he comes from a background of about five mess-ups. He comes from the background of the pay TV fiasco. Why should we trust his judgment on anything? I am telling the Parliamentary Secretary that, once people get the message that they are to be taxed on their unrealised gains, they will immediately find other investments where that does not apply. That will remove a substantial level of investment for the share market, which I thought the Government wanted to encourage.

These sorts of situations have to be considered. First, is it true that it will generate the level of revenue for the Government? Our belief is that it will not. Of course, we can produce precedents where these sorts of decisions have been taken in the past. People have a choice.

Mr Sciacca—In social security?

Mr TUCKEY—It does not matter whether it is in social security or somewhere else. It is a case of people making a decision. Years ago when our Government increased the tax on alcohol and put a figure in the Budget we got a terrible shock. People jacked up and for a period of time the revenue of that increased

percentage was actually less. People do make these sorts of decisions.

Mr Gibson—It did recover.

Mr TUCKEY—Oh, the honourable member for Moreton reckons it will recover over the next 20 years. It might. We are talking about an area where there is no obligation. The Parliamentary Secretary was at pains to tell us that they can sell out. The simple fact is they will, at which time the Government will not have the necessary revenue.

In the meantime, we are generating substantial hardship for people, particularly those who made their share investments in more prosperous times, before the recession we had to have, and who are sticking with those shares, as many have stuck with their managed investments, hoping to simply recover their original investment. The Government is saying, 'If you want to be in that position and your shares have to increase possibly 100 per cent in value before you recover your original investment, we will tax you through reduced pensions for every cent of gain'. That is what the Government is on about. I think it is outrageous. I think at the very least it should have taken the position of valuing those shares at what they cost, not what they are presently worth. But even then I would perceive it as introducing the thin end of the wedge for a wealth tax.

The Government had the academics out on the hustings for a little while, using a Hawkeism, saying that it was an obscenity that we did not have death duties and wealth taxes. I bet the Parliamentary Secretary will not deny to this Parliament that there has been a little bit of backchat in the corridors relating to that as a prospective means of increasing its revenue. But the Government has done it already through this measure, and there is every reason why the Opposition should oppose it on those grounds.

The Government is attacking investment in shares. The Government is being specific about it and is reducing it. We read about the mums and dads trying to get into the Woolworths float at this time. We should be encouraging the community in that regard. (*Time expired*)

Mr CLEELAND (McEwen) (11.04 a.m.)—I listened with interest to the discussion of the honourable member for O'Connor (Mr Tuckey) about ducks. He said that if it flies like a duck, if it quacks like a duck, if it has feathers like a duck, it is a duck. That might make the honourable member in fact a goose, because the main duck flies like a duck, quacks like a duck and has feathers like a duck, but it is a goose. I think the honourable gentleman is rather confused not just about ducks but about geese. If this is the quality of debate we get in this place from the Opposition, it is a great worry.

These are the fiscal dragons of Australia; these are the people who, only a short time ago, were going to cut \$10 billion from the Commonwealth's expenditure base. They were out there saying to the Australian people, 'Don't run away from it now—\$10 billion'. Those opposite said, 'We can do it. We can do this and deliver to you because we have \$10 billion worth of tax cuts'. These were the big conservative promises by the fiscal dragons who were going to make this magnificent cut to Commonwealth expenditure. Those opposite were going to cut \$1 billion from the social security base—

Mr Tuckey—What about the pensioners?

Mr Ruddock—Tell us what you are going to tax the pensioners of McEwen.

The DEPUTY CHAIRMAN (Mr Hollis)—Order! The honourable member for Berowra knows that he should not interject, and so does the honourable member for O'Connor.

Mr CLEELAND—It is all cant and hypocrisy so it does not matter that much in terms of this debate. Those opposite come here without clean hands; they come to this debate with very dirty hands indeed. The Opposition was going to cut \$1 billion from the social security budget. But did it tell the Australian people, or indeed has it told this House, where the \$1 billion cut would have come from? If we start at page 1 of Fightback and go right through to the end, nowhere will we find any statement about \$1 billion worth of savings from social security. There is no detailed explanation—none whatsoever. So the Opposition ran to the election promising

a \$10 billion tax cut and a \$1 billion cut to social security. These are the big fiscal dragons.

In this House today we are debating a very rational approach to reducing the demand on the public purse in social security, but those opposite oppose it. It is typical of honourable members opposite—typical of their hypocrisy, typical of their cant and typical of the fact that the Australian people cannot trust anything those opposite say or do. The Australian people understand that.

We are talking about a form of investment which is no different in terms of capital growth to a managed investment as defined in the Act. For example, pensioners can invest in what is defined in the Act as a managed investment where the capital growth is brought into account for income as termed under the Act. Equity trusts come within the managed investment phraseology and terminology of the Act. I have not heard anyone on the other side of the House say that it is wrong to do that.

The honourable gentleman from Berowra has not said that it is wrong to bring managed investment capital growth into income definitional terms for the purposes of assessing the benefit to be paid under the Act. So there is no difference. Very simply, we are talking about the fact that shares are a security which is transferable at will. Many people use shares as a means of making income by buying and selling. It is very simple. Those opposite know that and we know that, and I take it that those opposite do not disagree that people do that in the share market. People go into the market, buy low, sell high and make a profit.

Mr Ruddock—If the pensioner did it, the income test would apply.

Mr CLEELAND—They declare that for income tax purposes. That is what people use the market for. Some people invest on the market to gain a dividend growth—an income growth—or they invest in a different quality of share and gain income. Of course, the dividends from shares are already brought to account as income through the income test under the Act. So the Opposition is saying it is okay to bring in dividend accounts, but when people are using the share market to

buy and sell, using the capital growth to form income, that is somehow different—there is a different quality to that kind of investment.

Mr Truss—Wrong.

Mr CLEELAND—Honourable members opposite are great, are they not? They are saying that somehow that is different, but I have listened to the speakers from the other side and they have not quantified or qualified why it is different. For example, the honourable member for Berowra said earlier that the proposal will not produce any savings. I think he spoke for about 20 minutes, but the whole theme of his speech was that this will not produce any savings. He did not quantify what he meant by that; nor did he produce one iota of evidence to this House to indicate that the figures produced by the department are wrong. He simply got up in the House and said that it will not produce any savings, and he then spent 20 minutes not defining what he meant by 'savings'.

A lot of other speakers, in the usual conservative, hypocritical way—jumping on the political bandwagon—will stand up here and say, 'Look how we are looking after pensioners'. The newspapers will be full of stories of opposition members saying they care about and love pensioners while at the same time claiming to be the fiscal giants of the Australian political scene. So they will go out there and say to pensioners, 'We oppose this dreadful measure. But, mind you, we think the Government will cut \$1 billion off you somewhere down the line'. However, those opposition members will oppose it for political purposes right now, knowing they will cop it out in the electorate. But their logic is just as crazy; they supported the legislation last year.

Mr Ruddock—We haven't broken promises like you.

Mr CLEELAND—They supported the legislation last year.

The DEPUTY CHAIRMAN—Order! The honourable member for Berowra should not interject.

Mr CLEELAND—They supported the legislation last year before the election. We had an election in which the Australian

people said, 'You belong on that side of the House'—and they put those opposite there, quite properly in my view. They come back into this Parliament after supporting the legislation and having been told, 'Your \$10 billion cuts are unacceptable'. When the Government comes back in, opposition senators get up in the Senate, change their minds after the election and say, 'We really do care about giving benefits to people, not cutting. We really care about this after all'. They then come back in, bring it down to this House—

Mr Sciacca—Their new found heart.

Mr CLEELAND—Their new found heart. Over here one can just about hear it beating—pumping and palpitating while they care for pensioners. They come back in here and now they oppose it. What must people out there really think of you lot. How can any of you sit there and feel comfortable about what you are doing? How can you really do that? How can you really believe and support what you are saying in this chamber today?

The DEPUTY CHAIRMAN—Order! I am loathe to interrupt the honourable member but he really should address his remarks through the Chair and not directly to opposition members.

Mr Ruddock—If you do it to me, I will object on the spot.

The DEPUTY CHAIRMAN—The honourable member for Berowra will remain silent, not interject and not provoke.

Mr CLEELAND—I will not take up the time of the committee for too long because, quite frankly, we are listening to a political debate. It is a debate through which opposition members will gain a bit of politics out there among pensioners to try to frighten them yet again. Opposition members should be ashamed for running such a debate because, once again, they have exposed their hypocrisy. I hope the debate is finished quickly so that we can get this Bill back to the Senate and impose the legislation as people fully expect it to be imposed.

Mr CONNOLLY (Bradfield) (11.14 a.m.)—This debate on the Social Security Amendment Bill is another example of a government which has made an art form of the politics of

compassion on the one hand and, since the election, the politics of deception on the other. When this legislation was first introduced into the chamber in November last year, it was no less than a Trojan horse; it was a political piece of paper. It was a document brought in here deliberately to try to embarrass the Opposition. It was couched in terms which said to the Opposition, 'If you oppose the nasties in this Bill, we will be able to go to the 900,000 or so pensioner beneficiaries in this legislation and say, "It is the Opposition which is stopping you getting your pension increases"’—a blatant, clear-cut, political act.

This morning the Parliamentary Secretary to the Minister for Social Security (Mr Sciacca) came in here and suggested to the Opposition, 'But you supported the Bill'. The honourable gentleman has chosen to forget that of course we supported the proposals to increase benefits to welfare recipients. Most of them are there because of the policies of this Labor Government. Of course we supported those people getting improvements in their standard of living, small though they may be. But we also took the opportunity—and many opposition speakers did so, including myself when I led the debate—to make the point that the proposals on the inclusion of unrealisable capital gains had some serious problems.

For us to do anything less than that would be to deny our responsibility to the Australian people, especially to those 107,000 pensioners—a new figure on the 80,000 referred to in November last year—who are facing the reality of a fundamental change in the structure of their income. I made it clear on that occasion that the Opposition believed that this aspect of the Bill should be reviewed. We gave a commitment then that in the event of our winning the election there would most certainly be a review. As the honourable member for Berowra (Mr Ruddock) has clearly identified in his private member's Bill since then, if we were in government we would simply remove these proposals from the legislation.

I also called on the Government on that occasion to carry out a thorough review of the

assets test because the fundamental problem in all of this is the assets test itself and the way in which that test is being applied by this Government.

Mr Ruddock—It is just shifting the boundaries.

Mr CONNOLLY—That is correct. One of the documents given to the shadow Minister noted the following: 72 per cent of pensioners most commonly invested in bank investments, 11 per cent in bonds and debentures, and seven per cent in managed investments; less than six per cent of pensioners own real estate, apart from their own home; and only approximately one per cent of pensioners receive income from real estate. Most pensioners who hold real estate are likely to do so for lifestyle reasons—for example, holiday homes—rather than investment purposes. The reason the Government wanted to make this reform is that, consequent to the changes in 1988, it noted an increase in the number of people making investments through shares and, therefore, a decreased number of people making investments through fixed interest securities; in other words, a transfer from fixed interest securities to market linked securities.

Clearly, that demonstrates that the market out there—that is, the shareholder component of pensioners and people who had additional investments—was perfectly capable of making judgments in its best interests.

Mr Ruddock—Rational decisions.

Mr CONNOLLY—That is correct. The Government simply spends its time madly rushing around trying to put plugs in empty bottles. It finds one bottle which has a problem so it looks for another sized cork to fit into it. The problem is really the structure of the assets test as it currently applies in this country.

I made some observations on 5 November last year which I think need to be repeated in this context. I gave some examples of what effect these proposals will have on actual investor pensioners. It is also worth noting the figures which were quoted then by the Government. It said six per cent would be affected. One of the estimates given to me by the

department was that 84,000 pensioners would be affected; now we know the figure is 107,000. Of that number, 20,000 would have a pension reduction of less than \$10 a week; 1,500 would have a reduction of \$100 a week; and 150, with shareholdings of \$60,000 or more, would be liable to have their pensions cancelled unless they fundamentally changed the structure of their holdings. A press report suggested that the average pensioner would lose up to \$700 per year in pension. Of course, that was disputed by the Government, but as the numbers have now gone up I think the Parliamentary Secretary should once again state, for the benefit of the chamber, precisely what the anticipated statistics are.

One of the examples I gave, which goes to the crux of this whole problem, concerned a pensioner with a mixed portfolio of say \$20,000—we were told that the average at that time was \$15,000 and I would like the Parliamentary Secretary to tell us what the average is now; it may have gone up—returning a fully franked dividend of say \$1,000 and an unrealised capital gain of \$2,000. At present the dividend of \$1,000 is counted under the income test, reducing the pension by \$500 at the rate of 50c in the dollar. That is the current arrangement. We all understand that.

But under the legislation as proposed at that time and as it will be implemented, that same pensioner's unrealised capital gain of \$2,000 will cost a further loss of \$1,000 on that pension. The net overall effect, counting dividend and capital gain, is therefore a net loss of \$1,500. That is clearly, by any stretch of the imagination, a fundamental change in the potential for disposable income of a person on that income level.

Alternatively, to protect the pension, the pensioner could realise the capital gain—as the Government obviously wishes—and pay capital gains tax plus the 50c in the dollar withdrawal rate on the pension, resulting in an effective marginal rate of tax of approximately 66c in the dollar. I ask my colleagues: is anybody in the work force in this country asked to pay 66c in the dollar income tax? The answer is clearly no. But if a pensioner

has some shareholdings and some small dividend income it is hard luck, because that pensioner will be up for 66c in the dollar.

I have not given all the bad news yet. In addition to that, there are brokerage charges of approximately one per cent to two per cent. In November last year, I asked the Government to make the necessary amendments to the Act—they were not there; I looked very closely at that—to exclude at least those additional costs from the considerations.

Mr Sciacca—We did.

Mr CONNOLLY—It may have been done in the Senate, but it was certainly not in the Bill when it came before the House of Representatives. If that is now deductible, I am pleased. It is at least some demonstration of commonsense in an otherwise pretty hopeless situation.

The overall outcome is that the only way to avoid the assessment of unrealised capital gain would be to invest in property to circumvent the income test. We have been told in the statistics I quoted earlier that very few people—six per cent—do that. The other point which has been raised by people in the industry and which I think is worth noting is that a pensioner could buy shares offshore and therefore circumvent these proposals. Again, this is an issue which I think the Parliamentary Secretary should refer to.

I want to put to bed once and for all this furphy coming from government members about our allowing the passage of this Bill last year for very sound, ethical, equity and political reasons because, as I said, we were not going to be caught in the Trojan horse trap that the Government had set for us. We raised these fundamental problems then and we have gone even further. We have developed a private member's Bill to reinforce the fact that those problems are still very much in place. Here we are for the second time simply asking the Government to face up to the fact that there are problems here. The formula which is being applied must be reviewed. *(Time expired)*

Mr GIBSON (Moreton) (11.24 a.m.)—Probably the only thing about the contribution to this debate by the honourable member for

Bradfield (Mr Connolly) that I agreed with was his comment that this debate was dominated by a blatant act of political expediency. One has to make the point that the most blatant act of political expediency is occurring on the part of the Opposition.

Let us get down to brass tacks as to why the Opposition has reversed the position that it took a couple of months ago. The pensioners of this country saw through the Opposition and deserted it in droves at the last election. The pensioners of this country knew exactly what the Opposition would do to them if it ever got into power. They saw what the Opposition had in its platform and they knew that they would suffer dramatic falls in their living standards and income if they allowed the Opposition to gain power. Those opposite lost the pensioner vote across this country.

Now we have this desperate scrambling by the Opposition to try to curry favour with some pensioner groups because it realises that it is in desperate straits as far as its political support amongst older Australians is concerned. That is why we now have this back-flip by the Opposition and why this beat-up debate is occurring once more in this chamber about this issue.

This debate has been absolutely dominated by furphies and by conspiracy theories, and each opposition spokesman has trotted out a whole series of allegations about what is going to happen. It is said that history repeats itself, and in this chamber we have history once more repeating itself in this debate about social security measures. Every time this Government has introduced new measures to better target social security provisions in this country, the Opposition has been beating its chest and filling the whole community with fear and hysteria about how awful and dreadful this measure will be and how thousands of people will suffer.

We remember the way in which the Opposition totally abused the pensioner community in this country over the assets test; the way in which the Opposition led the community by the nose and filled people with fear about the impact of that test. Members of the Opposition now know that none of those fears were realised, but the way they acted in that debate

was a total disgrace. A lot of people were scared about what was going to happen and what impact the assets test would have.

A couple of years ago we had a similar instance with the Opposition taking great pains to scare people over the deemings provisions that were brought in to impact on social security payments. Again we had the Opposition beating up a scare campaign and telling pensioners that all sorts of dreadful things were going to happen with the deemings provisions. Once more, none of those fearful things occurred. The deemings provisions were introduced and pensioners found that they made more money through those provisions than they had previously. They found that their savings were starting to earn a reasonable income from bank interest rather than the paltry amounts that the banks had been paying in the past.

Let us have a look at the way in which the Opposition goes on in these debates. In its Fightback package the Opposition put forward to the people of this country that it wanted to slash some \$10 billion from social welfare payments; yet each time the Government looks at better targeting social security payments and making reasonable cost savings it is attacked and vilified by the Opposition. The Government is not looking to save money but is trying to spread the benefits of social security to more people. Money is not put back into Consolidated Revenue. Even though this measure was introduced, in the last Budget the amount of money paid in social welfare was increased.

The Opposition wanted to slash \$10 billion from social welfare payments. That is an absolute disgrace and exposes the hypocrisy of every member of the Opposition taking part in this debate. The honourable member for O'Connor (Mr Tuckey) came up with this idea of a wealth tax. Talk about drawing a longbow—

Mr Sciacca—And ducks.

Mr GIBSON—Yes, maybe he was going to use the longbow to shoot down the ducks. It is absolute poppycock to consider that this is some sort of conspiracy to introduce a wealth tax, and the honourable member for O'Connor knows that. We had other furphies

introduced by the honourable member for Berowra (Mr Ruddock). On the one hand, he talked about all these pensioners who will be badly affected, how much money they will lose and how unfair it is. On the other hand, he says that the Government will not make the savings anyway. If as a result of this measure we are to affect the pensions of all these people, how is it that we are not making the savings? That conflict has not been explained. I would be interested to find out how those two conflicting positions can be reconciled. The savings—modest as they are—will be realised, as they have been with every other targeted measure. The Opposition knows that.

Let us not forget why we are making those savings and the purpose that the savings are being put to. It was announced in the Budget that the Government was to extend fringe benefits to part-pensioners, and that measure has been introduced. In looking at the question of the fairness and the operation of assets that some pensioners have in the form of shares and bringing them into line with other treatments that we have now for other forms of investment that pensioners have, the savings that we are introducing for a small number of pensioners in this area will now be utilised to benefit a whole host of additional people who will now be eligible for fringe benefits through the part-pension system.

So the savings that we make from this small segment of the pensioner community are then being used to benefit a whole host of additional people in our social welfare net. I think that is a very important point that needs to be realised. The savings that we make here are not just going back into Consolidated Revenue; they are being utilised by the Government to extend additional benefits to other people.

I assure the Opposition that the many thousands of part-pensioners, who are now receiving the services through the health-care card and the other fringe benefits provided by the Commonwealth, are very much appreciative of that fact. What we have got here is an Opposition measure designed to take that away. The Opposition has not explained what

it would do. If we lose this income how do we then pay for some of those other benefits?

Does the Opposition intend to talk to all the part-pensioners in the electorate of Moreton and elsewhere around this country and explain, 'Sorry, we had to take the health care card off you. We had to take all these other benefits off you because three per cent of pensioners who earned some extra income through shares were not prepared to pay their way in relation to having that income recognised.'

Mr Sciacca—Because they wanted to play politics.

Mr GIBSON—That is right, because the Opposition wanted to play politics in this issue. It wanted to change and take a new position on this after the election when it realised that the pensioner community in this country had abandoned the Opposition in the election campaign.

We have also had the other furphy introduced in this debate, 'Oh, here we have one more broken promise by the Government'. Let us not forget when this measure was introduced by the Government. It was announced in the Budget and was introduced in legislation in this House in November or December last year. So the people of Australia, when they went to the polls on 13 March, knew exactly what they were voting for. This was part of the policy platform of the Government. They knew what they wanted and we got increased support from the aged community around this country. That is the reality.

This was part of our platform when we went to the election, and the people of Australia supported it because they recognised that it was a fundamental part of our social justice objective to better target our social security payments and to make sure that it was a fair and equitable system. They knew that we were the ones that would introduce that. They also knew that what the Opposition would do would have a massive impact on their income and their living standards by slashing so much money off social welfare—some \$10 billion. So let us not talk about broken promises. We went to the people of this country telling them clearly what we were

going to do and they reelected us with an increased majority. So do not tell us that this is some form of broken promise. The second thing is that the savings we are making here are implementing another promise that we made and that is to introduce the fringe benefits to all part-pensioners. (*Time expired*)

Mr TRUSS (Wide Bay) (11.34 a.m.)—The Government likes to use words like 'fairness', 'justice' and 'equity' to justify its policy development. Indeed, we have heard those sorts of words used by the Parliamentary Secretary to the Minister for Social Security (Mr Sciacca) and by government members in defence of this quite unjustifiable action on its part in including unrealised capital gain on shares in the income test for social security purposes.

This proposal is not fair. It treats shares in a different way from almost all other assets. It treats shares differently from the family home, antique clocks, the boat in the backyard, art works, racehorses, a stamp collection and property. It is therefore not fair.

It is picking out one form of asset and treating it differently from other assets. Indeed, the proposal is not even treating all shares in the same way. Listed shares are to be included in this income test but not unlisted shares, so there is no equity and no justice.

The Government frequently refers to aligning the treatment of shares with managed investment and equity trusts, but there is a vast difference between the way in which managed investments and equity trusts operate compared with shares. Indeed, the honourable member for McEwen (Mr Cleeland) referred to the most fundamental of those differences in his own defence of this action: that is, the ability for people to buy and sell shares at will. The freedom to move in and out of managed investment and equity trusts does not exist in that way, so there is a vast difference in those particular styles of investment. They do not have the flexibility that exists with shares.

In a letter to me only last month, the Parliamentary Secretary said that 'unrealised capital gain on shares reduces the real need of the person for social security assistance'. That is absolute nonsense. Unrealised gain, unrealised

income, is of absolutely no value in protecting a person from the need for social security assistance. It does not buy bread; it does not pay rent; it does not meet the daily expenses. Income is worth while only when it is realised. When it is realised it is included—and rightly so—in the income test when the shares are sold. When there has been an increase in the value of the shares, the assets test increases. That is perfectly fair. It is quite reasonable to include capital gain in asset tests; it is totally unreasonable to include unrealised gain in the income tests. Unearned, non-existent income is being treated as though it were actually there and able to be used to buy bread, food and clothing when, in reality, it is not there.

The Government is introducing this measure in a totally unfair way. It is assuming that all shares have an opening value. That value has been assessed as at September 1992. The Government knows that share values were at a historically low level at that time, so pensioners are going to be accused of having a capital gain on shares when in fact the value of those shares may well be lower than the purchase price. The Government is assuming that pensioners have had a gain, that the shares have earned money, when in fact they are worth less than was paid for them.

Let me relate to honourable members an example of a constituent of mine who inherited some Coles Myer shares. Those shares are of great personal value to her, largely in the same way that some people regard their stamp collections as having a great deal of sentimental value. She acquired these shares from her grandfather, whose company was one of those swallowed up in the development of the Coles Myer empire. She has no intention or wish ever to sell the shares. She wants to pass them through the family as a recognition of her grandfather's business. She will no longer be able to keep those shares and retain her pension, because the gain on those inherited shares is going to be assessed and will result in a loss of income for her from her pension. That is the kind of measure that this Government considers fair. It is all right to collect clocks, stamps, boats, et cetera, as that sort of capital gain will not be taken into account.

But people who happen to inherit shares will lose their pension.

People can own multi-million dollar houses on the North Shore of Sydney gaining enormously in capital value each year, and it will not affect their pension, but people who dare have a modest share portfolio are going to have their pension reduced. The Government also likes to boast about the value of its deeming provisions, which it claims have helped to increase pensioners' income—

Mr Sciacca—They have.

Mr TRUSS—I notice that the Parliamentary Secretary is nodding. He is therefore putting his head in the noose, because he is now introducing a measure which will force pensioners to reduce their income. To satisfy the Government, they will have to sell their shares, which are earning perhaps six, eight, or 10 per cent, and put the money somewhere where it will earn four per cent. That is the kind of measure the Government is proposing to put in place.

Is the Parliamentary Secretary suggesting that pensioners are just going to sit there and allow their income to be reduced when there are measures that they can undertake to lower their income artificially and therefore qualify for a higher pension? The sort of measure the Government is proposing to introduce demonstrates total inconsistency. Of course if pensioners go out and sell their shares, they will have to pay capital gains tax on them as well if those shares were purchased after September of 1985.

The Government claims that a pensioner rot has been going on, and that pensioners have been using capital gains on shares to avoid the income test. The Government thinks that as a result of stopping this rot \$60 million will be saved—although the figure has now been raised to \$80 million. I am amused by the Parliamentary Secretary again claiming he has all these detailed mathematical calculations so he can guarantee that he can deliver these savings to the Government. If they are so detailed, why does he keep changing the numbers? When this Bill was introduced back in November 60,000 people were going to be affected. The Minister for Social Security (Mr Baldwin) issued a press release on 6 May,

putting the number of 84,000. The Minister now has it at 107,000. It is about time they made up their mind if those numbers are supposed to have been so accurately calculated.

The Government has not taken into account in its numbers the reaction of pensioners to these new measures. Clearly pensioners will alter their patterns of investment. They will change their arrangements so that the alleged savings will, in reality, not exist. Another fact that has to be taken into account is that if the value of pensioners' shares drop, they may become eligible for a pension that they are not currently able to receive. Indeed, had this measure been introduced about three years ago and not today, it would have cost the Government money every year rather than achieved any savings. Clearly there will be occasions in the future, too, when this measure will end up being a liability for the Government. That will occur in those years when share values drop, and as a result the Government's own income will have dropped. This measure is clearly a very poor example of risk management. The Government will have increased liabilities in times when the value of pensioners' shares drops and when they will therefore start to apply for higher pensions. That will occur at times when the Government can ill afford it.

The honourable member for Moreton (Mr Gibson), in his defence of this system, acknowledged that savings would be minimal. The Speaker, in his comments on this measure, indicated that it was impossible to ascertain whether there would actually be any savings at all or whether there would be liabilities for the Government. So, clearly, independent observers and the Government's own speakers have acknowledged that the savings are likely to be negligible, if they exist at all.

The Government's measures are being introduced with only one thought in mind, and that is to spitefully treat those pensioners who have put aside during their working days for their own retirement. I thought we should be encouraging people to provide for their own retirement. This Government gives lip service to that principle with its compulsory

superannuation arrangements. But, in reality, when pensioners actually take such measures on their own account and buy shares so they will have something to live on in their retirement, this Government is introducing measures which will penalise those people. It is encouraging welfare dependency, a reliance on the Government and taxpayers, rather than rewarding those who make the extra effort to care for themselves. (*Time expired*)

Mr SCIACCA (Bowman—Parliamentary Secretary to the Minister for Social Security) (11.44 a.m.)—The honourable member for Wide Bay (Mr Truss) clearly does not understand what is going on here, with respect. These measures were announced in the Budget of 1992. He is putting up the proposition that somehow the Government knew that the stock market was going to go up and that we particularly sought September 1993 as the implementation date for these measures because all of a sudden there has been an increase in the stock market. I remind him that this decision was made in the Budget process of August 1992, and the date in terms of the treatment of the value of the shares in this measure was fixed at September 1993. If he is trying to suggest that the Government somehow knew that there would be an increase in the stock market during that period, I wish I had known that myself.

The fact is that no-one knows how the stock market is going to go. At the moment it is in a profit situation but the stock market is such that people, if they want to, can divest themselves of some of their shares, but not all of them. They would have to do that if they had property, collectables or antiques. They would have to sell the whole of the investment. With shares they only need a portion of their investment and they can readily sell shares on the stock market from day to day. So it is not comparing oranges with oranges to say that a collectable, a property or an antique clock is the same as shares. It is a nonsense to suggest that.

As the honourable for McEwen (Mr Cleeland) said before, the Opposition is simply making politics out of this issue. If those opposite go out into the electorate at large, there will be 400 people spread across

the electorate who would say that we are being tough. I will comment further about that later, but people have had a very long time to decide what they will do. This legislation is not a Trojan horse. The Government went to the public in March and the public knew what the proposal was. An investor who is astute enough to want to buy shares and have large shareholdings does not do it off his or her own back; that investor would go to financial planners and investment advisers. If it is being suggested that investment advisers did not know of these provisions, then they are not much good and I suggest that people should not be going to them.

Mr CAMERON (Stirling) (11.46 a.m.)—Exactly a week ago today, with my colleagues the honourable member for Cowan (Mr Evans) and the honourable member for Moore (Mr Filing), I met with a very large group of pensioners in Western Australia. A large section of that group were self-funded retirees and if there was ever a disincentive for younger Australians to take out provision for their retirement it would be this Government's handling of the self-funded retirees, many of whom are affected by what we are talking about here today.

At present pensioners receive dividends from the shares they own and these dividends are regarded as income earned by the pensioner. Any growth in the value of shares was previously regarded as an increase in one's assets. However, the changes made by the Government last year regard growth in the value of shares as increased income for the purposes of working out one's pension entitlements.

When this was first brought to my attention I thought I was being had. I could not believe it. I said, 'No, I think you have misunderstood what they are on about'. Unfortunately, I was wrong. This legislation, in essence, distinguishes pensioners from all other groups with regard to the holding of shares. If, for example, the Prime Minister (Mr Keating) held shares in a piggery company, he would be taxed on any dividends he received from that company. However, if the value of the shares rose he would not be penalised in any other

way until he sold them, when he would of course be liable for capital gains tax.

The situation therefore arises where, for every \$1 increase in the value of shares, pensioners will lose 57.5c of their existing age pension. This is despite the fact that the shares have not been sold and the pensioners have not actually received any increase in their income. If honourable members think for one moment that people will hold on to these shares, they can think again. It was stated to me quite categorically at the meeting last week that they would be selling their shares, because they are embattled enough as it is trying to get by under the treatment that has been meted out to them, and this was just another brick in the wall.

Essentially, this legislation ignores the cash flow for pensioners which is so important to consider. Many pensioners will be left out of pocket because the shares they own will have increased in value. While they would not have received any extra income, they will lose part of their pension because, of course, it is assumed that their income has increased. There are a lot of assumptions going on.

This has a vicious cycle effect in that pensioners who have their pensions reduced will eventually be forced to sell their shares—as they surely will—and this will subsequently mean that they will be forced to pay capital gains tax. Eventually the pensioners will spend the funds they have accumulated from selling their shares and be forced to go back on the full pension, resulting in any expected savings by the Government being wiped out. There will be no windfall; you can bet on that.

I was reading the May edition of *Personal Investment* magazine, not only to gloat over the story about the former member for Stirling losing his seat but also to read its analysis of the Government's idea to treat unrealised capital gains as income. The story mentions Bleakleys The Investment Planners and that firm's suggestion to pensioners to 'sell their shares and take gains prior to 23 September 1993'.

While this is the best option for pensioners, for many it is not the desired option, as we have heard in some convincing argument from

this side of the chamber. Unfortunately, it is the only option for pensioners and it is unfortunate that they are left with little choice but to sell their shares. I would like to mention a pensioner in my electorate, a gentleman named Bill. He has owned shares for some 30 years. Based on the price of shares a few weeks ago and the price of those same shares in September last year, Bill has worked out that his pension will be cut by approximately \$140 a week. While the actual value of the shares rose, Bill's income would not have increased at all, but he will still be penalised—and a significant penalty that will be. He has very few choices other than to give the shares to his children, sell them or accept a lower pension—and, at \$140 per week less than what he normally earns, I cannot imagine that that would be a viable option.

I also put questions on notice to both the Treasurer (Mr Dawkins) and the Minister for Social Security (Mr Baldwin), neither of whom has yet answered these questions—but I have already been warned that Ministers do take a great deal of time to answer their questions, which does make it difficult for one to assist constituents. Nevertheless, I put the case to both Ministers of a pensioner and a PAYE taxpayer who both own the same shares. The question in essence asked what effect fluctuations in shares would have on both if they bought those shares in 1990 for \$5, the shares fell in value to \$3 on 23 September 1992 and rose to \$4 one year later. The answer I expected—and that I imagine is correct—is that, while a taxpayer would not be penalised, the pensioner would lose part of his pension due to the increase in value over the past year even though, firstly, he has not sold his shares and, secondly, if he did sell his shares, he would have made a loss.

In this situation, the pensioner is hit with a double whammy. If he or she receives any dividend, it is treated as income. I cannot say for sure but I also assume—seeing that there are a lot of assumptions going on—that the dividend imputation credits would also artificially increase that income and therefore further reduce the pension the person is entitled to. If the value of the shares rises over the year, the pensioner loses part of his

or her pension and, finally, if the pensioner sells the shares for a profit, he or she pays capital gains tax.

This is harsher than if a PAYE taxpayer owned shares. The PAYE taxpayer does not get penalised for any unrealised capital gains and nor should he; neither should a pensioner. I assume that, if these amendments are not accepted, many pensioners will sell their shares and invest in real estate or other items which do not penalise them if their value increases. Unfortunately, this may have a detrimental effect on investment by individuals at a time when we certainly do not need such disincentives for investment.

I will conclude by reiterating that this is unfair legislation which deserves to be repealed. It lacks compassion, it defies logic, it is unnecessary and it will achieve absolutely zilch in the long term. I would encourage all members, including those opposite, to support these amendments to ensure the pensioners in our electorates are not treated unfairly. I challenge any honourable members opposite who oppose these amendments to write to the pensioners in their electorates telling them why they should be penalised if the shares they own rise in price—even if they do not sell their shares. It is a challenge that I am quite sure that none will accept, including—and probably especially—the honourable member for McEwen (Mr Cleeland), who perhaps has lost his calling, because he is quite an amusing speaker and does a great duck impression, albeit it unintentionally. In view of all that, I would urge Government members to accept these amendments.

Motion (by Mr Sciacca) put:

That the question be now put.

The Committee divided. [11.57 a.m.]

(The Deputy Chairman—Mr C. Hollis)

Ayes 70

Noes — 61

Majority 9

AYES

Adams, D.	Baldwin, P. J.
Beazley, K. C.	Beddall, D. P.
Bevis, A. R.	Bilney, G. N.
Blewett, N.	Brereton, L. J.

AYES

Brown, R. J.	Campbell, G.
Chynoweth, R. L.	Cleary, P.
Cleeland, P. R.	Crawford, M. C.
Crean, S. F.	Crosio, J. A.
Cunningham, B. T.	Dawkins, J. S.
Deaham, M.	Dodd, P.
Duffy, M. J.	Duncan, P.
Elliott, R. P.	Fatin, W. F.
Ferguson, L. D. T.	Fitzgibbon, E. J.
Free, R. V.	Gear, G.
Gibson, G. D.	Gorman, R. N. J.
Grace, E. L.*	Griffin, A.
Griffiths, A. G.	Haviland, C. D.
Henzell, M.	Holding, A. C.
Horne, R.	Humphreys, B. C.
Jenkins, H. A.	Johns, G. T.
Kelly, R. J.	Kerin, J. C.
Kerr, D. J. C.	Knott, M. P. J.
Lavarch, M. H.	Lindsay, E. J.
McHugh, J.	McLeay, L. B.*
Melham, D.	Morris, A. A.
Morris, P. F.	Newell, N. J.
O'Connor, G. M.	O'Keefe, N. P.
Price, L. R. S.	Punch, G. F.
Quick, H.	Sawford, R. W.
Sciacca, C.	Scott, L. J.
Simmons, D. W.	Smith, S. J.
Smith, S. F.	Snow, J. H.
Swan, W.	Tanner, L. S.
Theophanous, A. C.	Tickner, R. E.
Walker, F. J.	Willis, R.

NOES

Aldred, K. J.	Anderson, J. D.
Andrew, J. N.	Andrews, K. J.
Atkinson, R. A.	Beale, J. H.
Bradford, J. W.	Braithwaite, R. A.
Cadman, A. G.	Cameron, E. H.
Carlton, J. J.	Charles, R. E.
Cobb, M. R.	Connolly, D. M.
Costello, P. H.	Dobie, J. D. M.
Downer, A. J. G.	Evans, R. D. C.
Filing, P. A.*	Fischer, T. A.
Forrest, J. A.	Hall, R. S.
Halverson, R. G.	Hawker, D. P. M.
Hicks, N. J.*	Jull, D. F.
Katter, R.	Kemp, D. A.
Lieberman, L. S.	Lloyd, B.
Mack, E. C.	MacKellar, M. J. R.
McArthur, F. S.	McGauran, P. J.
McLachlan, I. M.	Miles, C. G.
Moylan, J.	Nehl, G. B.
Neville, P.	Nugent, P. E.
Prosser, G. D.	Pyne, C. M.
Reid, N. B.	Reith, P. K.
Rocher, A. C.	Ronaldson, M. J. C.
Ruddock, P. M.	Scott, B. C.
Sharp, J. R.	Sinclair, I. McC
Slipper, P. N.	Somlyay, A. M.
Sullivan, K. J.	Taylor, W. L.

	NOES		AYES
Truss, W. E.	Tuckey, C. W.	Tanner, L. S.	Theophanous, A. C.
Vaile, M.	Wakelin, B. H.	Tickner, R. E.	Walker, F. J.
Williams, D. R.	Wooldridge, M. R. L.	Willis, R.	
Worth, P. M.			
	PAIRS		NOES
Keating, P. J.	Hewson, J.R.	Aldred, K. J.	Anderson, J. D.
Snowdon, W. E.	Peacock, A. S.	Andrew, J. N.	Andrews, K. J.
Jones, B. O.	Moore, J. C.	Atkinson, R. A.	Beale, J. H.
Lee, M. J.	Gallus, C. A.	Bradford, J. W.	Braithwaite, R. A.
Staples, P. R.	Howard, J. W.	Cadman, A. G.	Cameron, E. H.
* denotes teller		Carlton, J. J.	Charles, R. E.
Question so resolved in the affirmative.		Cobb, M. R.	Connolly, D. M.
Original question put:		Costello, P. H.	Dobie, J. D. M.
That the amendment be disagreed to.		Downer, A. J. G.	Evans, R. D. C.
The Committee divided. [12.07 p.m.]		Filing, P. A.*	Fischer, T. A.
(The Deputy Chairman—Mr C. Hollis)		Forrest, J. A.	Hall, R. S.
Ayes	71	Halverson, R. G.	Hawker, D. P. M.
Noes	61	Hicks, N. J.*	Jull, D. F.
Majority		Katter, R.	Kemp, D. A.
—		Lieberman, L. S.	Lloyd, B.
—		Mack, E. C.	MacKellar, M. J. R.
—		McArthur, F. S.	McGauran, P. J.
—		McLachlan, I. M.	Miles, C. G.
—		Moylan, J.	Nehl, G. B.
—		Neville, P.	Nugent, P. E.
—		Prosser, G. D.	Pyne, C. M.
—		Reid, N. B.	Reith, P. K.
—		Rocher, A. C.	Ronaldson, M. J. C.
—		Ruddock, P. M.	Scott, B. C.
—		Sharp, J. R.	Sinclair, I. McC
—		Slipper, P. N.	Somlyay, A. M.
—		Sullivan, K. J.	Taylor, W. L.
—		Truss, W. E.	Tuckey, C. W.
—		Vaile, M.	Wakelin, B. H.
—		Williams, D. R.	Wooldridge, M. R. L.
Worth, P. M.			
	AYES		PAIRS
Adams, D.	Baldwin, P. J.	Jones, B. O.	Moore, J. C.
Beazley, K. C.	Beddall, D. P.	Keating, P. J.	Hewson, J. R.
Bevis, A. R.	Bilney, G. N.	Lee, M. J.	Gallus, C. A.
Blewett, N.	Brereton, L. J.	Snowdon, W. E.	Peacock, A. S.
Brown, R. J.	Campbell, G.	Staples, P. R.	Howard, J. W.
Chynoweth, R. L.	Cleary, P.	* denotes teller	
Cleeland, P. R.	Crawford, M. C.	Question so resolved in the affirmative.	
Crean, S. F.	Crosio, J. A.	Resolution reported.	
Cunningham, B. T.	Dawkins, J. S.	Adoption of Report	
Deahm, M.	Dodd, P.	Motion (by Mr Sciacca) proposed:	
Duffy, M. J.	Duncan, P.	That the report be adopted.	
Easson, M.	Elliott, R. P.	Mr BRADFORD (McPherson) (12.12 p.m.)—I wish to oppose the adoption of this report. The Social Security Amendment Bill is an absolute disgrace. I do not know what it would take to convince the Government that what it is doing to pensioners as a result of this legislation is disgraceful. The Parlia-	
Fatin, W. F.	Ferguson, L. D. T.	—	
Fitzgibbon, E. J.	Free, R. V.	—	
Gear, G.	Gibson, G. D.	—	
Gorman, R. N. J.	Grace, E. L. *	—	
Griffin, A.	Griffiths, A. G.	—	
Haviland, C. D.	Henzell, M.	—	
Holding, A. C.	Horne, R.	—	
Humphreys, B. C.	Jenkins, H. A.	—	
Johns, G. T.	Kelly, R. J.	—	
Kerin, J. C.	Kerr, D. J. C.	—	
Knott, M. P. J.	Lavarch, M. H.	—	
Lindsay, E. J.	McHugh, J.	—	
McLeay, L. B.*	Melham, D.	—	
Morris, A. A.	Morris, P. F.	—	
Newell, N. J.	O'Connor, G. M.	—	
O'Keefe, N. P.	Price, L. R. S.	—	
Punch, G. F.	Quick, H.	—	
Sawford, R. W.	Sciacca, C.	—	
Scott, L. J.	Simmons, D. W.	—	
Smith, S. J.	Smith, S. P.	—	
Snow, J. H.	Swan, W.	—	

mentary Secretary to the Minister for Social Security (Mr Sciacca) has sat there through speaker after speaker and listened, I think, to reason, yet he has failed to accept our arguments. I do not know why. He has not explained in any cogent form why we should proceed with this legislation.

The honourable member for Moreton (Mr Gibson), when he was speaking in this debate, talked about better targeting of welfare. That has really hit the bullseye here. This is aimed directly at the heart of pensioners. Those 86,000 or so pensioners of this country who have share portfolios are very concerned. We have been accused this morning of something of a beat-up in expressing our concern, but I want to assure the House that this is not a beat-up. We are speaking here because pensioners all over Australia have made their concerns known to us. They are very concerned. The speakers in this debate, which the Parliamentary Secretary to the Minister for Social Security gagged a moment ago, I believe have been totally genuine in expressing the concerns of pensioners everywhere.

The Parliamentary Secretary's arguments in favour of the proposition that unrealised capital gains on pensioners' share portfolios be taxed have been pathetic. The arguments that he has put forward are gross distortions. I thought this Government was big on anti-discrimination and big on fairness and equity. I want the Parliamentary Secretary to tell me what is fair about taxing unrealised capital gains. In any sense, what is fair about taxing unrealised capital gains? Why, if the Government is to tax unrealised capital gains, does it discriminate against pensioners? Why has it chosen only to tax unrealised capital gains on pensioners' shares? What is fair about that? That is discrimination. Our concern about this legislation is that it is blatantly unfair. Speaker after speaker has illustrated the effect of the Government's proposal. If that has not sunk in yet, I do not know what it will take for it to sink in. I have put the question on a number of occasions when this matter has been discussed here: how does the pensioner who loses his pension as a result of this mechanism live?

Mr Sciacca—Sell some of their shares.

Mr BRADFORD—Yes, he sells some of his shares; that is the very point that we are making. I thank the honourable member for helping me to make it. The point is that the intention of the Government in this matter is to ensure that 86,000 pensioners in this country who have share portfolios will sell them or sell part of them.

At least we have come to the point in this debate where the Government is prepared to be honest about that. All morning members of the Government have been getting up and distorting the truth. The Government's intention is for pensioners not to have the privilege of owning shares—a privilege which is enjoyed by every other Australian. That is the Government's intention and that will be the effect of the amendment. The reason that will be the effect of it, let me assure the House, is the same reason we are putting forward—

Motion (by Mr Beazley) put:

That the question be now put.

The House divided. [12.20 p.m.]

(Mr Deputy Speaker—Hon. J.D.M. Dobie)

Ayes	71
Noes	60
Majority	11

AYES

Adams, D.	Baldwin, P. J.
Beazley, K. C.	Beddall, D. P.
Bevis, A. R.	Bilney, G. N.
Blewett, N.	Brereton, L. J.
Brown, R. J.	Campbell, G.
Chynoweth, R. L.	Cleland, P. R.
Crawford, M. C.	Crean, S. F.
Crosio, J. A.	Cunningham, B. T.
Dawkins, J. S.	Deahm, M.
Dodd, P.	Duffy, M. J.
Duncan, P.	Easson, M.
Elliott, R. P.	Fatin, W. F.
Ferguson, L. D. T.	Fitzgibbon, E. J.
Free, R. V.	Gear, G.
Gibson, G. D.	Gorman, R. N. J.
Grace, E. L.*	Griffin, A.
Griffiths, A. G.	Haviland, C. D.
Henzell, M.	Holding, A. C.
Hollis, C.	Horne, R.
Humphreys, B. C.	Jenkins, H. A.
Johns, G. T.	Kelly, R. J.
Kerin, J. C.	Kerr, D. J. C.
Knott, M. P. J.	Lavarch, M. H.
Lindsay, E. J.	McHugh, J.

AYES

McLeay, L. B.*
 Morris, A. A.
 Newell, N. J.
 O'Keefe, N. P.
 Punch, G. F.
 Sawford, R. W.
 Scott, L. J.
 Smith, S. J.
 Snow, J. H.
 Tanner, L. S.
 Tickner, R. E.
 Willis, R.

NOES

Aldred, K. J.
 Andrew, J. N.
 Atkinson, R. A.
 Bradford, J. W.
 Cadman, A. G.
 Carlton, J. J.
 Cobb, M. R.
 Costello, P. H.
 Evans, R. D. C.
 Fischer, T. A.
 Hall, R. S.
 Hawker, D. P. M.
 Howard, J. W.
 Katter, R.
 Lieberman, L. S.
 Mack, E. C.
 McArthur, F. S.
 McLachlan, I. M.
 Moylan, J.
 Neville, P.
 Prosser, G. D.
 Reid, N. B.
 Rocher, A. C.
 Ruddock, P. M.
 Sharp, J. R.
 Slipper, P. N.
 Sullivan, K. J.
 Truss, W. E.
 Vaile, M.
 Williams, D. R.

PAIRS

Jones, B. O.
 Keating, P. J.
 Lee, M. J.
 Snowdon, W. E.
 Staples, P. R.

* denotes teller

Question so resolved in the affirmative.

Original question resolved in the affirmative.

Committee of Reasons

Motion (by Mr Sciacca) agreed to:

That Ms Henzell, Mr Gibson, and the mover be appointed a committee to draw up reasons for the House of Representatives disagreeing to the amendment of the Senate.

Mr SCIACCA (Bowman—Parliamentary Secretary to the Minister for Social Security) (12.28 p.m.)—On behalf of the committee appointed to draw up reasons for the House disagreeing to the amendment of the Senate, I present the reasons, which are being circulated to honourable members.

The reasons read as follows—

Senate amendment No. 1 is not acceptable because:

1. It excludes shares and other listed securities from the definition of investment product in the Social Security Act and thereby prevents the equitable assessment of the ongoing gains made on shares and other investments listed on the Stock Exchange compared with indirect investments in shares through equity trusts.
2. The amendment will reduce the equity of the social security income test. The assessment of ongoing capital gains on shares ensures that equity of the social security system is enhanced. Pensioners with the same means and the same financial resources available to them should have the same amount of income assessed for social security purposes. People who invest in shares should not be treated more beneficially than those who invest in equity trusts or other managed investments, and they should not be treated more beneficially than those pensioners who invest in income generating investments such as bank accounts.
3. The amendment would result in the expenditure of approximately \$60 million within the Social Security portfolio in a full year and a further \$20 million for a full year within the Department of Veterans' Affairs portfolio on a group of clients with substantial financial resources.
4. There is no reason why shares should be excluded and given privileged treatment. It is a principle of the social security income test that ongoing gains are treated as income for all investments that can be readily realised and utilised by pensioners for their support. Only those investments which are not readily realisable, such as real estate and shares held in private companies are currently exempt. Listed shares can be sold in small or large bundles at any time allowing gains on listed shares to be readily utilised by a pensioner.

Motion (by Mr Sciacca) proposed:

That the Committee's reasons be adopted.

Mr DEPUTY SPEAKER—The question is that the motion be agreed to.

Mr Ruddock—Mr Deputy Speaker, I raise a point of order. I have not had a chance to read them yet. I think that honourable members ought to be given an opportunity to read the reasons before they are asked to vote on the question of the adoption of this report. I have just had the reasons handed to me.

Mr DEPUTY SPEAKER—Order! The House will remain silent while the honourable member reads the reasons.

Mr RUDDOCK (Berowra) (12.29 p.m.)—Mr Deputy Speaker, for these reasons—

Motion (by Mr Beazley) put:

That the question be now put.

A division having been called and the bells being rung—

Mr Price—Mr Deputy Speaker, I raise a point of order. The sound system is not working. We cannot hear your rulings or directions.

Mr DEPUTY SPEAKER (Hon. J.D.M. Dobie)—The division bells will ring for four minutes. That is all the honourable member needs to know at this time.

The House divided. [12.35 p.m.]

(Mr Deputy Speaker—Hon. J.D.M. Dobie)

Ayes	72
Noes	61
Majority	11

AYES

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

AYES

Hollis, C.	Horne, R.
Humphreys, B. C.	Jenkins, H. A.
Johns, G. T.	Kelly, R. J.
Kerin, J. C.	Kerr, D. J. C.
Knott, M. P. J.	Lavarch, M. H.
Lindsay, E. J.	McHugh, J.
McLeay, L. B.*	Melham, D.
Morris, A. A.	Morris, P. F.
Newell, N. J.	O'Connor, G. M.
O'Keefe, N. P.	Price, L. R. S.
Punch, G. F.	Quick, H.
Sawford, R. W.	Sciacca, C.
Scott, L. J.	Simmons, D. W.
Smith, S. J.	Smith, S. F.
Snow, J. H.	Staples, P. R.
Swan, W.	Tanner, L. S.
Theophanous, A. C.	Tickner, R. E.
Walker, F. J.	Willis, R.

NOES

Aldred, K. J.	Anderson, J. D.
Andrew, J. N.	Andrews, K. J.
Atkinson, R. A.	Beale, J. H.
Bradford, J. W.	Braithwaite, R. A.
Cadman, A. G.	Cameron, E. H.
Carlton, J. J.	Charles, R. E.
Cobb, M. R.	Connolly, D. M.
Costello, P. H.	Downer, A. J. G.
Evans, R. D. C.	Filing, P. A.*
Fischer, T. A.	Forrest, J. A.
Hall, R. S.	Halverson, R. G.
Hawker, D. P. M.	Hicks, N. J.*
Howard, J. W.	Jull, D. F.
Katter, R.	Kemp, D. A.
Lieberman, L. S.	Lloyd, B.
Mack, E. C.	MacKellar, M. J. R.
McArthur, F. S.	McGauran, P. J.
McLachlan, I. M.	Miles, C. G.
Moylan, J.	Nehl, G. B.
Neville, P.	Nugent, P. E.
Prosser, G. D.	Pyne, C. M.
Reid, N. B.	Reith, P. K.
Rocher, A. C.	Ronaldson, M. J. C.
Ruddock, P. M.	Scott, B. C.
Sharp, J. R.	Sinclair, I. McC.
Slipper, P. N.	Somlyay, A. M.
Sullivan, K. J.	Taylor, W. L.
Truss, W. E.	Tuckey, C. W.
Vaile, M.	Wakelin, B. H.
Williams, D. R.	Wooldridge, M. R. L.
Worth, P. M.	

PAIRS

Keating, P. J.	Hewson, J. R.
Jones, B. O.	Moore, J. C.
Lee, M. J.	Gallus, C. A.
Snowdon, W. E.	Peacock, A. S.

* denotes teller

Question so resolved in the affirmative.

Original question resolved in the affirmative.

VETERANS' AFFAIRS LEGISLATION AMENDMENT BILL 1993

Consideration of Senate Message

Bill returned from the Senate with an amendment.

Ordered that the amendment be taken into consideration in Committee of the Whole House forthwith.

Senate's amendment—

After clause 4, page 2, insert the following Division:

"Division 1A—Shares and other listed securities"

Investment product—definition

"4A. Section 5J of the Principal Act is amended:

(a) by omitting the definition of 'investment product' in subsection (1) and substituting the following definition:

'"investment product", in relation to a managed investment, means all the investments that are:

- (a) with the same body corporate or in the same trust fund; and
- (b) subject to substantially the same terms and conditions as the managed investment';;
- (b) by omitting the definition of 'listed security' in subsection (1).

Heading to Subdivision AA of Division 8 of Part III

"4B. The heading to Subdivision AA of Division 8 of Part III of the Principal Act is amended by omitting '*and listed securities*'.

Structure of Division

"4C. Section 46 of the Principal Act is amended by omitting from the table 'STRUCTURE OF DIVISION' the following figures and words:

- ‘4. Shares and other listed securities (from 20 September 1993) 46AA-46AG’.

Investments to which Subdivision applies

"4D. Section 46AA of the Principal Act is amended by omitting subsection (2)."

Mr SCIACCA (Bowman—Parliamentary Secretary to the Minister for Social Security) (12.40 p.m.)—I move:

That the amendment be disagreed to.

I will not speak at length on this amendment because the matters contained in it are exactly

the same as those which we just debated, namely, the change in the treatment of shares, which was made law as and from December 1992. For all the reasons that we have already discussed and to save the time of the chamber, I will leave my remarks at that.

Mr TIM FISCHER (Farrer—Leader of the National Party of Australia) (12.42 p.m.)—I rise to speak briefly to the Veterans' Affairs Legislation Amendment Bill and the Senate amendment thereto. Interestingly enough, the Bill contains the original provisions contained when the House debated it last, including extension of benefits to the peacekeeping forces in Cambodia and Yugoslavia and adjustments to the assets test and the like. It now has attached to it an excellent proposition which effectively moves to end the Government's introduction of notional capital gains tax on pensioners.

Much has been said about capital gains tax during the debate on the related Social Security Amendment Bill. Let me make two additional points only. Firstly, the Government's approach is a tip of the iceberg approach. It is a stab at the whole concept of notional capital gains tax once proposed by the British Labour Party and variously proposed by the Australian Labor Party in one form or another. That tip of the iceberg approach will flow on, if the Government gets away with it, to other areas of statute to the disadvantage of good tax law in Australia and what is a fair go in terms of business not actually gaining the gain but still being subjected to a form of notional capital gains tax. I believe that concept is absolutely repugnant.

Secondly, to think that pensioners, including veteran service pensioners, will somehow go scot-free if they hold shares is incorrect. I say to the Minister for Social Security (Mr Baldwin) and to the Parliamentary Secretary to the Minister for Social Security (Mr Sciacca): the Government already has on the statute books its basic assets test legislation. It already has on the statute books the income test provisions, so that pensioners with a portfolio—and good luck to them if they find shares paying a sufficient dividend to trigger the income threshold—will be clobbered in terms of the service pension. It already has on

the statute books the capital gains tax provisions, which means that if pensioners actually trade in shares, their service or age pension will be adjusted.

I want to say to the House in very clear-cut terms that the pensioner is already catered for. Those pensioners holding shares—and they are entitled to hold shares—who have fought for their country are now service pensioners. They might hold some shares in a range of stocks. We are about protecting their right to hold those shares and not be subjected to notional capital gains tax, that is, a notional adjustment leading to the circumstance where their pension would be reduced—and that is what notional capital gains tax is. It is for these reasons that I support the Senate's amendment to the Bill now being considered by the Committee of the Whole.

Mr RUDDOCK (Berowra) (12.45 p.m.)—I want to take a couple of moments to add to some of the points raised on the Senate amendment to the Veterans' Affairs Legislation Amendment Bill. It is important to recognise that gains on shares can sometimes be illusory and based on short-term and extraneous matters rather than underlying value. One of the problems we have with this Government's proposal is that it singles out those service pensioners who seek to preserve their capital in the form of shares, as distinct from other forms of investment, such as real estate and other properties. In fact, it moves the test which at the moment excludes shares, to one that now enables—

The DEPUTY CHAIRMAN (Mr Newell)—Order! It being past 12.45 p.m., in accordance with standing order 101A, I shall report progress.

The Deputy Chairman having reported accordingly—

Sitting suspended from 12.46 to 2 p.m.

ELECTION PETITION

A copy of the following election petition was tabled by the Clerk:

Election petition, Robert James Neilson Hudson Jr v. Michael John Lee and the Australian Electoral Commission filed in the High Court, sitting as a Court of Disputed Returns, in respect of the

Commonwealth Electoral Act 1918 and of the election of 13 March 1993.

MINISTERIAL ARRANGEMENTS

Mr KEATING (Blaxland—Prime Minister)—I inform the House that the Minister for Resources and Tourism, Mr Lee, will be absent from Question Time today.

Opposition members—Ha, ha!

Mr KEATING—Opposition members are easily amused.

Dr Hewson—The start of an impeccable career.

Mr KEATING—It is terrific that you are amused and feeling happy in opposition. In his absence, questions on resources should be directed to the Minister for Primary Industries and Energy, Mr Crean. Questions on tourism should be directed to the Minister for Industry, Technology and Regional Development, Mr Griffiths.

STANDING ORDER 145

Mr SPEAKER—During my very first question period as Speaker on 5 May 1993 the matter of standing order 145 in respect of the relevance of an answer to a question without notice was raised. It had been raised frequently during the previous Parliament. On 10 May I was asked questions by both the honourable members for Moncrieff and Curtin on the same issue and indicated that I would be considering the matter and making a statement to the House.

Standing order 145 is the only standing order which deals specifically with an answer to a question without notice. It provides simply:

An answer shall be relevant to the question.

As indicated in *House of Representatives Practice*, the Standing Orders and practice of the House have been criticised in that restrictions similar to those applying to the form and content of questions do not apply to answers. Although it has been argued that the provision in standing order 144 which provides that questions cannot be debated should be read as meaning a prohibition of debate in answering, as well as in putting, a question, it has not been so interpreted by the Chair.

House of Representatives Practice goes on to say that the latitude permitted to Ministers has often been quite considerable in the House of Representatives. Speakers have ruled consistently that, provided an answer is relevant and is not couched in unparliamentary language, Ministers may answer questions without notice in virtually any way they choose. The interpretation of 'relevant' has at times been very wide. In practice the word has been frequently accepted by the Chair as meaning relevant in some way, or relevant in part, rather than directly or completely relevant.

House of Representatives Practice records that there have been occasions when Ministers have been asked to resume their seats as their answers have not been relevant. The Chair has also held that a Minister 'should not engage in irrelevancies' such as contrasting the Government and the Opposition. Past Speakers have directed a Minister so doing not to proceed, although on many other occasions such comments have been permitted.

In view of the foregoing, I propose to allow references to subjects over which Ministers do not exercise direct control but which may impact upon their area of responsibility: for example, comments on the foreign policy of another nation, comments on the international economic situation, and references to opposition attitude where appropriate. The House itself could take some initiative in this matter. The Standing Committee on Procedure in both 1986 and 1992 made recommendations in respect of standing order 145. In 1992 the report recommended that the standing order should be amended to read:

The answer to a question without notice:

- (a) shall be concise and confined to the subject matter of the question; and
- (b) shall not debate the subject to which the question refers.

An answer to a question on notice shall be relevant to the question".

Passage of this recommendation would confine answers to questions more than the practice I have enunciated and which I have indicated current Standing Orders effectively oblige me to pursue. In the absence of any

action, the Chair is left in the position that it has to be guided to a large extent by the practice that has developed in the House.

However, I have to say that I will be looking to Ministers to be more relevant than they have been on some occasions in the past. I would hope that the experience of the last two sitting weeks, when an average of about 14 questions was asked each day, will continue. In this regard, I intend to adopt the practice of earlier Speakers who, on a number of occasions, invited Ministers to wind up lengthy answers. By the same token, I would suggest that points of order and interjections do not encourage Ministers to wind up their answers; on the contrary, they tend to prolong the answers.

I have been aware of changing community perceptions in relation to Question Time, particularly since it has been televised live. As citizens of Australia expect that Question Time will provide an insight into the current issues facing the nation, I hope to facilitate that process and I seek the cooperation of all honourable members in attempting so to do.

QUESTIONS WITHOUT NOTICE

Income Tax Cuts

Mr DOWNER—I direct my question to the Treasurer. I refer the Treasurer to the Government's Budget problems, which are well known, and ask: will the Treasurer give a categorical assurance that the Government is still committed to providing the One Nation income tax cuts?

Mr DAWKINS—The Government has no intention of rescinding the provisions which were put in the tax scales last year. That was said at the time; I repeat it now.

Budget Deficit

Mr SWAN—My question is directed to the Treasurer. Has the Treasurer's attention been drawn to media reports of calls for rapid and radical action to move the Budget towards surplus? Can the Treasurer inform the House of practical differences between a rapid and radical approach and a medium-term approach?

Mr DAWKINS—I have seen some discussion in the media about these apparently

various calls for a rapid and radical series of actions to move the Budget towards surplus. I have also seen other reports embracing the Government's view that in repairing the Budget we should approach it on the basis of a medium-term strategy.

I notice that most of the claims about the need for a rapid and radical approach have come either from the Opposition itself or from various of its diminishing cheer squad outside this place—most particularly, the renowned Des Moore of the Institute of Public Affairs. In fact, Des Moore seems to be about the only outside commentator who is proposing this rapid and radical approach. A number of other professional economists, other commentators, have actually said that it would be counterproductive for us to follow the prescriptions as proposed by Mr Moore and apparently sometimes embraced by the Opposition. The reason is that to take this radical and rapid action would be counterproductive to the requirements of economic policy at the moment.

The Government took a very deliberate decision last year, both in the One Nation context and in the Budget, to provide a fiscal stimulus in order to promote economic recovery in this country. That process is still taking place. It was always the Government's intention, as was spelled out on both of those occasions, that following the economic stimulus provided by those measures it would be moving the deficit down to a point where it reached about one per cent of GDP by the 1996-97 financial year.

I have already said that the prospective deficit for next year could be as high as \$18 billion if no action were taken. I have also said that the deficit for next year should be around the level of that in prospect for this year. So what that means is that the Government is firmly fixed on that medium-term strategy—a strategy which has been embraced by people such as the Chief Economist for Legal and General, Mr Jolly from Syntec and even Mr Truglia from Moodys.

The process of going towards that medium-term objective will commence in this Budget round as the Government examines both expenditure reductions and the revenue side

of the Budget in order to make a credible start on the achievement of that objective. It is important to understand that Opposition members do not have a clue about any of these issues. They are confused amongst themselves and, indeed, even individual spokespersons for the Opposition are saying entirely contradictory things.

I think the message from all this was perhaps best spelt out when the Leader of the Opposition was asked whether, in making his criticisms of the Government, he had some higher responsibility towards the national interest. Of course, he denied that he did. He said, 'We tried that and it failed'. So the Opposition is now firmly into the business of irresponsible opposition, internally inconsistent opposition. It is clear from what the person asking this question has said in just the last few days. He said that we should cut expenditure on the one hand and increase expenditure on the other hand. Whilst proposing those two measures, he is suggesting that the Opposition has its own candidates for increased expenditure. When asked how to reconcile this mess—

Mr Tim Fischer—On a point of order, Mr Speaker: you gave a lengthy ruling to the House at the commencement of Question Time which addresses the very dimension which the Treasurer is now proceeding to. My point of order that you invite him to sit down is based on two counts: firstly, his lengthy reference to the Opposition's attitude and the attitude of the Leader of the Opposition; and, secondly, the length of his answer.

Mr SPEAKER—There is no point of order for the reason that the Treasurer was asked to respond to public comment regarding the deficit. In my view, having listened very carefully to what the Treasurer has said, he is illustrating that answer.

Mr DAWKINS—At the same time as the honourable member for Mayo was saying that the Government must proceed with all its election undertakings, he said that we should be cutting expenditure. He invited attention towards the expenditure reductions which the Opposition had proposed in the election context. I ask the honourable member for Mayo: how many of these expenditure reduc-

tions is he still committed to? Is he still committed to a \$50 million cut in the ABC budget? Is he still committed to a \$160 million cut in the CES, as various members of the Opposition are wandering around shedding crocodile tears about unemployment? Is he also proposing a cut of \$1.5 billion in Medicare or is the Opposition still to learn the lesson of the last election about the great attachment that the Australian people have to Medicare? Is he still keen on cutting \$400 million from the Commonwealth-State housing agreement? Is he still interested in cutting \$719 million from the States, Territories and local government? Is he still interested in cutting \$115 million from sole parents? And is he still interested in cutting \$152 million in order to force unemployed people to sell down all of their liquid assets before they are entitled to unemployment benefits?

Members of the Opposition have exposed their own position on this issue. They are into the business of totally irresponsible opposition—to hell with the national interest and to hell with any concept of what is right for the Australian economy. They are still to comprehend—

Mr Howard—Mr Speaker, I raise a point of order. You gave a few moments ago what I am sure you wanted to be seen as an even-handed declaration from the Chair.

Mr Keating interjecting—

Mr Howard—Why don't you stop interrupting, you mug!

Mr SPEAKER—The honourable member for Bennelong might not respond to interjections and get to the point of order.

Mr Howard—And he might not interject. You might reprimand the Prime Minister for a change. Mr Speaker, you gave what I know you wanted to be seen as an even-handed interpretation of the situation, given the constraints of the Standing Orders. I have to draw your attention to the fact, by way of a point of order, that the Treasurer has gone on at inordinate length. He has answered the substance of the question. He has padded out that answer with a deliberate attack on the Opposition, and it seems to us in clear defi-

ance of the injunction in your ruling that Ministers should shorten their answers.

Mr SPEAKER—I was listening very intently, and the way the Treasurer was going I feel sure he was intending to wind up.

Mr DAWKINS—I am indeed. I might just say that it is not surprising that these revelations of mine would make the honourable member for Bennelong blush. At least he would understand the internal inconsistency, the mess that the Opposition is now in, and the total irresponsibility of its position. I am quite sure that, if asked, he would not embrace such an approach.

Budget Deficit

Dr HEWSON—My question, directed to the Treasurer, is a question in the national interest in terms of his previous answer. Is it a fact that, using his own estimates, the Government will need about \$8 to \$10 billion per year—I will repeat that: \$8 to \$10 billion per year—in extra revenue before its proposed tax cuts to fulfil its commitment to reduce the deficit to one per cent of GDP by 1996-97? Is it also a fact that the tax cuts he has promised will reduce government revenue by \$16 billion by 1996-97?

Mr DAWKINS—Once again, we have the Opposition doing what only it can do, and that is to speculate about what might be the consequences of certain policy initiatives. The Leader of the Opposition has yet to get over the fact that he is over there and we are over here and he has not got the opportunity to propose measures of his own, but I might invite the Leader of the Opposition to answer the question of how it is that his shadow Treasurer can go around promising increases in family allowance—

Mr Howard—Mr Speaker, I raise a point of order. The Leader of the Opposition asked a very specific question. He sought two precise pieces of information. He sought a statement from the Treasurer as to whether the Government would need \$8 to \$10 billion a year in extra revenue to fulfil a commitment to reduce the deficit to one per cent of GDP. He also asked: was it a fact that the One Nation tax cuts will cut revenue by \$16 billion? They were very precise questions.

The Treasurer's answer now is totally irrelevant to those very precise questions. I invite you, under standing order 145, to tell the Treasurer to sit down unless he becomes relevant.

Mr Beazley—Mr Speaker, I take a point of order. There is a time-honoured process by which we raise points of order in this place. That process obliges a member raising a point of order, so it does not by itself become a disorderly process, to state precisely the point of order that he wishes raised, the point which he is challenging, and not to debate it. All the points that have been raised so far by the Opposition today have included debating elements in the way in which those points have been raised. You are quite capable of interpreting this without their help.

Mr SPEAKER—Order! The honourable member for Bennelong raised an interesting point in respect of the preamble that might accompany a Minister's answer. I am sure the Minister is getting to the specifics of the answer, and I would invite the Minister to do so.

Mr DAWKINS—Of course I am, Mr Speaker. It is entirely relevant to expose the bona fides of those people who ask these kinds of questions. As I indicated a moment ago, I was in the process of doing so. The shadow Treasurer is running around proposing increases in expenditure which the Opposition proposed would be covered by revenue coming from the GST. But, apparently, the GST has now been abandoned. The Opposition is bereft of policy—totally bereft of policy—and yet it continues to recycle bits of it—

Mr Aldred—Mr Speaker, I raise a point of order. On the matter of relevance, you gave a very specific direction to the Minister with which he is not complying. I ask you to have him comply with your direction.

Mr SPEAKER—There is no point of order. The Treasurer is answering the question.

Mr DAWKINS—At the time the Government announced the changes to the tax scales, it indicated the prospective cost to the revenue. The Government has made subsequent

announcements, which were also costed in the context of the recent election campaign. The Opposition will have to wait until such time as the Government produces details of its proposals in the Budget, not just for this forthcoming financial year but also for the way in which it intends to meet the very solemn undertaking it made in the election context to reduce the size of the government deficit to one per cent of the GDP by the year 1996-97.

How the Government will do that will become perfectly clear in the Budget context. Until the Budget is produced the Opposition will have to continue on its merry way, speculating however it likes but recognising that as every day goes past fewer and fewer people will take any notice of it whatsoever.

Shipbuilding

Mr STEPHEN SMITH—My question is directed to the Minister for Industry, Technology and Regional Development. What action has the Minister taken to encourage the development of the Australian shipbuilding industry? Can the Minister also inform the House about the impact of this action on the industry in Western Australia?

Mr GRIFFITHS—I thank the honourable member for Perth for his question. Shipbuilding is an extremely important industry in Western Australia, as it is in the rest of the country. This particular industry is without doubt one of Australia's manufacturing success stories. The industry has changed since the 1970s when it was characterised by industrial unrest, high levels of government support and the production of large steel vessels for a declining international market.

Today the industry is a major export earner, specialising in products for niche markets. Some producers are already recognised as world leaders due to their innovative approach to design and production technology. The next two years promise to be years of strong export growth coupled with increased employment for the industry. The value of vessels expected to be completed by shipbuilders this year is nearly \$300 million, which is about double the industry outcome of the previous year.

By way of contrast, the Opposition would have had that performance under considerable threat by removing any semblance of government assistance for the industry. The Government, however, believes that Australia's shipbuilders deserve at least the same level of backing from government as other Australian manufacturers get while they tackle the challenges before them. The industry's ability to successfully respond is best illustrated by the reputation for quality and performance enjoyed by companies such as Oceanfast, Austral and Wavemaster in Perth, Incat in Tasmania, and NQEAs and Lloyds in Queensland.

I am pleased to be able to advise the House that the Government will legislate to extend the bounty in line with general manufacturing tariffs from 1 July 1993. To honour the commitment made by the Prime Minister in the course of the election campaign, we will introduce the legislation into the Parliament tomorrow. The cost of this assistance—I regard it more as an investment—will be \$43.8 million over four years. In order to pursue further some of the associated issues in the industry, next week I will be visiting shipyards in Western Australia—with the honourable member for Perth—and Queensland to see for myself the leading edge of this new industry.

Government Finances

Dr HEWSON—My question is directed to the Treasurer, and again it is in the national interest. I ask the Treasurer: given the independent findings of the Auditor-General that the Government has financial obligations of at least \$127 billion against liquid assets of just \$57 billion, how can he justify trying to fund the Government's debts by bludging on the future of our children?

Mr DAWKINS—Of course this discloses the absolute irresponsibility of the Leader of the Opposition, because he knows just how wrong and conceptually inaccurate this report is. He knows that, and yet he is proposing to continue to highlight these entirely inaccurate propositions. On 13 April my department was asked to comment on this report and, amongst other things, the department indicated the following to the authors of the report:

I particularly draw your attention to the statement in the first paragraph of the draft report which carries a clear implication that the Commonwealth may not be able to meet its obligations in the future. This is unwarranted, unprofessional and irresponsible.

Whilst to some extent the authors toned down the paragraph in question, they left the clear impression that the Commonwealth might have some difficulties in meeting its future obligations. This is untrue. The Leader of the Opposition knows it is untrue, and the authors—if they were properly qualified, if they were capable of dealing with the issues—would have known so as well.

The responsibility for drawing together a government response to this report rests with the Minister for Finance, and I am sure that if the Leader of the Opposition were to ask him further questions about this he would be only too happy to respond. I would make this observation: the burden of this report is all about the need to disclose the Commonwealth's financial obligations—the need for disclosure. What, on this central topic, is the conclusion and recommendation of this report? This report says at recommendation 15:

The ANAO recommends that the Commonwealth continues to develop plans for the introduction of whole of government reporting on an accrual basis with a view to implementing whole of government reporting by the end of the 1994-95 financial year.

That is precisely what the Government is doing. Indeed, the Minister for Finance, in a statement he made last year, announced that we were moving in that direction. It is one thing for the Auditor-General and his authors—in this case, Warren, Lynne, Malcolm and Susi—to draw attention to issues of importance to the public, but it should be noted that the information in this report is public information. It is drawn from public information largely available within the Budget. If the Auditor-General believes that that information should be presented in a different way, he is entitled to say so. All that the authors are saying on this occasion is that the Government should proceed with its already announced plans about the presentation of this information. In the words of the Treasury, it is neither warranted, professional

nor responsible for the Auditor-General or those in his office to raise speculation that the Commonwealth is unable to meet its emerging financial obligations. This morning one of the authors was asked:

Does this mean that the Commonwealth is technically insolvent?

And she said:

No, certainly not.

She went on to say:

We also have not taken into account in the report the Commonwealth's power to tax, which of course should always ensure that the Commonwealth remains solvent.

It is hardly an irrelevant point that the Commonwealth in every Budget makes the decision about the extent to which it will borrow, the extent to which it will pay back, and the extent to which it will balance its recurrent and future obligations. It is hardly a small point that the Commonwealth, unlike a private business, does have the power to tax and does have the power to arrange the finances of the Commonwealth as suits the economic circumstances of the time. So there are some conceptual inaccuracies in this report, and I am quite sure the Minister for Finance will be pointing out those problems and inaccuracies in the response that the Commonwealth will make to this report.

Government Programs

Mr CLEELAND—I direct my question to the Prime Minister. Has the Prime Minister seen reports that the Opposition intends to oppose government reforms and legislative changes as an act of vengeance for losing the so-called unlosable 13 March election? Can the Prime Minister say what effects such a policy would have on the delivery of government programs and whether it would impede the democratic right of the Government to fulfil its mandate?

Mr Tim Fischer—Mr Speaker, I take a point of order in respect of the question from the honourable member for McEwen. The second part of his question falls well outside the responsibility of the Prime Minister as it relates to the Opposition in pure and simple form and as such should be ruled out of order.

Mr SPEAKER—No, there is no point of order. The question was clearly in order in that it asked for the Prime Minister to talk about the Government.

Mr KEATING—I must say I was very surprised to hear the Leader of the Opposition saying that the Opposition would be 'very revengeful'. He said the Government would be—and he repeated it—revengeful.

Opposition members—The Government?

Mr KEATING—No, the Opposition would be 'very revengeful'. That is what he said. Revenge is a politically very violent word and one that I would have thought the Leader of the Opposition would have done well to have stayed away from. Why does he wish to be revengeful? The answer is because he was rejected by the Australian people, because he lost the election his party said was unlosable. So now he will sit back and sulk and sabotage public policy to be, as he put it, revengeful.

In a recent interview he said, 'Our job now is to oppose'. So this is the Opposition we have, an Opposition which says its lot in life is to oppose and be revengeful. That is no exaggeration—it is a direct quote: your job is to oppose and be revengeful. And why, if not simply to straighten up the public for rejecting him? He said in the book which is written by Ms Wallace:

If we can't win by doing what's right there is something fundamentally wrong with Australia.

The country is wrong, not him. He has been put back in his place. What is his motive now? Revenge; to be revengeful; to oppose. His new contribution to Australian political leadership is to be revengeful and to oppose.

This is the person who told us he was not really a political figure; he was a consultant who was hired to give Australia good public policy and he would not worry about the political impacts of these things. But one democratic judgment by the electorate and he sulks back to the recesses of the darkness of the liberal mind, to be what? To be revengeful and to oppose. We are seeing this in the irresponsibility which the Treasurer referred to in what has already been the rejection of a number of measures for which the Government had a clear and specific mandate in the

election. Let me just inform the House that the income test free area for jobsearch, newstart and sickness allowance—

Mr Ruddock—Taking pensioners out of the tax system.

Mr SPEAKER—Order!

Mr Ruddock—Well, he did, Mr Speaker.

Mr KEATING—You are heading for your second 20 years in opposition. The introduction of an earned income-free area of \$30 per fortnight for single people, and an increase in the earned income-free area for partner recipients of \$20 a fortnight, meaning 89,000 clients each fortnight would be better off with an average increase in fortnightly payments of around \$20, was rejected by the Opposition in the Senate.

There were changes in the same Bill to the waiting period. The ordinary waiting period will be waived for claimants of jobsearch allowance, newstart allowance and sickness allowance where the claimant has been on income support within the previous 13 weeks. Fifty-four thousand six hundred clients will be assisted by these changes. The starting date is 20 September 1993. That was rejected by the Opposition in the Senate. With the easing of the assets test withdrawal rate, the assets test for pensioners will be eased so that the pension will be reduced by \$19.50 rather than \$26 per year for every \$250 of assets above the threshold. Mr Speaker, 48,800 pensioners and non-pensioner retirees will benefit from this change. Again, this was rejected by the Opposition in the Senate. Total winners from the legislation will be 192,400 people. This is after the Leader of the Opposition said in a press statement last week, ‘The fact is that the Keating Government does not give a damn about how many Australians are affected by broken promises’. He opposes things which the Government clearly said were part of its policy speech for which it sought and got a mandate at the election.

The same Bill also extends benefits under veterans affairs’ legislation to members of the Australian Defence Force serving with the United Nations peacekeeping forces—

Mr Tim Fischer—I raise a point of order, Mr Speaker. We cannot have Rafferty’s rules and lies before this House.

Mr SPEAKER—Order! The Leader of the National Party will withdraw that remark.

Mr Tim Fischer—I withdraw the word ‘lies’. We cannot have total misleading of the truth. The Senate’s amendment to the Veterans Affairs’ Legislation Amendment Bill is under consideration by the Committee of the Whole today, and as such cannot be the subject of detailed debate by the Prime Minister—

Mr SPEAKER—Anticipated debate is not permitted—

Mr Tim Fischer—It is already part heard. The debate commenced before lunch.

Mr SPEAKER—You have made your point of order. You will resume your seat. The Prime Minister would be aware of that and will continue his answer.

Opposition members interjecting—

Mr KEATING—If those opposite had supported it, it would not be back here. The Opposition rejected it over there. It attached to it an amendment to turn over a 1992 Budget measure relating to shares and the income test; in other words, those opposite are into revenge, obfuscation and just being villains. They are irresponsible, stupid people. That is what they are about being. The same Bill also includes an amendment to extend operational service in Cambodia to areas in Laos and Thailand that are no more than 50 kilometres from the border of Cambodia and amendments as a result of the changes designating Somalia and the area comprising the former Yugoslavia as operational areas.

Those measures, along with the changes to the income test area for the jobsearch, newstart and sickness allowance, changes to the waiting period, and easing of the assets test withdrawal rate, have all been knocked back by the coalition in the Senate to append a paltry amendment about a Budget measure of a year ago, while the Leader of the Opposition has the gall to put out a statement saying that he does not give a damn about how many Australians are affected by broken promises. The Leader of the Opposition has

made it clear what his contribution to the political debate is going to be. He said, 'Our job is to oppose and be revengeful'. Maybe there are some more serious minds in the Opposition that might think about terminating his mandate to lead anybody.

Members and Senators: Ethics

Mr MACK—I direct my question to the Prime Minister. I refer to the working group convened in the 36th Parliament by the Speaker and the President of the Senate to draw up ethical guidelines for members and senators. Is it the intention of the Prime Minister to continue this initiative? Is he aware of the recent recommendations on ethics by a committee of the Queensland Parliament and the decision of the Goss Government to establish in legislation mandatory ethical codes for both parliamentarians and public servants? Will the Prime Minister ensure that the ethics working group of this Parliament is reconvened and that its scope is extended to include the conduct of public servants?

Mr KEATING—On the latter point, I am not certain whether any issue that has arisen of recent times reflects upon the conduct of public servants in terms of ethics. Be that as it may, I am quite happy to see the Parliament continue to look at the question of ethics in this cycle. Perhaps we could start by having members of the Opposition in the Senate join with the rest of the Parliament in tabling their interests, so that at least people know where they stand as a point of reference for the operation of such a regime. There are many issues involved and I know that the committee has been working on this for some time. No doubt at some appropriate time it will present its report to the Parliament.

Parental Leave

Ms CRAWFORD—My question is directed to the Minister for Industrial Relations. Can the Minister advise the House as to the Government's intentions in relation to providing Australian workers with an entitlement to unpaid parental leave.

Mr BRERETON—The honourable member will be pleased to know that the Government will introduce legislation guaranteeing the

right to unpaid parental leave, as announced during the election campaign. I notice that there have been reports in the press recently that the Government had backed away from that pledge. Whilst the matter does involve some serious and complex legal issues I am able to inform the House that these complexities have now been overcome in consultation with the acting Solicitor-General. I can now advise the House that such legislation can be based on the external affairs powers of the Australian Constitution. This will give effect to Australia's obligation as a party to ILO convention 156 ratified by Australia on 30 March 1990.

Parental leave allows a parent to leave the work force after the birth of a child to care for the child without having to resign from the parent's job. The ILO convention requires government to take measures so that the needs of workers who have family responsibilities are properly taken into account in their terms and conditions of employment. The convention also requires, I am able to inform the House, governments to take measures to enable those workers to re-enter the labour force after an absence caused by their family responsibilities. The legislation guaranteeing parental leave will therefore be a very important part of the Government's comprehensive strategy for implementing its ILO obligations.

In developing the legislation, there will be detailed discussions with the States and Territories, employer and union bodies, and other interested groups. Yesterday I was able to give an assurance of the Government's commitment to legislate in this area to the Women's Electoral Lobby. I will now be refining the details with the Minister Assisting the Prime Minister for the Status of Women, as well as discussing arrangements for further consultation with women about industrial relations change.

Investment

Mr DOWNER—My question is directed to the Treasurer. I remind the Treasurer of the Prime Minister's statements in the election campaign: 'investment is picking up', 'sitting there, \$130 billion of registered investment', 'all about to move like a big avalanche'. I also refer the Treasurer to today's disastrous

private capital expenditure figures showing a 10 per cent real fall in equipment expenditure in just one quarter. Is this the big avalanche which the Prime Minister had in mind, or is this just another one of Labor's avalanche of broken promises that the Prime Minister has become the superstar of?

Mr DAWKINS—Once again the honourable member for Mayo reveals the paucity of his understanding of some of the weighty issues which he is supposed to be able to deal with. Of course, I have seen the investment figures as revealed by the ABS today. It is true that they do reveal a fall from a very high rise a quarter ago.

One of the most elementary things which any aspiring shadow Treasurer should understand is the danger in making assessments on the basis of one month's or even one quarter's figures. Also, any aspiring shadow Treasurer should realise and not discount that there is an element of responsibility involved in not immediately assuming that the country is confronting massive gloom on the basis of one quarter's investment figures.

The Government is looking forward to an improvement in investment performance in Australia and, indeed, it will be an essential part of the recovery as it strengthens. When that happens will depend on decisions of the private sector, bearing in mind that there is very strong productivity growth being recorded in the Australian economy at the moment, which in a way serves to postpone in some businesses the need for additional capital investment.

But that is an entirely different point to the point that the Prime Minister was making about investment projects down the track, as revealed by applications for the development allowance. That was about applications for the allowance which had to be in by the end of December last year. It was not about investment in the last quarter or even in the next quarter; it was about investment which was going to take place over the next several years in order to qualify for the investment allowance.

I will be publishing the latest report of the Development Allowance Authority which will spell out, in more detail than the Prime

Minister was able to before the election, the scheduling of that investment. What it will reveal is just how solid those investment proposals are as proposed by the corporations in Australia which have applied for the development allowance.

I would have thought that this is not an occasion for the Opposition, and particularly the shadow Treasurer, simply to be latching onto any negative statistic and producing this as evidence of poor performance in the Australian economy. Rather one would have thought that the Opposition would have been pleased to play its part in indicating what great promise there is in Australia and what great promise has been identified by a large number of corporations in Australia which are prepared to commit billions of dollars towards the development of this great country.

Youth Initiatives

Mr ADAMS—My question is addressed to the Minister for Employment, Education and Training. We are coming up to the anniversary of the youth summit. Can the Minister inform the House of progress in the implementation of youth summit initiatives?

Mr BEAZLEY—Yes, I can do that for the honourable member. Under the package we expected that by the end of this year some 96,300 places in a mixture of programs will be provided for young people and we are well on track in achieving that target. There are some notable features of it that are worth the consideration of the House, particularly in the area of apprentices and trainees. There has been a rise of some 16 per cent in apprenticeships in the period July 1992 to March 1993 above the equivalent period the year before. In the case of traineeships for the same period there has been a lift of some 94 per cent over the previous period. So almost 17,500 unemployed apprentices and apprentices at risk of losing their jobs have been helped through special assistance measures.

Another program, the landcare and environment action program, was slated for some 6,000 places by the end of 1993. It has proved so popular that we expect that between 10,000 and 11,000 young people will benefit in the course of this year. In the youth

career and information advice program we have had some 60,000 young people take advantage of opportunities for career advice. Some 3,000 students and over 1,600 trainees have now signed up in some 100 pilot programs associated with the new vocational certificate program.

Since the youth summit in July 1992 the number of 15- to 19-year-olds unemployed and looking for full-time work has fallen by some 16,300, a reduction of 12.2 per cent, and the proportion of teenagers who are full-time unemployed has fallen from 10.1 per cent to nine per cent. There are now 41,000 fewer unemployed teenagers than when Labor came to office, and the proportion of teenagers unemployed has fallen from 12.3 per cent to nine per cent. Of course, one cannot say from of any of these statistics that the job has been completed, but they are a pretty fair indication that the objectives set by the Prime Minister in the youth summit that he organised have, to a very substantial degree, been met.

Trans-Tasman Shipping

Mr SHARP—My question is directed to the Prime Minister. I remind the Prime Minister that he has identified micro-economic reform as one of his Government's highest priorities. I also remind him that the Australian Business Council has identified the scrapping of the expensive and illegal trade union restrictions on Trans-Tasman shipping as one of the highest priorities for micro-economic reform. What did the Prime Minister do about fixing this during his trip to New Zealand last week? Does the illegal union agreement still stand?

Mr KEATING—One has to have a lot of front to come from the Opposition and talk about the maritime industries of this country, because every bad habit, every bit of sclerosis that was in the waterfront and in the operations of the shipping services around this country, was there over the 30-odd years that the coalition was in office. It was quite happy to let the P&Os of this world run the place with a spare pool of labour that belonged to no-one in particular but cost everyone in general, and it was quite happy for this to be a dead hand upon Australia. But all of a

sudden when this Government arrived it was all our job to fix. Of course, largely fix it we have, with a turnaround time now for containers in Sydney comparable to ports such as Rotterdam, a 50 per cent decline in the number of people in the waterfront in the last 12 months, and now OECD levels on crew manning on Australian ships that have fallen from around 30 crew per vessel to 21 and heading for 19. The problem of uncompetitive shipping services has been repaired at source by dealing with the structure of the manning of Australian line vessels, and the result is that they are eminently more competitive.

Need I say that as a result of these developments we are also seeing other services. There are ones now not just from Melbourne and Sydney to New Zealand but one from Brisbane to New Zealand and, as a consequence, we are seeing a more competitive structure come into place.

Mr Sharp—What about the Trans-Tasman accord?

Mr KEATING—The honourable member for Hume asks about, as he puts it, the Trans-Tasman accord. The Government has no bar on anyone using a ship anywhere in the country. If a shipper wants to use a service other than the current services, then he will. But he probably will not, and will not need to, while ever we are seeing a substantial shift in the competitiveness of the Australian maritime fleet.

Mr Sharp—Come on, come on. That's not the answer.

Mr KEATING—That is the answer. That is the answer that matters.

Mr Sharp—You didn't do anything about it.

Mr KEATING—The Opposition did nothing about the whole industry for 30 years. Members of the Opposition have some front; they really have. They sat there with this clogged up waterfront, with a pool of labour which was not even company hired, which had loyalties to no-one in particular and was a general cost to the whole waterfront. They saw the stevedoring companies and the unions play off the shippers like a break, and what did they do about all those years when the

honourable member for Bennelong was Treasurer or, dare I say it, when the Leader of the Opposition was his adviser? Did we ever see any changes from them? No, it took a bit of ticker, a little bit of intellect—in short, a bit of courage—to do something about it. The coalition did not do anything about it, and it was never able to. That is why I am quite sure the conservative party in New Zealand holds this Opposition in the general contempt we hold it in.

Energy Efficiency

Mr TANNER—I direct my question to the Minister for Primary Industries and Energy. What action is being taken by the Government to improve energy efficiency in Australia?

Mr CREAN—I thank the honourable member for his question. The House may be interested to know that Australians spend annually \$35 billion on energy in this country, and the Government has an energy management program that aims to target some \$1.5 billion per annum in savings through more efficient management practices. In relation to the way in which we have worked with industry to drive this program, we have undertaken on a cost sharing basis the introduction of industry audits that have the potential to yield up to thirtyfold benefits to industry from the government subsidy.

So far as the community is concerned, we have the *Energy guide* that gives indications to consumers as to how they might be more efficient in the management of the way in which they use energy and, more importantly, a recently announced program, the local energy efficiency program, that is funding community responses. I know the honourable member for Melbourne has expressed some keen interest in this program. I am pleased about that and I urge other honourable members in the House to take advantage of it as well.

So far as the States are concerned—this is where some of the programs have not taken off as quickly as we would have liked—we are seeking to develop, with the States, ratings schemes and codes in relation to houses, house building, appliances and com-

mercial buildings. As for renewables, the alternative to the traditional forms of energy production, the House should also be pleased to know that we have developed a series of programs to promote and demonstrate renewable energy technology where it is cost effective. I am taking a particular interest in this area, not only for the efficiency it can yield but also for the industry opportunities and exports that it can develop.

I will have the opportunity tomorrow to announce as part of that program some \$800,000 in funding to successful projects under this scheme. At the ministerial entrance to the House between 10 and 12 tomorrow—I would again invite all honourable members to participate—we will have the Energymobile, a travelling machine which is about to head off on a four-month tour to raise awareness regarding alternative energy production and practices. Incidentally, that machine is running on diesohol, and again it is a program this Government has solidly supported.

National Flag

Mr TIM FISCHER—My question is directed to the Prime Minister. I ask whether it is true, as press reports have indicated, that when the Prime Minister was offered an Australian flag at the Sydney Town Hall last year by RSL President, Brigadier Alf Garland, he said:

No good giving it to me, give it back to one of your Pommy mates.

What is the Prime Minister's current position on our Australian flag with his stampede for a republic?

Mr KEATING—Last year when I was in the Sydney Town Hall with the United States Secretary of Defense, Mr Cheney, walking to a reception in his honour, the President of the RSL jumped from the crowd in the aisle to force on me a flag to make a very lousy political point at the expense of the reception of the Secretary of Defense of the United States. Apparently the Leader of the National Party supports that kind of behaviour.

Mr Ruddock—Of course I would proudly carry the nation's flag.

Mr KEATING—Yes, but you do not shove it under the US Defense Secretary's nose

when he is bounding around to a reception held in his honour in the Sydney Town Hall. Apparently the Leader of the National Party supports that sort of behaviour. That is why the President of the RSL has become the Alf Garnett of the RSL and why he is held generally, I think, in very low esteem by the RSL community.

When Mr Garland came to see me not long after I became Prime Minister and we had the celebrations of the various commemorative events during 1992, after 50 years—the fall of Singapore, the battle of Kokoda, et cetera—one of his requests to me was to pay for him to visit the United Kingdom to go to some ceremony that he said was important to him. The fact is that Mr Garland comes from that area of the RSL where people think the only place you can really hold your head up high is walking down Whitehall—and I have made that very clear to him every time I have seen him.

Housing Products: Exports

Mr LES SCOTT—Can the Minister for Housing, Local Government and Community Services inform the House of the prospects for the export of housing products and services to the Asian markets? What action is the Government taking to develop the export prospects for this industry?

Mr HOWE—The issue of potential for exports in relation to the housing industry is a very important one for this Parliament. Progress on the Government's housing export strategy is proceeding strongly on a number of fronts, including support for Australia's early involvement in a \$1 billion World Bank housing project in China, which could have very important spin-offs for Australian industry.

The Government is also considering the proposed establishment of an industry-government joint venture facility in Jakarta, Indonesia, to market Australian building product systems technology and training. The fast growing economies of Asia provide significant market opportunity for housing and related industries to take advantage of higher disposable incomes and a greater demand which is occurring for quality housing.

Our housing industry is very efficient. It is highly skilled but its strong domestic performance simply has not been reflected internationally. The housing industry in Australia represents of the order of five per cent of GDP and yet a very small proportion of its product is exported overseas. If one took comparable European countries, the percentage of their domestic activity which results in export is of the order of 40 per cent—not a very minor percentage as is true in Australia. We want to work in partnership with industry to change that situation.

Some Australian firms are already directly involved in a range of overseas projects. For example, apartment complexes in Thailand and Malaysia, a plasterboard factory in Indonesia and even the export of bricks and pavers to Japan. In addition, Vietnam wants to develop a national building code based on the building code of Australia, while the Bangkok metropolitan administration is interested in Australian assessments in the development of their building regulations.

To realise these opportunities, clearly a national strategic approach is required which will draw on the expertise of industry, help companies to grasp early market opportunities, coordinate export activities, better assess the market environments, and promote an understanding of the essentials of success in exporting. I am hoping to announce the details of Australia's export strategy in relation to housing in August. It is important that we take this very significant, quite efficient Australian industry and turn it into an export industry as part of a broader approach to the region, where Australia's experience in housing and urban development can translate into very significant export dollars.

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

PRIVILEGE

Mr TUCKEY (O'Connor)—**Mr Speaker**, I wish to raise a matter of privilege. Today the Treasurer (Mr Dawkins) read from a letter which was sent to the Auditor-General, presumably with the Treasurer's authority, in regard to a report on government debt pre-

pared by the Auditor-General for this Parliament. The Treasurer further claimed that as a result of this letter certain changes by way of moderation of this report to parliament were achieved. The Auditor-General reports, by legislation, directly to this Parliament, for the clear and proper reason; to prevent the executive government interfering in any way with such reports. It is my view that any attempt, particularly by the executive government, to interfere with such reporting must represent a breach of parliamentary privilege.

Mr Speaker, I therefore request that you investigate and assess this already admitted action in regard to the existence of a *prima facie* case for presentation to the Committee on Privileges which should further decide whether a breach has been made by the Minister or members of his department.

Mr SPEAKER—I will consider the matter that the honourable member for O'Connor has raised and will report back to the Parliament. I call the Treasurer, on the same matter, by indulgence.

Mr DAWKINS (Fremantle—Treasurer)—
Mr Speaker, I am quite happy for you to consider this piece of nonsense and dismiss it, as I am sure you will.

Mr SPEAKER—It is not for the Treasurer to determine it. I will determine it.

Mr DAWKINS—I am talking about what the honourable member for O'Connor said.

Mr Tuckey—Mr Speaker, on a point of order—

Mr SPEAKER—The honourable member for O'Connor will resume his seat until the Treasurer has concluded.

Mr DAWKINS—I do so on this basis: when the Auditor-General produces reports, quite frequently he sends draft copies of those reports to relevant departments asking for their comments. Mr Speaker, you would well know that from your experience on the appropriate parliamentary committee which reviews these matters. That is crystal clear in this report—if the honourable member for O'Connor had bothered to read it—because it includes the comments ‘received back by the Auditor-General’. So it would have been shocking if my department, having been asked

for its comments by the Auditor-General, did not give them. All it did was comply with the request by the Auditor-General to provide comments on the draft report.

PERSONAL EXPLANATIONS

Mr RUDDOCK (Berowra)—**Mr Speaker**, I wish to make a personal explanation in relation to the observations by the Prime Minister (Mr Keating) at Question Time.

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

Mr RUDDOCK—Yes, most grievously.

Mr SPEAKER—The honourable member may proceed.

Mr RUDDOCK—The Prime Minister seriously misrepresented me and misled the House when he suggested that we had opposed—

Mr SPEAKER—If the honourable member wishes to proceed with the second part of those comments, there are forms of the House to which the honourable member rightly knows he can refer.

Mr RUDDOCK—**Mr Speaker**, I will make it very clear. When it was suggested that we had opposed—

Mr Keating—You are debating the point.

Mr RUDDOCK—It is not debating.

Mr SPEAKER—The honourable member will get to his personal explanation and say where he has been misrepresented.

Mr RUDDOCK—It will be a very brief point. The point is that in this House and in the Senate we have at no time voted against the proposals. In fact, today at Question Time—

Mr Beazley—**Mr Speaker**, on a point of order. My point of order is this: the Standing Orders relating to personal explanations are quite specific. They relate to where an individual in this chamber has been misrepresented in this chamber or outside it. It is a simply stated matter. He is debating a point about how he felt the Opposition somehow had been misrepresented. It is not an appropriate tool to use for this purpose.

Mr SPEAKER—The honourable member for Berowra has been invited to show where

he has personally been misrepresented. I invite him to do so again or resume his seat.

Mr RUDDOCK—I carry responsibility for these matters.

Mr SPEAKER—No. Where he has been personally misrepresented.

Mr RUDDOCK—It is suggested in relation to these matters that I am opposed to these benefits being available to the unemployed. The fact is that at no time have I, nor have any of my colleagues, voted against these proposals.

Mr SPEAKER—The honourable member for Berowra will resume his seat.

AUDITOR-GENERAL'S REPORTS

Mr SPEAKER—I present the Auditor-General's audit reports Nos 32, 34-37 of 1992-93. Details of the reports will be recorded in the *Votes and Proceedings*.

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

That:

- (1) this House authorises the publication of the Auditor-General's audit reports Nos 32 and 34-37 of 1992-93;
- (2) the reports be printed;
- (3) report No. 32 be referred to the Standing Committee on Environment, Recreation and Arts; report No. 35 be referred to the Standing Committee on Industry, Science and Technology; and report No. 36 be referred to the Standing Committee on Aboriginal and Torres Strait Islander Affairs.

PAPERS: PRESENTATION

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

The schedule read as follows—

1. Letter dated 19 April 1993 from the Minister for Aboriginal and Torres Strait Islander Affairs to the Chair of the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs, concerning the delay in responding to the Committee's report, 'Mainly Urban'.
2. DEPARTMENT OF FINANCE—Guidelines for Financial Statements of Public Authorities and Commercial Activities—March 1993.

3. DEPARTMENT OF FINANCE—Financial Statement Guidelines for Departmental Secretaries—(Accrual Reporting)—April 1993.
4. DEPARTMENT OF FINANCE—Financial Statement Guidelines for Departmental Secretaries—(Modified Cash Reporting)—April 1993.
5. ROYAL AUSTRALIAN AIR FORCE VETERANS' RESIDENCES TRUST—Annual Report 1991-92—including the Auditor-General's report—section 10 of the Royal Australian Air Force Veterans' Residences Act 1953.
6. QANTAS—1992 Equal Employment Opportunity—Annual Report—section 9 of the Equal Employment Opportunity (Commonwealth Authorities) Act 1987.
7. AUSTRALIAN SCIENCE AND TECHNOLOGY COUNCIL—Bridging the Gap—The Social Sciences and Humanities in Australia—section 6 of the Australian Science and Technology Council Act 1978.
8. DEPARTMENT OF TRANSPORT AND COMMUNICATIONS—Australian Land Transport Development Program—Review of Operations—Volume 1, 1989-1991—section 41 of the Australian Land Transport Development Act 1988.
9. SUPPLEMENTARY EXPLANATORY MEMORANDUM—Taxation Laws Amendment Bill (No.2) 1993—House of Representatives.
10. PUBLISHED NURSING HOME AND HOSTEL STANDARDS MONITORING STATEMENTS—1 November 1992—31 March 1993—Minister for Housing, Local Government and Community Services.
11. DEPARTMENT OF HEALTH, HOUSING AND COMMUNITY SERVICES—Better Cities—National Developments 1991-92.
12. DEPARTMENT OF FOREIGN AFFAIRS AND TRADE—Report of the Second Australian Human Rights Delegation to China—8-20 November 1992, with accompanying statement from the Minister.
13. COPYRIGHT AGENCY LIMITED—Annual Report 1991-92—section 135 of the Copyright Act 1968.
(Submitted to the former Attorney-General 14 December 92)
14. NATIONAL BOARD OF EMPLOYMENT, EDUCATION AND TRAINING—Higher Education Council Seventh Report on the Operation of section 14 of the Higher Education Funding Act 1988 and the Higher Education Contribution Scheme—section 25 of the

- Employment, Education and Training Act 1988.
15. THE LAW REFORM COMMISSION—Report No. 63—Children's Evidence: Closed Circuit TV—section 37 of the Law Reform Commission Act 1973.
16. AUDIO-VISUAL COPYRIGHT SOCIETY LTD—Report of the Operations for the Year ending 30 June 1992—section 145 of the Copyright Act 1968.
17. DEPARTMENT OF INDUSTRY, TECHNOLOGY AND REGIONAL DEVELOPMENT—Australian Civil Offsets Program—Including Partnerships for Development—Annual Report 1991-92.
18. DEPARTMENT OF INDUSTRIAL RELATIONS—International Labour Conference, 79th Session 1992— Australian Delegation Report, Geneva, 3-23 June 1992.
19. AUSTRALIAN NATIONAL AUDIT OFFICE—The Auditor General—Audit Report No.31, 1992-93—Report on the Australian Wheat Board 1991-92—division 3 of the Audit Act 1901.
20. Letter dated 5 February 1993 from the former Minister for Immigration, Local Government and Ethnic Affairs to the Chair of the Joint Standing Committee on Migration Regulations concerning the delay in responding to the Committee's report; "Australia's Refugee and Humanitarian System: Achieving a Balance between Refuge and Control".

AUSTRALIAN LAND TRANSPORT DEVELOPMENT PROGRAM

Review of Operations

Motion (by Mr Beazley) proposed:

DOCTOR'S CHARGES - DENISON ELECTORATE - APRIL 1993

Suburb	Name	Address and Phone	Charges		
			Standard fee (Cash)	Standard Fee (Account)	Bulk Bill
			\$	\$	
BATTERY POINT	Dr S. Atkins Dr I. Crawford Dr S. Webber	1 De Witt Street Battery Point 349511	31.00	34.50	Bulk Bill in some cases - fees may be adjusted depending on patient's circumstances
BATTERY POINT	Dr A. Halliday Dr R. U'Ren	64 Hampden Road Battery Point 231712	28.00	31.00	Dr Halliday-Bulk Bill Pensioners and Health Care Card Holders. Dr U'Ren - No Bulk Billing, Pensioners charged \$20.40

That the House take note of the paper.

Debate (on motion by Mr Howard) adjourned.

AUSTRALIAN HUMAN RIGHTS DELEGATION TO CHINA

Ministerial Statement

Motion (by Mr Beazley) proposed:

That the House take note of the paper.

Debate (on motion by Mr Howard) adjourned.

INTERNATIONAL LABOUR ORGANISATION

Delegation Report

Motion (by Mr Beazley) proposed:

That the House take note of the paper.

Debate (on motion by Mr Howard) adjourned.

DOCTORS' CHARGES: DENISON ELECTORATE

Mr KERR (Denison—Minister for Justice)—Mr Speaker, I present a paper in tabular form, entitled 'Doctors' charges, Denison electorate, April 1993'. As it is not presented by me in my ministerial capacity, I seek leave of the House to table the document and your agreement that it be incorporated in *Hansard*.

Leave granted.

The table read as follows—

Suburb	Name	Address and Phone	Charges		
			Standard fee (Cash)	Standard Fee (Account)	Bulk Bill
			\$	\$	
CLAREMONT	Dr I. Readett Dr W. Wakefield	21 Claremont Village Claremont 491311	27.00	29.00	Bulk Bill Pensioners
CLAREMONT	Dr R. Beechey	1a Bilton Street Claremont 498307	25.00	25.00	Bulk Bill all Pensioners and other patients if requested
CLAREMONT	Dr Halliday Dr S. Mitchell	Claremont Medical Cntr 12 Box Hill Road Claremont 493093	29.00	29.00 Sometimes a separate accounting fee of \$3 is charged	Bulk Bill Pensioners - fees may be adjusted depending on patient's circumstances
DERWENT PARK	Dr A. Douglas Dr G. Pitt	254 Main Road Derwent Park 728869 also 711 Main Road Berriedale 492179	24.00	No Account sent	Bulk Bill Pensioners and Health Care Card holders
DERWENT PARK	Dr J. Roberts	255 Main Road Derwent Park 728497	26.50	28.50	Bulk Bill Pensioners
GLENORCHY	Dr R. Ayling Dr K. Nixon Dr A. Stone	5 Eady Street Glenorchy 725222	29.00	32.00	No Bulk Billing but only charge \$20.40 if a Pensioner and pay cash
GLENORCHY	Dr D. Graham Dr A. Hodge	412 Main Road Glenorchy 726995	28.00	32.00	Bulk Bill Pensioners
GLENORCHY	Dr D. Flecker Dr D. McLeod Dr I. Beltz Dr H. Curtis	Northern Suburbs Clinic 346 Main Road Glenorchy 725144	28.00	32.00	Bulk Bill Pensioners and Health Care Card holders
GLENORCHY	Dr T. Foley Dr C. Pointon Dr M. Williams Dr S. Galligan Dr G. Booth	Northgate Medical Centre 421 Main Road Glenorchy 726639	27.00	31.00	Bulk Bill Pensioners and Health Care Card Holders.
BART	Dr M. Welch	102 Collins Street Hobart 343600	28.00	28.00	No Bulk Billing

Suburb	Name	Address and Phone	Charges		
			Standard fee (Cash)	Standard Fee (Account)	Bulk Bill
HOBART	Dr J. Carter	5a Barrack Street Hobart 231055	28.00	31.00 \$3 deduction if paid within seven days	Bulk Bill Pensioners and Health Care Card holders, full-time tertiary students - Fees may be adjusted depending on circumstances
	Dr H. Wallace				
	Dr M. Hope				
	Dr M. Kilmartin				
	Dr A. Liew				
	Dr A. Medlock				
	Dr B. Sypkes				
	Dr S. Hampton				
	Dr M. Zain				
	Dr J. Oakes				
HOBART	Dr K. Wnekowski				
	Dr P. Fay	203 Macquarie Street Hobart 233133	32.00	32.00	No Bulk Billing but reduced rate of \$23.00 for Pensioners
	Dr J. O'Halloran				
HOBART	Dr M. Salter				
	Dr P. Randall	184 Campbell Street Hobart 311322	25.00 prefer cash		No Bulk Billing but charges \$20.55 for Pensioners
HOBART	Dr R. Heddle	22 Murray Street Hobart 345990	28.50	31.00	Bulk Bill Pensioners
HOBART	Dr A. Divis	79 Davey Street Hobart 231287	29.00	31.00	Bulk Bill Pensioners
LENAH VALLEY	Dr T. Craven Dr G. Dick Dr M. Mee Dr D. Potter	95 Augusta Road Lenah Valley 280243	27.00	30.00	No Bulk Billing but reduced charge of \$21.40 for Pensioners
LENAH VALLEY	Dr R. Kingston Dr V. Wright	120 Augusta Road Lenah Valley 781744	28.00	No account	Bulk Bill Pensioners
LOWER SANDY BAY	Dr R. Walters Dr R. MacIntyre-Smith Dr H. Ward	Bay Side Medical Centre Beach Road Sandy Bay 253858	32.00	32.00	Bulk Bill Pensioners
LOWER SANDY BAY	Dr S. Dorney	3 Long Point Road Lower Sandy Bay 253659	33.00	36.00	No Bulk Billing but charges \$20.40 for Pensioners

Suburb	Name	Address and Phone	Charges		
			Standard fee (Cash)	Standard Fee (Ac- count)	Bulk Bill
			\$	\$	
LOWER SANDY BAY	Dr A. Tucker Dr D. Tucker Dr. E. Colquhoun Dr M. Carmody Dr D. Ashby Dr L. Adcock	Beach Road Medical Ctre 3 Beach Road Lower Sandy Bay 253198			Bulk Bill everyone
MONTROSE	Dr A. Buchan	517 Main Road Montrose 726988	29.00	29.00	Bulk Bill Pensioners at doctor's discretion
MOONAH	Dr W. Kudelka	19 Albert Road Moonah 280281	23.00	25.00	Bulk Bill Pensioners
MOONAH	Dr J. Conroy Dr. K. Sargent	24 Station Street Moonah 782770	26.00	26.00	Bulk Bill Pensioners
MOONAH	Gibbs Russell & Assoc Dr R. Gibbs Dr B. Williams	33 Amiens Avenue Moonah 726750	32.00	32.00	No Bulk Billing. Dr Williams charges \$20.00 for Pensioners (Medicare rebate for Dr Williams is \$17.85). Dr Gibbs charges \$22.50 for pensioners (Medicare rebate for Dr Gibbs is \$20.40)
MOONAH	Dr G. Flaherty Dr A. Lewis Dr C. Lloyd Dr T. McGrath Dr G. Riddoch Dr M. Smith Dr C. Miller Dr J. Percival	Hopkins Street Clinic 67 Hopkins Street Moonah 282200	29.00	32.00	No Bulk Billing but charge reduced rate of \$22.40 for Pensioners
MOONAH	Dr D. Klonaris	149 Main Road Moonah 287869	24.00	30.00	Bulk Bill Pensioners
NEW TOWN	Dr R. Jackett Dr J. Wane	16 Archer Street New Town 284700	28.00 approx	30.00 approx	If full pensioner would Bulk Bill, need to check type of card
NEW TOWN	Dr J. Braithwaite	127 New Town Road New Town 287285	25.00	25.00	Bulk Bill Pensioners

Suburb	Name	Address and Phone	Charges		
			Standard fee (Cash)	Standard Fee (Account)	Bulk Bill
NEW TOWN	Dr L. Garnham Dr V. Lewinski	3 Stoke Street New Town 287841	30.00	33.00	No Bulk Billing but reduced charge of \$23.90 for Pensioners. If discussed with doctor regarding severe financial difficulties, then may Bulk Bill
NORTH HOBART	Dr B. Shaw	39 Burnett Street North Hobart 343434	24.00	24.00	Bulk Bill Pensioners
NORTH HOBART	Hobart Women's Health Centre	326 Elizabeth Street North Hobart 313212			Bulk Bill everyone
NORTH HOBART	Dr A. Sutherland	Cnr Elizabeth & Burnett Streets North Hobart 312877	27.00	29.00	No Bulk Billing, but reduced charge of \$23.00 for Pensioners
NORTH HOBART	Dr R. Roffe	408 Elizabeth Street North Hobart 310318	29.00	31.00	Bulk Bill Pensioners and Health Care Card holders. Charge can be modified for hardship
NORTH HOBART	Dr E. Domney	54 Letitia Street North Hobart 313100	25.00	30.00	No Bulk Billing but charges \$20.40 for Pensioners
SANDY BAY	Dr R. Newton	40 Lord Street Sandy Bay 233887	28.00	30.40	Bulk Bill Pensioners
SANDY BAY	Dr P. Thompson	9B Magnet Court Sandy Bay 240799	27.00	27.00	Bulk Bill Pensioners
SANDY BAY	Dr J. Isles	81 King Street Sandy Bay 242484	31.00	35.00	Usually reduced fee for Pensioners
SANDY BAY	Dr K. Doran Dr R. Sutherland Dr T. Begbie Dr H. Dobson Dr J. De Burgh	Sandy Bay Medical Centre 176 Sandy Bay Road Sandy Bay 232766	28.00	28.00 for credit card	No Bulk Billing but discounts may be applied to the financially disadvantaged

Suburb	Name	Address and Phone	Charges		
			Standard fee (Cash)	Standard Fee (Ac- count)	Bulk Bill
SANDY BAY	Mr J. Hutchinson Dr J. Goodwin-Jones Dr S. Fricker Dr J. Jackson	57 Grosvenor Street Sandy Bay 241944	30.00	33.00	Bulk Bill Pensioners
SANDY BAY	Dr K. Bailey Dr J. Banks Dr M. Broadby Dr M. Graham Dr W. Thomson Dr M. Tooth	Sandy Bay Clinic 270 Sandy Bay Road Sandy Bay 236822	30.00	32.00	Bulk Bill Pensioners and Health Care Card holders - fees may be reduced de- pending on patient's cir- cumstances
SOUTH HOBART	Dr A. Urquhart Dr J. Von Schmidt	430 Macquarie Street South Hobart 235570	27.00	32.00	Bulk Bill Pensioners
SOUTH HOBART	Dr M. Boxhall Dr G. Davidson Dr A. Nicholson Dr P. Thomson	30a Cascade Road South Hobart 235533	24.00-31.00	36.00	No Bulk Billing but charge reduced rate or Medicare rebate (same amount as Bulk Bill) in many cases
WEST HOBART	Dr R. Cox	156 Warwick Street West Hobart 311313	24.00	24.50 if paid within 45 days. \$27.00 after 45 days has elapsed	Bulk Bill Pensioners and Health Care Card holders
WEST HOBART	Dr J. Hall	Cnr Newdegate and Mellifont Streets West Hobart 314109			Bulk Bill everyone
WEST HOBART	Dr D. Laws Dr J. Reynolds Dr A. Suttar	West Hobart Medical 111 Hill Street West Hobart 342799 348986	32.00	32.00	No Bulk Billing but charge \$4.00 over medical refund for Pensioners (and will send it in to Medicare)
WEST HOBART	Dr J. Poulos Dr T. Craven Dr M. Mee Dr D. Potter	5a Landsdowne Cres- cent West Hobart 342077	27.00 or less at doctor's discretion	30.00	Fees charged to Pensioners and Health Care Card hold- ers \$1.00 above rebatable fee. For non Pensioners fee at discretion of doctor
TAROONA	Dr P. Hughes Dr E. Lawrence	158 Channel Highway Taroona 278370	26.00	31.00	Bulk Bill Pensioners

MINISTERIAL STATEMENTS

Rio Earth Summit

Mrs KELLY (Canberra—Minister for the Environment, Sport and Territories)—by leave—My purpose in making this statement is to provide the House with information on the Government's responses to the outcomes of the Earth Summit, or the United Nations Conference on Environment and Development, which was held in June 1992. The centrepiece documents of the summit—the UN conventions on climate change and biological diversity, a statement of forest principles and the action plan, agenda 21—are only the first steps in a process which we all acknowledge will occupy the global community well into the next century. Nevertheless, they are crucial and historic steps. They involve commitment to the environment and to the needs and welfare of people. They involve challenges and opportunities for all countries. These international developments are paving the way to a sustainable future. Just as important for Australians is the commitment of this Government to our national environment.

The Prime Minister (Mr Keating) recently made two important statements on the environment—on 21 December 1992 and 9 March 1993—which refocused our vision and our energies on the fundamental problems in the Australian environment, and on the results we can obtain through cooperation. He said:

Nothing better illustrates the interdependence of Australians and their communities than the environment.

Nothing more emphatically makes the point that all our State borders and provincial differences still leave one fact unassailable—that this is one continent and one nation.

And for good or bad, what we do in one part of it very often affects another.

What one Australian does to the environment affects another Australian.

He added:

The environment is central, it is part of the main game, the main issue in which all Australians are being involved.

There is no doubt that this main game, in which we are a player, is a global one. The outcomes of the Rio Earth Summit are the

starting point from which all countries must now pursue an ecologically sustainable future.

Let me start by outlining the action we have already taken in Australia to give effect to the two conventions and to agenda 21. Along with 153 other countries, we signed the climate change convention in Rio. Although called a framework convention, indicating that there is much left to negotiate and agree, the climate change convention represents the end of a phase of global consensus building and education on the rationale and need for action on greenhouse gas emissions.

The convention will enter into force and become legally binding on parties 90 days after it has been ratified by 50 countries. Australia ratified the convention in December 1992 and is one of 19 countries so far to have done so. Our expectation is that the convention will achieve the necessary 50 ratifications in 1994.

Australia played an active and significant role in the development of and negotiations on the convention. I, in collaboration with the Minister for Foreign Affairs (Senator Gareth Evans) and the Minister for Primary Industries and Energy (Mr Crean), have responsibility for further developing Australia's approach to the convention, bearing in mind the particular Australian interests arising from our fossil fuel dependency and unique natural environment. We will continue to participate actively in the further development of the convention and in the bodies set up to guide its implementation. In doing so, we shall draw upon emerging scientific information on climate change and its impacts.

The Government has decided upon a broad set of objectives for this phase of negotiations on the development of the convention. These are based on well-known policies that have provided consistent guidance in formulating Australia's national and international responses on climate change.

The Government believes development of the convention should proceed in a manner that acknowledges the important principles already embedded in the convention, such as the need for a comprehensive approach to limiting all greenhouse gas emissions, as well as enhancing and protecting greenhouse gas

sinks; the need for equitable burden sharing amongst countries that takes into account the special circumstances of individual countries; the importance of increasing our knowledge about the science and potential impacts of climate change; a strong commitment to public education; and the importance of global action.

The first conference of parties is expected to be held early in 1995. In this phase of negotiations, leading up to the first conference of parties, Australia sees as the immediate priority the need to identify and gain agreement to mechanisms to implement the commitments currently contained in the convention. Some of the implementation details still to be decided include issues of significant importance to Australia.

These include agreement on guidelines for countries to jointly implement emissions commitments, and agreement on an inventory methodology that allows all greenhouse gas emissions and sink activities to be measured.

Within Australia, the Commonwealth Government, working with the States and local government, has already put in place the mechanisms necessary to give effect to our convention obligations. These include the national greenhouse response strategy; the framework for action provided by the intergovernmental agreement on the environment, which was concluded in 1992; a program of scientific research; and the development of a national inventory of greenhouse gases.

The first phase of the national greenhouse response strategy was endorsed by heads of government in December. That first phase concentrates on 'no regrets' measures—in other words, those measures that have net benefits, or at least no net cost, in addition to addressing the greenhouse effect, and that are therefore worth doing in their own right. These include: improving the efficiency of energy production and use; diversifying our sources of energy; developing sustainable and greenhouse effective agricultural practices; improving our national transport system; better urban planning; natural environment conservation; research into climate change; and community information and education.

The national greenhouse response strategy is based on the Australian interim planning target on greenhouse gas emissions which we adopted in 1990, and which the Prime Minister reaffirmed in his environment statement in December 1992. Our target aims to stabilise emissions of greenhouse gases, based on 1988 levels, by the year 2000 and to reduce these emissions by 20 per cent by the year 2005.

The Government also holds to its decision that, while recognising the need to restrict greenhouse gas emissions, Australia will not proceed with the adoption of response measures which would have net adverse economic impacts nationally or on Australia's trade competitiveness, in the absence of similar action by major greenhouse gas producing countries. In that context I note the announcement by US President Clinton on 21 April that the US would be adopting a policy to stabilise greenhouse gas emissions. This means that all OECD countries, with the exception of Turkey, have now adopted national greenhouse gas emission targets.

The US also pledged to provide to the next convention negotiating session in August a report on domestic actions planned to give effect to its commitments under the convention. Let me also say that I welcome the stated intention of the US to pursue a vigorous and progressive environment policy both domestically and internationally.

We have already transmitted to the climate change convention negotiators Australia's interim report on the measures we have taken consistent with the convention. For this purpose the national greenhouse response strategy formed Australia's interim report. I am pleased to report that last Saturday the environment Ministers of all Australian governments, State and Commonwealth together, endorsed a work program to implement a range of measures contained in the national greenhouse response strategy. I understand that similar work plans are being developed and implemented by a range of agencies and bodies responsible for making the first phase of the strategy a success.

Of course, implementing our national greenhouse response strategy is not the only

means of addressing our convention obligations. Initiatives such as the one billion trees program, the national soil conservation program, the national electricity grid, the building better cities program, our ecologically sustainable development strategy and the national forest policy statement all contribute to achieving our greenhouse goals.

The challenges and opportunities presented by greenhouse-induced climate change are real and highly significant for Australia, as they are for the entire global community. I do not underestimate the adjustment issues we are facing. The very public debate that has occurred over the last few years is evidence of the valid concerns and different viewpoints about the amount and speed of adjustment needed. The Government's policies explicitly recognise these adjustment issues. And I believe that with genuine cooperation and goodwill on all sides, and with acknowledgement of others' interests, the challenges can indeed be met.

There are also significant opportunities. Our comprehensive and strategic approach to both our international and domestic obligations gives rise to opportunities for industry and for the nation. Renewable forms of energy are an area of real opportunity for investment and employment that Australia is well placed to exploit. Australia is already at the forefront in the development of solar technologies and renewable transport fuels.

There is a similar story to tell for the biodiversity convention. The biodiversity convention recognises the global imperative in the conservation and sustainable use of species, genetic resources and ecosystems for the benefit of present and future generations. It too was signed in Rio by over 150 countries. Again, Australia played a leading role in the development of the convention and is continuing to play a key role in its implementation both internationally and, more specifically, in the Asia-Pacific region. Australia considers it vital to maintain the impetus for the convention's early entry into force and implementation and I am encouraging other countries to take action in this regard.

I was greatly encouraged when President Clinton announced the US intention to sign

the convention and that the US would be taking a prominent role in global actions to conserve biodiversity. The Australian Government welcomes the US initiative which will provide added momentum to the global effort. I see this as another example of US commitment, vision and leadership on these vital issues.

The convention needs 30 ratifications for it to come into effect. We believe that the necessary number will be reached during 1994. Our own ratification of the convention was foreshadowed in the Prime Minister's environment statement in December. Most States have now responded favourably to the Commonwealth's proposal to ratify the convention. We will be in a position to ratify following final consideration of the convention at the meeting of the Council of Australian Governments in June.

The Government is firmly committed to the development of a national strategy on biological diversity with a view to developing a biodiversity program. A Commonwealth, State and Territory task force is currently in the process of finalising a draft. The process has involved extensive consultation with a wide range of interest groups and the public—from Government at all levels to business and industry, the scientific community and the conservation movement.

I view the strategy as a key element for implementing the Government's environment policy. It will be available for consideration by governments within the next few months and will hopefully be adopted by the end of this year. The strategy will provide an effective framework, involving all sectors of the community, for achieving biological conservation goals. It proposes a mix of short- and long-term actions on conservation, sustainable use, the management of threats, improving knowledge and community involvement. The strategy and the subsequent program will be two of the major measures for implementing our obligations under the convention. They will strengthen and add to the wide range of current Commonwealth programs in the area of nature conservation and biological protection.

Australia is in a unique position. We are the only developed country which is also megadiverse. Many of our primary industries, essential to our export earnings, are dependent either directly or indirectly on our biological diversity and that of other countries. It is therefore in Australia's interests, environmental and economic, to take strong and decisive actions to conserve biological diversity and to maximise the benefits to be gained. Australia's leadership in this field creates opportunities. Not only are we maximising the benefits to be gained from a well-managed and conserved natural heritage, but the commercial opportunities are also highly significant. Australia possesses significant expertise, in both the private and public sectors, in biological research, assessment and management, as well as in associated and enabling techniques and technologies, such as remote sensing. The potential benefits of using our own genetic resources in areas of science, medicine and agriculture are enormous.

I turn now to the Earth Summit's action plan for sustainable development in the 21st century—agenda 21. Agenda 21 is a truly massive document—40 chapters covering matters as diverse as poverty, population, technology transfer, consumption patterns, forests, freshwater, pollution avoidance, transboundary air pollution, and radioactive waste. It is a blueprint or set of guidelines, not just for individual countries but, importantly, for the entire United Nations system as well as for individuals and organisations of every size and type. Australia contributed significantly to its preparation and negotiations. The adoption of agenda 21 at the Rio summit marks an important step in global cooperation on environment and development matters. While agenda 21 does not impose binding legal commitments on governments, we will be doing our best to ensure that it is adopted in Australia, provided of course that individual activities proposed accord with our domestic economic interests and international priorities for sustainable development.

Essentially the process for implementing agenda 21 will be one of analysing the recommendations, assessing their relevance and applicability to Australia and ensuring that the

high priority recommendations are being acted upon through existing programs and institutions. The recommendations of agenda 21 cover a wide range of issues and responsibilities for implementation, cutting across virtually every Commonwealth and State government agency as well as local government and the non-government sector. It will be necessary to ensure that all of these parties have input to the process. My department has the responsibility for the overall coordination of the domestic follow-up of agenda 21, although other agencies will have a more direct implementation task. It is not envisaged that a major new process will be required on the part of Australia to implement agenda 21. There are already a number of processes and mechanisms which will make a major contribution to its implementation.

Chief among them will be the consultative arrangements established under the 1992 intergovernmental agreement on the environment and the processes under the Government's ecologically sustainable development policy, which brought together government, industry, unions and broad based community representatives to report on the policies and structures necessary to achieve ESD in Australia. The preparation of national sustainable development strategies or plans is a key recommendation of agenda 21 and I believe Australia's own ESD strategy is already being seen as something of a model. During my visit to Washington, for example, I found keen interest in our experience amongst the members of the Administration I spoke with.

A key feature of this Government's approach to the development of policies on international environment and sustainable development issues has been community consultation. Following the Earth Summit and the conclusion of the two conventions we recognised that past practices and methods would need to be upgraded and given new life. The Minister for Foreign Affairs and I have decided to formalise and enhance a process to receive the views of the non-government community on these very important international environment issues. An international environment non-government organisations consultative forum has now

been established and will meet for the first time on Friday this week. Its 17 members comprise senior representatives of business, environment, aid and community groups. I am pleased to announce that the forum will be chaired by our friend and colleague the honourable member for Werriwa (Mr Kerin), who brings to the position a unique blend of personal experience and commitment. His task will be a challenging one and one which Senator Evans and I very much value and appreciate.

Our efforts to give effect to the international obligations arising from the two conventions and the imperatives of agenda 21 are closely linked to the many other domestic environment initiatives and policies of this Government, in particular, the initiatives announced through both the Prime Minister's December 1992 environment statement and the March 1993 election statement on the environment. Both statements recognise the important, indeed essential, part the environment has to play in Australia's growth.

The initiatives revolve around the key role of ecologically sustainable development, recognising as they do the need to conserve and preserve our stock and use the income wisely for future generations, rather than depleting our assets for short-term gain. Examples such as the acquisition of the Calperum pastoral lease, feral animal and weed control, the cleaner production demonstration program, a national halon bank and national state of the environment reporting show that this Government will not be slow in taking the necessary environmental decisions where they are central to the issue of Australia's development as a nation. Each initiative also helps to build our domestic response to the conventions and to agenda 21.

One of the key outcomes of the summit was its recognition of the need to build international partnerships for sustainable development, partnerships between developed and developing countries and between the developing countries themselves. Of course, well before UNCED Australia was focusing attention on our immediate region. The summit and the processes leading up to it gave a

considerable boost to the environmental dimension of that relationship.

Australia has been actively expanding its environmental cooperation with Asia, especially with the members of ASEAN. I have signed bilateral arrangements with Indonesia and Singapore and there have been exchanges of ministerial visits. Discussions are under way with senior officials of ASEAN member countries to establish cooperative arrangements that address regional environmental issues. Negotiations have begun with China on a memorandum of understanding.

The Commonwealth Environment Protection Agency has participated in a number of environmental exhibitions in countries in the region. It has run, in close conjunction with the environmental industries, environmental workshops and seminars with Korea, Taiwan and Singapore and is planning to run similar activities in Indonesia in the near future. These types of activities on issues such as pollution avoidance, environmental technologies, standards setting and environmental impact assessment will continue to increase, particularly in the South-East Asian region.

Australia also contributes to climate change and related studies being undertaken or planned in the Asia region. One current study is the Asian Development Bank regional study on global environment issues. It is an eight-country project financed by the governments of Australia, Japan and Norway. Australia has provided \$500,000, approximately one-third of the total funding.

Closely allied to the issue of conservation of biological diversity is the urgent need to reduce the rate of global deforestation. The UNCED statement of forest principles provides direction for addressing this issue in the broadest social and economic context. We are committed to continuing our work in international fora in order to find ways in which to reduce the rate of deforestation and to facilitate the conservation and ecological sustainable use of forests.

Another project, originally known as the regional program for the development of least-cost greenhouse emissions reduction plans in Asia, is planned to begin this year through the global environment facility and

the UN development program. Australia will be contributing about one-third of the total budget of \$9 million. Australia is also considering co-financing the global environment facility project on east Asian seas.

Under the development assistance program Australia has committed expenditure totalling nearly \$200 million over four years for environmental activities in ASEAN member countries. Two major regional projects which Australia is supporting are an \$8.4 million marine science project and a \$5.3 million energy project. We expect that our regional involvement through the ASEAN-Australia economic cooperation program will include a substantial environmental component in its next phase which starts in 1994.

There is also a wide range of bilateral environmental projects with countries of the region. For example, in Indonesia alone Australia is funding seven projects totalling \$122.7 million. In the Pacific region the focus has been on support for the South Pacific regional environment program, or SPREP, and on individual high priority projects in the developing island countries. Australia is a major supporter of SPREP. In 1992-93 a total of \$1.8 million was provided by Australia.

Australia has played an important role in the South Pacific on biodiversity issues. We assisted Pacific island countries to develop a regional position on biological diversity and to be represented at negotiating sessions on the convention. Many of the Pacific island countries have signed the convention and Australia is providing advice on ratification.

We have also played an active role in developing the South Pacific biodiversity project, a \$10 million global environment facility project which Australia will be co-financing. The project aims to conserve biodiversity in the region through the establishment of multiple use conservation areas, drawing heavily on the skills and knowledge of traditional owners and users of biodiversity in the region.

Australia also supported the participation of the Pacific island countries in negotiating on the climate change convention. An Australian funded feasibility study on climate monitoring and impacts in the south-west Pacific arose

from concerns about the impact of the greenhouse effect raised at the 1988 meeting of the South Pacific Forum. This study, which was undertaken by the World Meteorological Organisation, is described in the report *The changing climate in paradise* published by the Australian Bureau of Meteorology. I recommend it to people.

In listing what Australia is doing in our region to give effect to the Earth Summit outcomes, I am not suggesting that we are the only players in the process. But Australia's efforts over the past few years are indicative of the types of changes and new programs already in the pipeline. Recent announcements by other donors, such as Japan and the US, have clearly indicated that they too see their bilateral and regional assistance programs being increasingly supportive and complementary to global efforts in sustainable development and as adjuncts to convention funding.

I will now describe briefly, for the benefit of honourable members, the key actions which have been taken by the United Nations at the global level to give effect to the outcomes of the Earth Summit. The key player in starting the follow-up to UNCED was the UN General Assembly. At its 1992 session, the General Assembly examined the UNCED outcomes and established certain directions and priorities. The General Assembly welcomed the finalisation of the conventions and urged countries which had not signed them in Rio to do so soon. The General Assembly also urged ratification and a prompt start to both the climate change and biological diversity conventions.

The General Assembly then looked at agenda 21 as the principle action document from UNCED and identified a number of issues or recommendations requiring immediate action. It took action to establish a commission for sustainable development as a senior body within the UN system. The establishment of the commission was a centrepiece of agenda 21. The commission has been formally established and will now meet annually in June. The main role of the commission will be to monitor the implementation of agenda 21. Countries are expected to

provide reports on their own efforts and the operational agencies of the UN system, such as the UN development program, the Food and Agriculture Organisation and the UN environment program, as well as organisations such as the World Bank, will be reporting to the commission on their own efforts to give effect to the recommendations of agenda 21.

The commission will ultimately report to the General Assembly and to the UN Secretary-General on that process. It will be expected to make recommendations on overcoming problems or gaps in implementation and will actually review agenda 21 in 1997. Australia was elected to the 53-member commission for a two-year term. At its first meeting in June this year, the commission will be establishing a work program to thoroughly review the implementation of agenda 21 over the next four years. A system of national reporting will be a fundamental element of that work program. Countries will be asked to provide detailed reports to the commission on their domestic efforts to achieve sustainable development and the commission will be monitoring and reporting on national progress.

The other key elements in the General Assembly's decisions on UNCED related to the immediate establishment of three important international processes which could not wait until the commission was established and operating. Those processes were: firstly, the establishment of a special intergovernmental negotiating committee to develop an international convention on desertification. The primary focus of the negotiations is to achieve international consensus on the measures needed to deal with the problems of land degradation in those countries experiencing drought and/or desertification, particularly in Africa.

Secondly, the General Assembly also established a special conference to deal with problems of management of high seas fisheries, notably the problems of managing the exploitation of highly migratory species and species which straddle the 200-mile exclusive economic zones of coastal states. A third process was also a conference on the particular problems of small island states. UNCED

recognised that small island states face very special problems in their efforts to achieve sustainable development.

The preparations for that conference have already commenced in earnest and involve most of the island countries of the South Pacific, the Indian Ocean and the Caribbean. Australia's Ambassador for the Environment, Penny Wensley, is chairing the committee which will prepare for the final conference in Barbados in 1994. The Commission for Sustainable Development will no doubt identify other key issues and processes. There is, for example, already some talk of further action being required on the issue of forest management and conservation as a follow-up to the statement of forest principles and also on the issue of fresh water.

Apart from the UN, there are a few other key players worthy of mention, in particular the global environment facility. The GEF, as it is called, is a joint project of the World Bank, UNEP and UNDP and was established in 1990 with around \$US1.5 billion of donor funds specifically to help developing countries undertake projects to deal with global environmental issues. The GEF is already performing an interim role for the conventions by funding activities such as the country biodiversity studies and the greenhouse gas inventories as well as providing funds for large-scale conservation and energy efficiency or conversion programs in developing countries. The GEF will be reformed and replenished this year so that it is capable of taking on the extra roles allocated to it once the conventions come into force.

Australia committed \$30 million to the pilot phase of the GEF, which ends this year, and is an active participant in the replenishment negotiations. That replenishment is likely to expand even further the scope for technology transfer and funding assistance for developing countries in our own region. Current papers on the replenishment suggest that a doubling, or even more, of the pilot phase funding level to around \$5 billion may be achievable.

I have now outlined the actions being undertaken at the national, regional and global levels to give effect to the outcomes of the Earth Summit. I will now conclude with a

few words about our priorities for the future. Clearly, the actions I have described must inevitably be regarded as work in progress. Nothing is finished. Our first priority must be to see that the conventions come into force and are operating effectively as soon as possible, that our national strategies are progressing effectively and are implemented, and that the framework provided by agenda 21, the ESD strategy and the initiatives of the Prime Minister's environment statements are given full effect.

Our regional program will be strengthened and we will be working within the Commission for Sustainable Development, the UN environment program and the global environment facility to ensure a rapid and effective uptake of the summit's priority recommendations. Regionally, we will continue to build partnerships with the countries of our immediate region and with countries such as the US and Germany where strategic alliances can advance our international objectives.

During this, my second, term as environment Minister, I will be pursuing a number of key priorities both domestically and internationally. Issues of the state of our urban environment, touching as they do the lives of most Australians, must be a key area for action. Lead in petrol, energy production and use, pollution avoidance, urban transport and environmental health are some of the matters I am committed to addressing. I will also be actively pursuing the Government's policies in the area of nature conservation, including our protected areas policy, and ensuring that there is a national reserves system and rapid implementation of the Commonwealth's endangered species legislation in conjunction with the continuation of the endangered species program.

New issues arise continually. As a nation, we must be prepared to meet the challenges posed and to create the opportunities for environmental and economic gain. The sea change that we are seeing in the international community has its roots in the realisation that environment and economic policies can and must be mutually supporting. Areas such as trade, employment and fiscal policy, and even subjects as basic as the measurement of our

GDP, are increasingly concerned with environmental impacts and environmental betterment. Environmental policy can assist in removing barriers to greater economic efficiency and can be a driving force behind many micro-economic reforms. International competitiveness and high environmental standards are not incompatible. They are two sides of the same coin.

In a world which cooperates in the area of environmental goal setting and management, free trade and sustainable development can be mutually supportive. That means development and jobs—jobs in environmentally sustainable industries from all sectors and new jobs in industries providing the technology and services to clean up the environment. These new industries are export oriented from the outset and are supported by the increasing level of international cooperation on the environment and by Australia's pro-active and progressive role in international forums.

This integration of environmental and economic policy is the wave of the future. I will be giving increased attention to, and upgrading my portfolio's capabilities in, the field of environmental economics, resource accounting and state of the environment reporting so that we are better placed as a nation to reap both the environmental and economic benefits of sound policies—the fundamental goal of ecologically sustainable development. I present a copy of my ministerial statement.

Motion (by Mr Beddall) proposed:

That the House take note of the paper.

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

That so much of the Standing and Sessional Orders be suspended as would prevent the honourable member for Hindmarsh speaking for a period not exceeding 32 minutes.

Mrs GALLUS (Hindmarsh) (3.45 p.m.)—Last year the United Nations convened a world conference in Rio de Janeiro called the United Nations Conference on the Environment and Development, better known as the Earth Summit. At the conclusion of this conference, most of the nations of the world signed the Rio declaration, which is a commitment to a set of principles requiring

development to be sensitive to the environment. The Earth Summit also endorsed agenda 21, a wide-ranging program of national and international actions to be taken by its principals into the 21st century. During the summit, Australia signed the conventions on climate change and biological diversity. In her speech today, the Minister for the Environment, Sport and Territories (Mrs Kelly) addressed the responses the Government has taken to give effect to these two conventions and to agenda 21.

Firstly, I will deal with climate change. The climate change convention, which 153 countries signed, is an agreement to act together with all other nations to reduce the production of greenhouse gases. The coalition strongly supports the signing of this convention and its aims. We support government action to inform the community, industry, State and local governments of the implications of increasing amounts of carbon dioxide, methane and CFCs in the atmosphere.

As part of the coalition's election policy, we stressed the importance of reducing greenhouse emissions from government, industry and the home; the need for better use of our natural resources; in substituting, where appropriate, renewable for non-renewable resources, including the greater use of solar power and natural light; improving the efficiency to conversion from primary industry sources such as coal, oil and gas to end use energy such as electricity, petrol and diesel fuel; and, finally, and very importantly, improving the layout of our cities in ways that reduce energy use in transport and other services.

In her speech the Minister said that the Labor Government has already put in place the mechanisms necessary to give effect to the national greenhouse response strategy. In this regard the Government's actions do not always match its rhetoric. In October 1990 as an interim response to the threat of global warming the Government announced an energy efficiency package which could be implemented immediately to save on energy use in Australia. However, in a report tabled in Parliament on 18 May this year, the Australian National Audit Office concluded that

in regard to the 1990 announcement insufficient implementary action had been taken. In particular, the Government's own operations had failed to set an example. I would like to quote from the report of the Australian National Audit Office:

The department's own research has shown that the Government was seen to be asking for action by other energy consumers but was not active in improving its own energy use.

The report said that the Federal Government can hardly expect prompt responses from the community to increase energy efficiency in curbing greenhouse gas emissions when it was dragging its own feet. The report said that after two years the department given the responsibility for responding to the greenhouse agenda—

Mrs Kelly—Which department?

Mrs GALLUS—The Department of Primary Industries and Energy—was one year behind what was achievable. The report went on to say that manufacturing industry had been neglected, although there was scope to greatly expand understanding of energy use in the home, in transport and in commercial buildings, and also there was a lack of coordination on energy ratings and standards for appliances and buildings. I think an important point to make is that it is very nice to have all these strategies but when we give departments the job of implementing the strategies something has to be done, and it has to be done reasonably quickly.

The Minister is inclined to make statements about Australia's lead on environmental issues including greenhouse. The truth is that per person Australia sends more greenhouse gases into the atmosphere than any other Western country. At 11 tonnes per person, Australia emits more greenhouse gases per person per annum than the United States at 10 tonnes and three times as much as Japan with three tonnes. I think most Australians would be somewhat stunned to note that.

However, in making this observation I wish to note that Australia has many energy-intensive industries which add to our greenhouse gases. For instance, the Japanese use our aluminium, but we smelt it here and the greenhouse gas emissions are added to our

total rather than that of the Japanese who are the end users. Acknowledging the dependence of Australia on energy intensive industries, we still cannot take the state of our greenhouse emissions lightly, and I would ask the Minister to address this problem as a matter of urgency.

It gives me no pleasure to point out that Australia's exhaust emission standards are more like those of a Third World country. Our cars are allowed to spew twice as many hydrocarbons into the air as US cars, and three times as many as Japanese cars. I would ask the Minister to perhaps follow up on this with our car companies to see what they are best able to do, and I myself have already initiated conversations with Mitsubishi on this very issue.

At present there appears to be a great deal of attention in the climate change section of the Minister's department focused upon international aspects of greenhouse—and the Minister referred to that in her speech. As desirable as this may be, I ask the Minister whether this is a wise use of our limited resources when to date so little has been done in Australia to explore the extent of the problem and to address the possible impact on our shores and coastal towns. In future, in the matter of greenhouse, I would like to see a statement by the Minister identifying potential areas of risks on possible sea level rise.

In international negotiations on the environment can the Minister ensure that Australia's competitive position is given due regard? The Minister's desire to make an international impact is understandable. However, if the end result is that Australia lowers her competitive position in regard to other nations while they pursue their own economic agenda at the expense of environmental issues, then Australia will be the loser.

Poor economies are in no position to address the large number of environmental issues that they have to face. Australia has a large number of such issues: desertification; the degradation of the Murray-Darling Basin; soil erosion; and dry land salinity being only a few. We need a strong economy and a good trading position to address these problems. The coalition welcomes the Minister's com-

mitment to addressing the problems of greenhouse and looks forward to the detail about implementation of the greenhouse strategy.

I turn now to the biodiversity convention in which the Minister noted that Australia played a leading role in the development of the convention and is continuing to play a key role in its implementation both internationally and, more specifically, in the Asia-Pacific region. The Minister points out that the convention needs only 30 ratifications for it to come into effect and says she is greatly encouraged that President Clinton has announced the intention of the United States to sign the convention. I endorse the Minister's comment—the coalition is also extremely pleased to see President Clinton's interest in this convention and his agreement to sign it.

However, I ask the Minister: why has Australia delayed so long in signing the convention? We have ratified the climate change convention but have yet to ratify the biodiversity convention. Why has it taken so long? What is the hold-up? The Minister, in her speech, said that she was going to New York in June when there is a possibility that she will ratify the convention. If not, we would suggest to the Minister that this would be a good time for her to present the paperwork required for ratification of the convention.

The coalition welcomes the Government's commitment to maintaining biodiversity but we would like more details. The goals of the maintenance of biodiversity are fully supported. We would like to see more of the specifics. In particular, the coalition believes that not enough has been done on feral animal control. The extension of national parks and world heritage areas are all very well but of little use if these parks and world heritage areas are ravaged by feral foxes, rabbits, goats, pigs, cats and brumbies. We would also welcome a statement from the Minister on sustainable agriculture.

The coalition hopes that opportunities are provided to business and industry groups to participate extensively in the finalisation of the biodiversity strategy. Affected parties such as pastoralists, mining and exploration bodies, as well as conservation groups, must be given

the opportunity to contribute effectively to such strategy. I shall return to community consultation later in agenda 21.

I turn now to the Minister's statements on agenda 21. The Minister is confident that the Government can meet the obligations that agenda 21 places on Australia through the arrangements established under the 1992 intergovernmental agreement on the environment. By abolishing the cabinet committee on sustainable development, the Prime Minister (Mr Keating) has cast some doubt on the genuineness of his commitment to the ESD process. The Minister indicated that she believed Australia's only ESD strategy is already seen as something of a model in implementing the recommendations of agenda 21.

I believe what has been praised is not so much the strategy itself but the consultative process that went into it. We would hope that this consultation process continues, although we note with concern that earlier in the Minister's speech she referred to receiving comments from parties outside the Government. I think the actual words were 'to receive'. We believe there is a need to do more than receive comments but to actively involve parties outside government in the development of strategies that deal with the environment.

The Minister mentions using the IGAE and ESD policy as mechanisms to implement agenda 21. We would like further details from the Minister on how this will actually take place. We naturally are more interested in the details than the broad assertions. For instance, we would like to hear more about the opportunities Rio provides for environmentally friendly industries, green jobs and utilisation of Australian expertise overseas. I would welcome a statement by the Minister on what we are doing about these key issues, also the major issue of the urban environment, and perhaps what progress the Minister has made in her department in looking at green accounting and how we can put into the national accounts system the environmental values that are so important for the future of this country.

The Minister's statement is welcome inasmuch as it sets out the Government's response

to the Earth Summit. We give notice that we will be closely monitoring the Government's activities to ensure that the rhetoric is matched by action.

Debate (on motion by Mr Chynoweth) adjourned.

MATTERS OF PUBLIC IMPORTANCE

Economy

Mr DEPUTY SPEAKER—Mr Speaker has received a letter from the honourable member for Higgins (Mr Costello) proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The deplorable financial mismanagement of the Government as highlighted by the Auditor-General's report on the financial obligations of the Federal Government.

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 COSTELLO (Higgins) (3.58 p.m.)—The Government's economic policy is in a shambles. Whether you look at the current account, the foreign debt, the Budget deficit or the Government's financial obligations, it is clear that this is a government driven by debt. It is a debt driven government. The tragedy of Australia is that the legacy of 10 years of Keating mismanagement is that Australia is haunted by debt. There is a spectre that is haunting the Australian people, and it is the debt that has been run up under 10 years of mismanagement by the Keating Government.

The latest blow came yesterday when report No. 34 of the Auditor-General entitled *The national Bankcard: who will pay the piper?* was tabled in the Senate. It has been tabled today in the House. The Auditor-General has savaged this Government, its reporting mechanism, its accountability and the way in which the Government reports to the Parliament and to the taxpayers. The Auditor-General has found that the Government has entered obligations of around \$125 billion and has set aside only about \$57 billion of liquid assets

to meet them. The report says that the figure is known to be understated. The question is by how much. How much has this Government run up on the Bankcard? How much will future generations of Australians have to pay for the Government's mismanagement? Who will pay the piper, as the Auditor-General says?

We find that the Government has no plan to stabilise debt, let alone pay it back, and no plan which can service the debts that have been run up in the last 10 years of Keating mismanagement. This Government has a policy in relation to debt which says, 'Let the children pay; run the debts up today and put the debts onto the children tomorrow'. It is a let the children pay policy of running up debt on Bankcard and asking future generations of Australians to bail out this profligate Government.

We saw an absolutely shameful performance in Question Time today when the Treasurer (Mr Dawkins) came in here and launched a savage attack on the Auditor-General. It was a disgraceful attack. Let me make it clear: the Auditor-General of the Commonwealth is appointed by the Government; he is given statutory protection; but the Auditor-General reports to the Parliament. The Auditor-General is one of those independent statutory officers reporting to the Parliament. The office of the Auditor-General was designed to be free of government influence, to provide a check on government waste, and to provide a check on government mismanagement.

In relation to the Auditor-General, this Government has made exactly the same response that it makes to the Parliament. It resents checks on its authority; it resents independent statutory officers; it resents those independent mechanisms that force it to be accountable. This Government treats the Parliament with contempt; and today we saw evidence that this Government treats the Auditor-General with contempt. I say to this Government that the Opposition, which believes the Parliament is here for a purpose, believes that the Auditor-General is here for a purpose. The Auditor-General is here to keep the Government honest and we will not brook any attack on his independence. The

Auditor-General is here to keep a check on runaway government.

What does the Treasurer say about it? The Treasurer comes into this place and accuses the Auditor-General of making unwarranted remarks, of being neither professional nor responsible. I want to tell the people of Australia who it is that is being unprofessional. It is the Treasurer, who comes into a place where he enjoys parliamentary privilege and who starts attacking public servants because they tell the truth.

It is reminiscent of the dying days of the Kirner Government in Victoria—another government in financial difficulty, and another government which, in its dying days, launched attacks on the Auditor-General. We will see more of these attacks—attacks on the Parliament, attacks on the Opposition, attacks on the Auditor-General, attacks on the messengers—because the Government does not like the truth.

Let us be clear about why this attack was made in the Parliament today. This attack was made in the Parliament today because this Government is trying to intimidate the Auditor-General out of telling the truth. That is why the attack was made. The Government does not want the Auditor-General to disclose to the people of Australia, to the taxpayers of Australia, why the Government has got into this particular financial situation. It is nothing more than straight intimidation.

The people of Australia need the Auditor-General. They need the Auditor-General to be fearless because they need somebody who is prepared to tell the truth about the debt and economic mismanagement of this Government. The Opposition will not stand by and let the Government attack the Auditor-General. We will not stand by and let it try to shoot the messengers. We will not stand by and let it cover up all the profligacy and all of the debt because we will stand up and speak the truth and tell the people of Australia, 'This Government has let you down'.

This Government is building up debt on a bankcard which will have to be paid back by future generations. It is a form of robbing the future. The Government has not only robbed the current generation, but also is now rob-

bing the future. It is building up unfunded liabilities—liabilities of today—but not setting aside money to pay for them. There is only one way that they can be honoured; there is only one way that those unfunded liabilities can be brought to fruition in the future—that is, by taxing the future generations of Australia. Future generations of Australians are being robbed today by the profligacy of this Government.

The Government's reaction is not only in relation to the most recent Auditor-General's report. There is a foreign debt problem which, under the Keating treasurership, started off at \$23 billion and after 10 years has gone to \$168 billion, soaking up about three times our export earnings. There was the current account figure in March of \$2.1 billion. If the IMF is beginning to knock on doors in Canada, we hear an eerie silence in Australia. Watch out for those knocks because this Government has taken debt out of hitherto acceptable levels.

Then there is the Budget deficit. When the Minister for Finance (Mr Willis) came to that portfolio he inherited a surplus of \$8 billion. Over the three years of the last Parliament he turned that around to a \$16 billion deficit, the largest in Australian history. Even if he brings in all the projections, between 1991 and 1997 he will run up a deficit of about \$80 billion. In the last financial year, this Government was overspending on revenue—that is, spending more than it raised—by about \$45 million a day. Over that six-year period the Government will rack up a deficit of about \$80 billion, comparable only to the Whitlam period. They will be saying, 'Willis is greater than Whitlam' in the financial history of the years to come.

There are no redeeming features whatsoever. At least Whitlam went broke keeping his promise, but this Government is going to go broke breaking its promises. We have seen the already littered history of broken promises. Remember the promise about the free dental scheme? Remember the promise about the home-care child allowance, now on the never-never? Remember the matching funds for the charities? Remember what the Labor

Party said in the election, that it was going to take pensioners out of the tax system?

The breaking of that promise is going to leave a bitter winter of betrayal for Australian pensioners. It is going to be a bitter winter of betrayal for all those people who look to government to keep its promises. We know what the Government is up to. The Government is trying to soften up the Australian public for new taxes. It cannot honour its promises, it cannot get its deficits under control, and it is trying to soften up Australians for new taxes. It asks whether it should bring in an energy tax, an extended goods tax, a wealth tax that the ACTU wants, or death duties, which the Labor Party loves.

We say the answer is none of the above because when the Australian public voted in that election they did not vote for any new taxes. They did not want the Government to increase taxes to pay for tax cuts. The Australian people voted against taxes in the election. So the Government should read those votes: no new taxes. It should read them well, because the Australian public are not going to be benign on this Government when it goes into higher taxes. Let us make it absolutely clear that there is only one reason for higher taxes: if the Government will not cut its own spending, it will have to cut the taxpayers' spending. It is going to cut the taxpayers' spending by taking taxes out of taxpayers' pockets so that they cannot spend. This Government will not control its own spending, and so it intends to cut the spending of the Australian taxpayers.

Let me come to the Auditor-General's report—the Auditor-General who gave this report the title *The national Bankcard: who will pay the piper?* This was a first attempt to report on the financial obligations of the Government, and it was scathing. In fact, the Auditor-General said he did not even have enough information to state clearly and precisely how large the obligations were. The Auditor-General said:

The ANAO considers that the information currently provided is deficient to such an extent that the Parliament and the taxpayer is not in a position to assess the Government's management.

He went on to say:

And what of concerns that future generations of Australians will be made to pay for the excesses of today's generation? Again the Parliament and the Australian taxpayers are not provided with information necessary to determine the extent of intergenerational transfers resulting from current policy decisions.

Then the Auditor-General went on to talk about accountability and the information that has to be given to this Parliament to get that kind of accountability. He went on to say that the information—which the Government does not have—would be essential for good management of a company. If the Government were running a company it would have to do better than this. This Government has a Bill before the Parliament to ensure that companies engage in continuous financial disclosure. But, even on an annual budgetary basis, the Government cannot disclose liabilities in superannuation. What hypocrites! How can the Government possibly lecture Australian business on the need for continuous financial disclosure when it is not even disclosing on an annual basis the information that its auditor requires to make an assessment.

Let me give a hypothetical example. When the Westpac Bank was getting into trouble and Sir Eric Neal was reporting as the chairman, how would the Australian financial community have reacted if he had stood up and said, 'Well, our auditor is unprofessional. It is all the fault of our auditor.'? If a company director behaved like that he would probably find himself in a court of law. Yet that is exactly what this Government is doing. It is standing up and saying, 'We can't give you the information that would even be required in the management of a good company, but let's tell you all about our auditor. He's unprofessional. Don't take any notice of him. He's binned the cat. He's disclosed the financial situation. We don't like people like that. We stand up in parliament and we attack people like that. We don't want the Parliament and the taxpayer to know that kind of information'.

Let us also make this clear: the Auditor-General did not say that Australia was insolvent; he said it would be insolvent if it were not for the power to tax. We know that the Government can solve its solvency problems

by expropriating the property of taxpayers. We know that. The Government has this unique ability when it gets into financial situations to take money from others to rectify the problem.

The bottom line of that is, as we see in the Budget deficit, that all roads lead to tax. But the worst feature of those roads that are leading to tax is that they are not just the taxes of today's citizens, they are not just today's taxes, because, as the Auditor-General makes entirely clear, this Government is engaged in an intergenerational transfer. It has not set aside the money today for the liabilities of today. It will have to get those taxes from future generations of Australians. Future generations of Australians under the 'Let the children pay policy' will be given a legacy of debt and obligation. As if it were not bad enough to run debts on this generation of voters, this Government has decided to financially abuse the next one as well.

We say to the Government, 'Come clean with the Australian people. Provide that information. Come clean on your obligations. Thoroughly audit your liabilities. Announce a debt strategy. Attend to the burgeoning outlays. And, above all, keep your hands off future generations of Australians because they know that the current ones have suffered badly enough'.

Mr WILLIS (Gellibrand—Minister for Finance) (4.12 p.m.)—We just heard a quarter of an hour of diatribe. I did not hear a sensible remark in the whole quarter of an hour. Let us get this in some sort of perspective. The honourable member for Higgins (Mr Costello) talks about the Government's financially abusing the children because there is some government debt—running up debt in our period of office and putting it on the Bankcard. As the report makes clear, the level of government debt at 30 June 1992 was 11.8 per cent of GDP, which compares favourably with the average of the last 10 years of 13.2 per cent—it has come down.

We had four years of budget surpluses, the only surpluses that have ever been produced by a government in the history of this country since we have had the modern budgeting system. Through the 1950s, 1960s, 1970s and

1980s when the Opposition was in government it could never produce one budget surplus. We produced four budget surpluses, with a collective \$18 billion of surplus in that time. The honourable member for Higgins should not stand here lecturing us about financial propriety. We are the ones who produced the budget surpluses. We are the ones who actually reduced the debt compared with the average of the last 10 years. Let us get that in some perspective.

Let us also look at the way that other governments have their debt structures and how we sit in relation to them. The OECD *Economic Outlook* for December 1992 published general government net debt for 18 OECD countries. It lists them in groups of high debt countries, medium debt countries and low debt countries. The high debt countries are Belgium, Italy, Ireland and Greece, with a range of government debt to GDP of 124 per cent to 82 per cent. The medium debt countries are Netherlands, Canada, Austria, United States, Spain and the United Kingdom, with a range of government debt to GDP of 60 per cent to 36 per cent. The low debt countries are Denmark at 29 per cent, France at 29 per cent, Germany at 23 per cent and Australia at 15.8 per cent. There are four countries below us: Finland, Japan, Sweden and Norway. The average government debt as a proportion of GDP of all the countries is 43.6 per cent. Australia's debt is 15.8—about a third of the average of all the OECD countries.

Those opposite should not give us this absolute garbage about our being financially irresponsible. This Government has a relatively low level of debt compared with that of most other OECD Western developed countries and, financially, it has behaved very responsibly in its period in office. Of course there has been an increase in the deficit in recent times and that has meant an increase in debt. But that has been the experience of every Western country in the last few years. There has been an international economic recession which has meant that all governments have suffered losses of tax revenue and increases in government expenditure, particularly on unemployment benefits. Therefore,

most countries have run up bigger budget deficits and a couple have reduced surpluses. The budgetary situations in all of those countries have deteriorated in recent times. There is nothing unique about Australia's experience in that regard. It is what happens when the economic cycle turns down.

We have added to that a little by our efforts to stimulate the economy, and various other countries have done exactly the same thing. Even the United Kingdom Conservative Government had a massive change in its budget outcome from a budget surplus to a deficit of about six per cent of GDP. That is well above ours as a proportion of GDP. That Government has done that largely because of the automatic blow-out of the budget due to recession and also due to the action it has taken to try to stimulate the economy. This is happening in just about all of the Western countries. So this absurd notion that Australia is somehow uniquely suffering some increase in its deficit and that the Government is therefore culpable in the extreme and is laying a terrible burden on future generations is just total garbage.

Obviously, it is not a matter of no concern that there has been an increase in the deficit. We recognise the importance of getting the deficit down. We have made the declaration that we will reduce it to one per cent of GDP over the medium term—by 1996-97. That point has been made amply in recent times; I do not need to go into it any further.

I return to the Auditor-General's report. Essentially, it says that the Government needs to make some changes to government accounting procedures so as to provide a full view of the Government's true financial position. We accept that it is desirable to do that. In fact, we have already adopted the major reforms needed to bring that about—that is, a move to a system of accrual accounting. It is already happening. It happens in most of the GBEs and government authorities. I said last year that we were going to introduce it as from 1994-95 in reports of all government departments. Once we move to an accrual system all the departments will give a full assessment of assets and liabilities—I stress the assets as well as the liabilities;

assets are remarkably lacking in this analysis—and then we will have full accounting, department by department, of their overall balances.

Putting all that together, along with the GBEs and authorities—most of which have already moved to accrual accounting—we can get whole of government reporting. Research is already going on to see what is involved in bringing all of that together to get whole of government accounting happening in a proper way. If that research comes up with the right result, we may well be able to move, as the Auditor-General would like, to a whole of government reporting process by 1995. That will be fine; we have no problems with that whatever. In fact, virtually all the information that the Auditor-General says is lacking at the present time will come to light through the move to accrual accounting. We have no problem with that point. That is not to say that all of the recommendations are acceptable; they are not, and I will come to a couple of those.

While it has been in office the Government has made various improvements to its financial management so as to provide more information to the public. Before we came to office there were no forward estimates of outlays showing what expenditures would be, department by department, for the Budget year plus three more years; that did not exist. We publish those outlays in the Budget papers each year so that the people of Australia are aware of where all of those outlays for program expenditures are going.

The Government has that knowledge. The Government, I might say, has knowledge beyond that. As appropriate, we look at expenditures in a longer time frame. Where we think that there may be something going to happen if we pursue a certain course which might have consequences in the out years that would be of concern, then we might do some analysis of that for our own internal purposes. It is not a matter of the Government not knowing beyond the four-year period. We do know where it matters but it is just not relevant or necessary to do it for every program.

The assessment of superannuation liability is also something that has been produced

consistently since we have been in office. It was first produced in 1982, before we came into office, but we have updated it regularly since. So the amount of unfunded superannuation liability is something which comes to light every few years. We have a three-year cycle, which has become a five-year cycle at the moment because of the big changes that were made to government superannuation in 1990. The introduction of the public sector superannuation scheme and the changes to invalidity requirements meant that there was a considerable cut in the costs of public sector superannuation and until that new scheme settles down it is appropriate to delay the recalculation of the unfunded liability. But that will take place next year and then be on a three-year cycle. So we will continually have the actuary doing that update and providing that information. It is not a matter of hiding information. We have produced it several times since we have been in office and we will continue to do so.

As a consequence of the changes that we have already made the Government publishes most of the information contained in the Auditor-General's report. Where do honourable members think he got these figures from? He got them from government reports of one sort or another. In a couple of cases he had to make some estimates—and he did that with the assistance of my department, I might say—but mostly it was publicly available information. What he has done here is to draw it all together. In the case of the unfunded liability he updated it with advice from my department.

So we do not see that where there are deficiencies in the availability of information there is a problem, because most of that will become available anyway with the decisions already taken. Departments have been told, for instance, that next year they must account for employee entitlements. After that they will be on full accrual accounting and so the information will all be available.

This report does have a number of deficiencies. While seeking to assess total financial obligations, it does not take full account of the Government's assets or indeed some revenues that are legally to flow to the Gov-

ernment. The report refers only to available liquid assets of \$57 billion. It says, 'Here are all these obligations'—some of them involve expenditures going out 30 or 40 years—'but you have got only \$57 billion in the bank to pay for it'. These are expenditures which can be 40 years away. It is stupid to compare cash assets with liabilities going out in 30 or 40 years time. Of course, what we need is full accounting. That will involve government assets being brought into the picture—and that will be possible with accrual accounting—and also bringing in revenue, which is not done in this report. That is revenue which is legally obliged to be paid to the Government.

I have mentioned international comparisons, which are patently lacking in the Auditor-General's report. The report also implies that Budget deficits that go beyond the expenditure on infrastructure are inappropriate because they impose a burden on future generations. It seems to say that the whole countercyclical approach of fiscal policy is wrong. That seems to be a terribly narrow accounting based approach to the role of government in terms of budgetary policy. Budgetary policy is not just about each year producing a balanced book, but also about making sure that the economy runs as well as it possibly can. That means that at times there will be Budget deficits and at times, hopefully, Budget surpluses according to the economic cycle. It does not mean a rigid adherence to Budget outcomes which are balanced or near to.

The report claims that funding decisions taken by the Government lack the benefit of the information that would normally be available in any well-run company which manages the level and impact of its obligations on future cash flows, costs and investment decisions. I think that is not a true statement. It is patently untrue in my view. The Government takes decisions in the full knowledge of the likely costs of funding various programs over a four-year period.

Mr Cadman—You've never got a Budget right yet.

Mr WILLIS—Does the honourable member want us to make the estimates over a

longer period, like five to 20 years, as the Auditor-General suggests? Does he think there would not be even bigger errors involved there? Of course we can only make estimates. We cannot make entirely accurate forecasts; we can make the best estimates available. That is what we do in relation to those Forward Estimates. Obviously, they have errors and the longer one goes out, the more likely there are to be errors in them.

We also have a lot of other information that is available to us, and I suspect much more than is available to many businesses. We know all about our debts; they are published in the Budget each year. We know all about our guarantees; they are published in the Budget each year. We know all about our program outlays to the extent that we need to know, and we do calculations beyond the out years.

In relation to superannuation, the Auditor-General suggests a number of things. Firstly, he says that there is a \$40 billion unfunded obligation, but there is no reference to the fact that the Government changed the scheme in 1990 and in doing so reduced unfunded liabilities when it did so by \$5 billion and new entrants costs by one-third. There was no mention of that and that is a deficiency in the report. There is no recognition of the clawback saving resulting from tax payable on superannuation paid, and there are reduced pension payouts because people are on superannuation and not on pensions. In fact, on our best estimate that clawback cuts the cost by \$19 billion of that \$40 billion. Almost half the costs are saved by the clawback which gets no mention whatever in this report.

It is also the case that the Government is not a private or a public company and therefore it will not go broke. The security problem relating to the need for funded superannuation in companies so that people can be sure that they have their retirement benefits when they retire is not an issue for a government which will be in place for the long term. People can have unfunded liability knowing that they will be able to get their retirement benefits when they are due. This report has a lot of shortcomings, but the basic recommen-

dations are generally acceptable. (*Time expired*)

Mr NEHL (Cowper) (4.27 p.m.)—I have listened with absolute amazement—and I will give the words of the Minister for Finance (Mr Willis) straight back to him—to this garbage. He started off fulminating against the Auditor-General and us by saying, ‘Do not give us this garbage’. He wants to provide some perspective about government debt, but I have a message for the Minister: we are not talking about debt. The Auditor-General’s report is not about debt or deficit, yet for the last 15 minutes the Minister has carried on talking about debt and deficit. We are not here about that. We are here about obligations, arrangements and commitments. That is what the Auditor-General’s report is about. It is not about government debt as a proportion of GDP.

The Minister suggested fairly early on that the whole thing was an absurd notion. The way the Minister has approached this matter is absurd. The reality is that today during Question Time the Treasurer (Mr Dawkins) delivered a most disgraceful attack on the Auditor-General of this country. Having been associated with and a member of the Joint Committee of Public Accounts for the last three parliaments, I know what a good job the Auditor-General does and how much the people of Australia and the Parliament of Australia depend on the Auditor-General. Every member of this House should react adversely to the attack of the Treasurer on the Auditor-General today. It was totally inappropriate.

The Minister for Finance, in winding up his contribution, said that there were no international comparisons in the report. Why does he want international comparisons? Does he want to be able to say that we are not as badly off as Somalia or somewhere else? What does he want them for? What value are they? We are concerned about the level of obligation and commitment of this Government to the people of Australia. Quite frankly, the Government’s obligations are about \$16,000 for every taxpayer. The Australian National Audit Office has identified—I repeat the figures—that outstanding Federal Government obliga-

tions are in excess of \$125 billion, and we know that this figure is understated. Nobody knows what the real figure is.

We are getting accrual accounting in a year or two. Some government departments are bringing in accrual accounting, and it is about time. I applaud the Minister for doing that; it is the right way to go. We should have been doing it a long time ago. We can be critical of past governments that they did not bring in accrual accounting.

We are now dealing with a government that has been in power for 10 years. We are dealing with this Government that is guilty of financial mismanagement. The Minister demonstrated that this afternoon when he talked about debt and deficit. The matter of public importance is not about debt and deficit; it is about obligations, arrangements and commitments. It is quite obvious that any board of directors running a company the way the present and past Cabinet have run this country would not just be sacked; they would be gaoled.

This afternoon the Treasurer, in his disgraceful attack, said just how wrong and conceptually inaccurate that report is and he referred to the people producing it as irresponsible. His throwaway line was ‘if they were properly qualified’. I think that is a disgraceful attack on public servants who serve our society so well.

On the need to disclose, he said, ‘Oh well, we are moving in that direction’, but he said that it was neither professional nor responsible of the auditor to raise the possibility that the Government could not meet its obligations. The Treasurer finished by saying that the Commonwealth has the power to tax. Yes, we know that the Commonwealth does have the power to tax. I want to put on the record that the Auditor-General in that report made that particular point. He said:

The Commonwealth’s power to tax should ensure—

it ‘should’ ensure actually; that is interesting—

that the Commonwealth remains solvent at all times.

Let us hope so. But the auditor then went on to raise three possibilities for the Government to remain solvent. It can do it by increasing receipts by options such as increasing taxation levels or privatising government assets. Is it going to increase the taxation levels? Is it going to privatise again and again? The next one was:

. the Federal Government being forced to reduce expenditure in other areas of government, such as infrastructure, thereby lowering the future standards of living of Australians,

I do not debate that. I accept that, because blind Freddy knows that it is true, right and correct. We know—and we knew before the last election—that this country is broke. All we have now is information of future disaster.

Mr Lloyd—And they lied to Australia.

Mr NEHL—They certainly lied to Australia. There is no doubt about that. Obligation levels are increasing. This report does not attempt to examine the Commonwealth's obligations over a period of time, but certainly the obligations will result in an escalation of servicing costs, and that can have wider economic implications, particularly with increased dependence on foreign debt by both private and public sectors.

For the Auditor-General to make those points, quite contrary to what the Treasurer said, I believe was professional and responsible. It certainly sounds professional and responsible to me. But we have an increasing dependence on foreign debt, and we all know of our foreign debt. It is now \$168 billion net. It is interesting that, although the figures are different—they are very much higher—they put us in mind of Whitlam. There is a little sniff of Whitlam in the air with all of this. In fact, I can say to honourable members in this chamber that the Government might be asking, 'Khemlani, where are you? We need you'. That is what the Government needs. The Prime Minister (Mr Keating) needs Khemlani because our country is going to go even further down the drain.

This matter of public importance on the Auditor-General's report is all about financial mismanagement. Again the Minister at the table does not speak to the issue or about the contents of the report. He concentrates on

debt and deficits when we are talking about obligations.

Mr Braithwaite—And sell more bananas.

Mr NEHL—I always respond to an interjection about selling marvellous bananas from my electorate, but we are concerned that future generations will be made to pay for the excesses of today's generation. I believe that to be true. The cost of servicing central government borrowings is estimated to increase by 60 per cent over the next four years. That estimate is at the current interest rates. Can honourable members imagine what that will do when we get, as we probably will, an increase in interest rates?

Superannuation outlays have virtually doubled over the past 10 years. What about the next 10 years? I am particularly interested in this because unfunded superannuation and government obligations are rising as a percentage of GDP. Of course, we have not even mentioned the Government's liabilities for long service leave, annual leave or 17½ per cent annual leave loading.

I ask whether superannuation is a government priority. I am particularly interested in this point because I recently had a visit from an Australian Taxation Office official who asked me to help him advise small businesses in my electorate which are going broke to pay their superannuation levy. If they do not pay it by 30 June they will lose tax deductibility in this financial year. Then they have until 14 August, and if they are one day late they not only lose tax deductibility altogether but also have interest imposed on them straight away. As well as that, I think there is a fee of \$50 per employer and \$30 per employee. I believe it is fair enough that the Taxation Office should help people to realise that D-day is coming: deduction day, doomsday—

Mr Truss—Disaster day.

Mr NEHL—Disaster day indeed. I am busy in my electorate helping to inform employers and employees about the need to meet their obligations in relation to superannuation. What is the Minister doing? Where is the Government's obligation, where is its commitment and where are its accruals to meet the

superannuation that will have to be paid out before too long?

I conclude by saying that it is unlikely that even the smallest Australian business would base decisions on the limited information—the limited knowledge and the limited facts—upon which this Government is running this country. I commend what the Auditor-General and his officers have done; they have highlighted something that needed to be highlighted. We need more open government and more information, and I think it is about time that this present Government faced up to its responsibilities. It should no longer continue to distort the issue, as the Minister did today in talking about debt and the deficit when we are talking about obligations and commitments.

Mr ELLIOTT (Parramatta) (4.37 p.m.)—In speaking to the matter of public importance today, I think it is important at the outset to give some recognition to the positive steps that have been taken. I do not believe the Auditor-General's report No. 34 adequately reflects the reforms that have been undertaken by the Government in terms of disclosure of the accrual accounting arrangements and so on to which the Minister for Finance (Mr Willis) has referred, the general provisioning by the Government in relation to superannuation, and the changes that have been undertaken constantly in that area. We can go a step further and say that the Auditor-General's report is framed in the most narrow accounting terms. It does not take account of the broader economic issues one would have thought that a report which is trying to deal with these issues and which carries the emotive title that it does would have sought to reflect.

In speaking to the matter of public importance today, as in all these economic discussions, opposition members continue to decry the economic recovery and continue to pour scorn on what positive economic news there may be. Indeed, the coverage of the Auditor-General's report in today's newspapers similarly misrepresents many of the constructive points and overstates some of the criticisms that are contained in the report. As far as I can see, that is really the problem in this

debate: not enough regard has been given to the positive steps which have been taken. It seems to me that the Auditor's report reflects an historical perspective more than a current perspective of the initiatives and reforms that the Government has undertaken.

I turn first to the area of accrual accounting. The Auditor-General's report makes some worthwhile recommendations in this area, but it fails to give credit to the Government's recent initiatives. It fails to recognise that the Minister for Finance has taken major steps in this area. For example, some 35 government departments have volunteered to take part in a pilot program to produce financial statements on an accrual basis in 1992-93. The remaining departments will be doing the same in their 1993-94 statements.

There are several reasons why the Government has moved to accrual accounting arrangements: to identify the cost of government programs; provide cost control and efficiency methods; improve asset management; assist in determining pricing policies for user charging; monitor increased productivity; enhance accountability; and so on. We did not have to wait for the Auditor-General to produce this report before addressing these matters. These steps have been put in place by the Minister for Finance and the Government for a significant time. This report does not give adequate weight to those sorts of issues.

The honourable member for Cowper (Mr Nehl) spoke about the level of deficit, obligations issues and so on. The Auditor-General's report is notable for not clearly defining the cyclical issues relating to the economy, the deficit and the obligations that might flow from that and the more significant structural issues.

Looking at the deficit, what really matters is the capacity of the Government to manage the economy over time. The Auditor-General's report suggests that a long-term view should be taken about the management of the economy in the same way that a private company would develop its arrangements. Analysing what the Government has done through the 1980s and early 1990s, that is the sort of management the Government has

regarded as important. The Government did plan Budget surpluses throughout the growth period of the late 1980s and has recognised that present cyclical conditions mean that we have to move into deficit to regain stimulus and growth in the economy.

The honourable member for Cowper suggested an alternative strategy which, he says, is implied in the report. The alternative to having stimulus when the economy is recessed is to prolong that recession to make it more difficult to get the necessary growth in the economy, which creates hardship for the people the honourable member spoke about.

The Government, quite rightly in my view, has said that it will get the Budget balanced over time rather than adopt the knee-jerk reaction that some appear to advocate; that is, it can all be achieved in one Budget. Clearly, a three- to four-year strategy needs to be developed to get the Budget balanced. It cannot be achieved overnight. The net effect of trying to achieve that overnight would be to create more economic mayhem.

What would be the result of that mayhem? All that would happen is that revenue would fall and more government expenditure would be needed to meet those liabilities. That is the big problem with this report. The clear implication of a recession, such as the one we have now, is that revenues fall because less tax is paid, more unemployment benefits are paid and so on. That is precisely why the Government has acted in the way it has to create the necessary economic stimulus.

The other aspect of why this report is so narrow can best be illustrated by the way in which a household budget is dealt with. Working on the sorts of presumptions contained in the Auditor-General's report, it suggests that a household can fully meet every one of its obligations at a given point, even though the house mortgage is planned to be paid over 15 to 20 years. Not one household in the country would plan its decision making on that basis and, quite frankly, nor would we expect it to. Yet it appears from the report that major public infrastructure should be accounted for and the Government should be meeting its superannuation commitment. That assumes that the complete liability for

superannuation will fall due tomorrow, which is most unlikely and is quite narrow in context anyway. It also assumes that the Government is not moving towards meeting its ongoing superannuation commitments. Both of those assumptions are wrong.

The Government has taken positive steps over time to ensure that its superannuation commitments are more directly accounted for. Earlier, the Minister for Finance referred to the reporting process that is in train for that to occur. It has occurred in the past and will occur in the future. Those things are there and are being done.

To suggest that one can take that in the fashion the auditor refers to again reflects an inappropriate application of what the audit report really should be designed to achieve. Certainly what we do need to achieve is greater emphasis on disclosure and accountability through those processes, but I do not think we need to conduct economic and fiscal policy with the narrowness suggested in this report.

Certainly, I think it relevant, as the Minister for Finance said in his speech, to provide some comparative reflection of Australia's position as against those of our international competitors on these sorts of issues. It is only through that process that we can really get to put aside some of the nonsense that is being talked about, to put back into perspective where our Budget position is, to understand why we had those surpluses in the 1980s, why we have had the deficits in more recent times, and why we can manage our way through that process and get economic recovery going.

The Opposition's approach to all these issues has been interesting. In the last three years of the Parliament, what sorts of things did the Opposition say would occur? It said there would be a double-dip recession. It was wrong on that one. It said we would have a run on the dollar. It has been wrong on that one. It said interest rates would be going up repeatedly through all that process, yet we have interest rates at the lowest level in 25 years. So it was wrong on that one.

The Opposition has gone on to make other sorts of similarly erroneous claims as to what

the Government was going to do to the economy. It has referred constantly to the fact that the growth in the economy was not going to be sustained. Clearly, the Government is determined to make sure that growth is sustained. One of the mechanisms to make sure that growth is sustained is to have responsible Budget processes over a period of years, with a medium-term strategy that demonstrates how we overcome the economic difficulties we have in Australia but at the same time recognises that Australia's position, as compared with that of countries that we deal with, is certainly responsible and sound. Indeed, the auditor's report effectively demonstrates the soundness of our economy and makes the point—not as strongly as it should be made—that the revenue side also has to be taken into account in these sorts of issues. It has not been, as far as the actual report documentation is concerned.

For those reasons this MPI represents a further attempt by the Opposition to talk down economic recovery in Australia, at the very time when we need the Opposition to be prepared to come in here and support sustainable economic recovery, built on low inflation, low interest rates and with the clear objective of ensuring our competitive position is enhanced versus those of our competitors.

Mr DEPUTY SPEAKER (Mr Hollis) — Order! The time allotted for the discussion has expired.

SOCIAL SECURITY AMENDMENT LEGISLATION

Suspension of Standing Orders

Mr RUDDOCK (Berowra) (4.47 p.m.)—I move:

That so much of the Standing and Sessional Orders be suspended as would prevent the Prime Minister explaining to the House why he deliberately misled the House in claiming that the coalition 'rejected' and 'knocked back' the Social Security Amendment Bill 1993 which provides:

- (1) an additional free area of \$30 per fortnight for earned income for single recipients of jobsearch, newstart and sickness allowance and increases the free area applicable to such a partnered allowance from \$30 to \$50 a fortnight;
- (2) lifts the assets limit for pensioners;

- (3) rationalises certain waiting period provisions for the unemployed;

when the fact is that the Opposition has not voted against the Bill in the Senate but has only voted in favour of adding to the Bill its amendment to repeal sections of the Social Security Act which treat unrealised capital gains as income for the purposes of the income test for pensioners, and, further, the Bill as amended was supported by the coalition. Similarly in the House of Representatives the coalition supported the Bill at its second reading and today in the House voted to maintain the Senate amendment.

The purpose of this motion is to give the Prime Minister (Mr Keating) the opportunity to come into this House and explain why he so misled it today.

Mr Beazley—Why are you so stunned?

Mr RUDDOCK—Why am I stunned that the Prime Minister misled the House? I am stunned that any Prime Minister would be so cavalier as to mislead the House—and knowingly mislead the House—when it is a hanging offence in this place. According to Minister Collins in the Senate this week, it is clearly a matter that would lead to the Prime Minister's resignation, unless he is able, in some way, to ameliorate the severity of the matter by apologising to the House and indicating how he came to make a mistake in relation to this.

Clearly, the Prime Minister made no mistake. I remind the House that he has been a member of this place longer than most of us. He knows better than any of us the conventions, the proprieties and the arrangements for carrying a Bill through the Parliament. He knows better than anybody else that simply to amend a Bill does not lead to its rejection. To simply amend a Bill does not—

Mr Beazley—We will test it.

Mr RUDDOCK—The Government may test it in another place at another time, but that is a separate issue. At this stage, the coalition has not rejected, not knocked back, the Social Security Legislation Amendment Bill.

Mr Beazley—We don't know yet.

Mr RUDDOCK—The Prime Minister seems to know. If the Prime Minister had said, 'We don't know but maybe, when the

matter is called on for a vote, we will oppose it', that would have been a very different proposition from his saying categorically, as he did, that we rejected and knocked back the Social Security Legislation Amendment Bill. When Prime Minister Hawke was caught in exactly the same situation he was a big enough man to come into the House and admit that he had misled us.

Mr Tim Fischer—Bob Hawke did.

Mr RUDDOCK—Yes, former Prime Minister Hawke, in relation to a matter raised by one of my colleagues, was a big enough man to come in and admit where he was wrong. Perhaps the present Prime Minister was badly briefed, but I noticed in an answer to a question in the Senate this week that the Government admitted to employing 310 additional staff who are in a position to assist, counsel and advise Ministers and to monitor what happens. One would think that with all those staffers the Prime Minister could get accurate advice about what happened in the Senate.

The only vote in the Senate was a vote on an amendment to the Bill—a vote called by the Government and a vote which it lost. The only votes we have had called here today were those moved by government members, such as the Leader of the House (Mr Beazley), gagging honourable members on this side of the House. The only ones moved by this side of the House related to whether or not the amendment from the Senate should be maintained.

Clearly, the Prime Minister was badly briefed. If he informed us that he was misled by his advisers, I am sure we would be big enough to accept that. The Prime Minister could come in and say, 'I have been here for 20 years or more'—something he disparages in others, although he even got that wrong because I spent eight years in government, not opposition—'but I didn't understand the procedures and I made a mistake'. We will give him that opportunity in relation to this particular motion.

I remind honourable members that I had something to say on this very issue before we voted on it. It may have been a little convoluted because I was delivering my comments

without the aid of notes, but the intention was clear and unambiguous. I said:

I want to make it very clear that it is not our intent to deny the benefits that were provided for in the original Bill to people who receive newstart and the other beneficiary arrangements in place for those who are unemployed . . .

There is no ambiguity about that. I said:

I want to make it very clear that it is not our intent—

Mr Sciacca interjecting—

Mr RUDDOCK—The Parliamentary Secretary to the Minister for Social Security was here when I said it. Perhaps he was the one who so briefed the Prime Minister on this matter that he misled the House. Perhaps he is the culprit. Perhaps the Prime Minister can make him the sacrificial lamb. The Parliamentary Secretary should apologise to the Prime Minister for so grievously failing in the brief that he obviously prepared for him. The fact is that I made our position very clear. I continued:

. . . nor do we want to inhibit the assets changes that the Government promised during the election. Our view is that the Government should implement its policy by supporting this Bill with our amendment.

That is the fact of the matter. There was no rejection by the Opposition of the proposals. They were not knocked back by the Opposition, as the Prime Minister has asserted. I am astounded that a Prime Minister would put himself in a position where he comes into the Parliament, so clearly misleads it and so clearly imputes to the Opposition an intention which cannot be imputed from anything we have said, anything we have done, or any vote in which we have participated.

If the Prime Minister wants to come in and use words like 'vengeful' and 'vengeance' and impute some conduct to the Leader of the Opposition (Dr Hewson) which is totally unreasonable and, on the evidence, totally wrong in every sense, he should not do it in relation to an issue of this sort where he is using the vulnerability of the unemployed as a pawn in the political games that he wants to play. That is exactly what the Prime Minister was seeking to do: he wanted to use the

unemployed and the pensioner community in Australia as pawns in his political game.

The Prime Minister was really saying, 'If given the chance the Government would blackmail you, the Opposition, on this particular matter. We don't know what your intention is. We don't know how you are going to handle it. But, if you are to press this matter to a point where ultimately this legislation is at risk, we would blackmail you. We would say that the only way this legislation can go through amended is if it had our support. We won't give you that support. Therefore, the other provisions in the Bill will fail, and that is on your head'.

The Government cannot say that because we have not at any stage voted against the legislation. All we have done is positively vote for our amendments. The Prime Minister clearly misled the House. If he is a man big enough to admit a mistake, he will be in here now to apologise, and he would not leave it to others such as the Leader of the House or the Parliamentary Secretary to the Minister for Social Security to wear the blame.

Mr HOWARD (Bennelong—Manager of Opposition Business) (4.57 p.m.)—I second the motion. The simple principle involved here boils down to whether the man holding the supreme office in this country tells the truth to this Parliament or not. Not even by using his not inconsiderable verbal skills can the Leader of the House (Mr Beazley) explain away the fact that the Prime Minister (Mr Keating), who set out on an orchestrated attempt to discredit the Opposition, got his facts hopelessly and completely wrong. As the honourable member for Berowra (Mr Ruddock) said, if the Prime Minister really were the national leader that he aspires to be, if he really felt a comfortable, secure Prime Minister, a man not subject to the vulnerabilities of politics, he would be big enough to come into this Parliament and say, 'Look, I am sorry, I got it wrong'.

His predecessor, Mr Hawke, did that on two occasions. The Leader of the National Party of Australia (Mr Tim Fischer) will remember one celebrated occasion, and I remember another occasion when the former Prime Minister made a stupid imitation of

somebody's accent. He later realised that he had made a mistake, he came into the Parliament, and he was a big enough man to get up and say, 'I am sorry, I got it wrong'. He went up in everybody's estimation as a result of that admission. Far be it for me to say that the present Prime Minister could ever go up in my estimation, but if he were to come in here this afternoon and say, 'Look, I am sorry, I got it wrong; I withdraw, I apologise', that would be the end of the matter and we could both go out to Yarralumla and have a glass of champagne.

But we should not hold our breath because he is not going to do that. To use his own words, he is a spiteful, vengeful man—and spiteful, vengeful people never apologise. The Prime Minister lives by the doctrine that says you never resign, you never apologise, you never say you are sorry, no matter what the circumstances are. That might be all right in Sussex Street, but it is wearing a bit thin with the Australian public. I think the Australian public is fed up with somebody who is not big enough to say he is sorry.

The honourable member for Berowra, on behalf of the Opposition, has been sponsoring an attempt to restore a measure of justice to the pensioners of this country. He made it perfectly clear that he has not been trying to tear down, frustrate or prevent the implementation of increased benefits to those people. The Prime Minister cannot by any stretch of the imagination accuse the Opposition of opposing any of these measures. The Prime Minister misled the House, and he did it deliberately. He did not do it in the heat of the moment; he had a calculated attack prepared, all written out in front of him. It is inexcusable. He ought to come in here and display the guts required of him and say, 'I am sorry and I withdraw what I said'.

Mr BEAZLEY (Swan—Leader of the House) (5.01 p.m.)—The Opposition has been hoist with its own petard absolutely magnificently, and it is writhing in embarrassment at what it confronts with this particular matter. Far be it for the Opposition's spokesman on social security, the honourable member for Berowra (Mr Ruddock), to wander into this place and say that the Government trades on

the vulnerability of the unemployed and the pensioners, because that is exactly what the smart alecs in the Opposition in the Senate intended to trade on in this regard. What they have done, of course, is to compromise the honour of the Opposition very thoroughly—compromise it on the point of a Budget measure put in by the Government in 1992 to oppose that—

Mr Ruddock—Deal with the issues.

Mr BEAZLEY—Compromise it by holding to ransom the position of the groups named in the motion put forward by the Opposition. Let us not forget that all the propositions put forward by the Government in these areas were, one way or another, opposed either in spirit or in detail by the formulations put forward by the Opposition in its election campaign.

Mr Tuckey—Rubbish!

Mr BEAZLEY—A load of rubbish, is it, for the honourable member for O'Connor? What does he think the implications are for people who are seeking unemployment benefits when the proposition here is effectively for those to be brought on more quickly, when those opposite are looking for \$900 million worth of savings off it? Those opposite went into the last election campaign looking for \$900 million worth of savings out of the unemployed. These propositions will involve increased outlays in relation to people who are associated with the unemployed. So do not try to hide behind some sort of facade—

Mr Ruddock—Not one vote against the proposal.

Mr BEAZLEY—They should not think that they can clothe themselves in some sort of rectitude in terms of their views on unemployed people associated with this particular motion. The whole spirit of this legislation is opposed by the Opposition.

Mr Ruddock—Not one vote.

Mr BEAZLEY—The fact that the Opposition has chosen to block it in the Senate simply hides its intention for the legislation. The Opposition was correctly flushed out by the Prime Minister (**Mr Keating**)—

Mr Ronaldson—He is a liar.

Mr DEPUTY SPEAKER—The honourable member for Berowra will stop interjecting. The honourable member for Ballarat will withdraw that comment.

Mr Ronaldson—I withdraw it.

Mr DEPUTY SPEAKER—The honourable member for Berowra was heard in relative silence and I would appreciate it if he would let the Leader of the House be heard.

Mr BEAZLEY—The Opposition has been caught out and it knows it. It will have another test, of course. Having blocked it once, the test will be whether the Opposition will block it again. If the Opposition blocks it again, then it will find all the consequences that the Prime Minister referred to from a second blockage flowing through to the people who the Opposition says it is not wishing to render vulnerable. We will know all about that very shortly. There will be an opportunity to find out the veracity of what the Opposition says when the next piece of legislation is discussed.

There are important things to hand as far as this House is concerned relating to the presentation to the Governor-General of the Address-in-Reply in about half an hour or so. I do not wish to disturb that. I notice that the second Opposition speaker did not use his full time; neither will I.

The fact of the matter is that the Prime Minister has nothing to apologise for. The Opposition has something to apologise for. It will have an opportunity to render its apology in the most effective way possible, to eschew its initial blockage of this legislation, when the matter goes back to the Senate some time in the next day or so. I move:

That the question be now put.

Question resolved in the affirmative.

Original question put:

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

The House divided. [5.05 p.m.]

(**Mr Deputy Speaker**—**Mr C. Hollis**)

Ayes	61
Noes	75
Majority	14

AYES

Aldred, K. J.
 Andrew, J. N.
 Atkinson, R. A.
 Bradford, J. W.
 Cadman, A. G.
 Carlton, J. J.
 Cobb, M. R.
 Costello, P. H.
 Downer, A. J. G.
 Filing, P. A.*
 Forrest, J. A.
 Hall, R. S.
 Hawker, D. P. M.
 Howard, J. W.
 Katter, R.
 Lieberman, L. S.
 MacKellar, M. J. R.
 McGauran, P. J.
 Miles, C. G.
 Nehl, G. B.
 Nugent, P. E.
 Pyne, C. M.
 Reith, P. K.
 Ronaldson, M. J. C.
 Scott, B. C.
 Sinclair, I. McC
 Somlyay, A. M.
 Taylor, W. L.
 Tuckey, C. W.
 Wakelin, B. H.
 Worth, P. M.

NOES

Adams, D.
 Beazley, K. C.
 Bevis, A. R.
 Blewett, N.
 Brown, R. J.
 Chynoweth, R. L.
 Cleeland, P. R.
 Crean, S. F.
 Cunningham, B. T.
 Deahm, M.
 Duffy, M. J.
 Easson, M.
 Fatin, W. F.
 Fitzgibbon, E. J.
 Gear, G.
 Gorman, R. N. J.
 Griffin, A.
 Haviland, C. D.
 Holding, A. C.
 Howe, B. L.
 Jenkins, H. A.

Baldwin, P. J.
 Beddall, D. P.
 Bilney, G. N.
 Brereton, L. J.
 Campbell, G.
 Cleary, P.
 Crawford, M. C.
 Crosio, J. A.
 Dawkins, J. S.
 Dodd, P.
 Duncan, P.
 Elliott, R. P.
 Ferguson, L. D. T.
 Free, R. V.
 Gibson, G. D.
 Grace, E. L.*
 Griffiths, A. G.
 Henzell, M.
 Horne, R.
 Humphreys, B. C.
 Johns, G. T.

NOES

Kelly, R. J.
 Kerr, D. J. C.
 Langmore, J. V.
 Lindsay, E. J.
 McHugh, J.
 Melham, D.
 Morris, P. F.
 O'Connor, G. M.
 Price, L. R. S.
 Quick, H.
 Sciacca, C.
 Simmons, D. W.
 Smith, S. J.
 Staples, P. R.
 Tanner, L. S.
 Tickner, R. E.
 Willis, R.

PAIRS

Hewson, J. R.
 Moore, J. C.
 Peacock, A. S.
 Wooldridge, M. R. L.

Keating, P. J.

Jones, B. O.

Snowdon, W. E.

Lee, M. J.

* denotes teller

Question so resolved in the negative.

Mr DEPUTY SPEAKER (Mr Hollis)—
 Order! I suspend the sitting until 8 p.m. in order that Mr Speaker may present the Address-in-Reply to His Excellency the Governor-General at Government House. Mr Speaker shall be glad if the mover and seconder, together with other honourable members, will accompany Mr Speaker to present the Address.

Sitting suspended from 5.15 to 8 p.m.

GOVERNOR-GENERAL'S SPEECH

Mr SPEAKER—I inform the House that, accompanied by honourable members, I waited today upon His Excellency the Governor-General at Government House and presented to him the Address-in-Reply to His Excellency's speech on the opening of the first session of the 37th Parliament, agreed to by the House today.

His Excellency was pleased to make the following reply:

Mr Speaker:

Thank you for your Address-in-Reply which you have presented to me.

It will be my pleasure and my duty to convey to Her Majesty the Queen the Message of Loyalty

from the House of Representatives, to which the address gives expression.

COMMITTEES

Publications Committee

Membership

Motion (by Mr O'Keefe)—by leave—agreed to:

That Mr Fitzgibbon, Mr Forrest, Mr Griffin, Mr Hall, Mr Haviland, Mr Horne and Mr Slipper be members of the Publications Committee.

Broadcasting of Parliamentary Proceedings, Committee

Membership

Motion (by Mr O'Keefe)—by leave—agreed to:

That, in accordance with the provisions of the Parliamentary Proceedings Broadcasting Act 1946, in addition to Mr Speaker, ex officio, Mr Bevis, Mr Cameron, Mr Hicks, Mr Knott and Mr Price be members of the Joint Committee on the Broadcasting of Parliamentary Proceedings.

Membership

Mr SPEAKER—I wish to inform the House that I have received notifications from the party Whips nominating members to be members of the following committees:

Committee of Members' Interests—Ms Deahm, Mr Elliott, Mr Grace and Mr Sawford have been nominated by the Government Whip; Mr Dobie and Mr Reid have been nominated by the Opposition Whip; and Mr Lloyd has been nominated by the National Party Whip.

Standing Committee on Televising of the House of Representatives—Mr Bevis, Mr Knott and Mr Price have been nominated by the Government Whip; Mr Cameron has been nominated by the Opposition Whip; and Mr Hicks has been nominated by the National Party Whip.

Selection Committee

Report

Mr JENKINS (Scullin)—I present the report of the Selection Committee relating to the program of business prior to 12.30 p.m. tomorrow. Copies of the report have been circulated to honourable members in the chamber.

Report—by leave—adopted.

The report read as follows—

Report relating to the program of business prior to 12.30 p.m. on Thursday, 27 May 1993.

Pursuant to standing order 28D, the Selection Committee has determined the order of precedence and times to be allotted for consideration of committee and delegation reports and private Members' business on Thursday, 27 May 1993. The order of precedence and the allotments of time determined by the Committee are shown in the list.

COMMITTEE AND DELEGATION REPORT

Presentation and statements

1 AUSTRALIAN PARLIAMENTARY DELEGATION TO THE SOUTH PACIFIC—Report—Australian Parliamentary Delegation to the South Pacific, 24 July to 11 August 1989.

The Committee has determined that statements on the report may be made—all statements to be made within a total time of 5 minutes.

2 AUSTRALIAN PARLIAMENTARY DELEGATION TO THE 1992 ASEAN INTER-PARLIAMENTARY ORGANISATION CONFERENCE, INDONESIA—Report—Australian Parliamentary Delegation to the 1992 ASEAN Inter-Parliamentary Organisation Conference (APIO) Jakarta, Indonesia, (Incorporating bilateral visits to Papua New Guinea, Indonesia and Thailand) 15 September—3 October 1992.

The Committee has determined that statements on the report may be made—all statements to be made within a total time of 20 minutes.

Speech time limits—

Each Member 10 minutes.

3 EMPLOYMENT, EDUCATION AND TRAINING—STANDING COMMITTEE—Report on strategies for early intervention for literacy and learning for Australian children.

The Committee has determined that statements on the report may be made—all statements to be made within a total time of 25 minutes.

Speech time limits—

Each Member 10 minutes.

4 ENVIRONMENT, RECREATION AND THE ARTS—STANDING COMMITTEE—Report on the role of protected areas in the maintenance of biodiversity.

The Committee has determined that statements on the report may be made—all statements to be made within a total time of 30 minutes.

Speech time limits—

First Member speaking—10 minutes.

Other Members—5 minutes each.

PRIVATE MEMBERS' BUSINESS**Order of precedence****Notices**

1 MR GIBSON: To move—That this House:

- (1) congratulates the UN Commission on Human Rights for adopting a resolution highly critical of the human rights situation in the Indonesian-occupied territory of East Timor;
- (2) congratulates the Australian Government for supporting the resolution;
- (3) calls upon the Australian Government to persuade the Indonesian Government to comply with paragraph 9 of the resolution by enabling the UN special rapporteurs on torture and on extrajudicial, summary or arbitrary executions and the UN working group on arbitrary detention and on enforced or involuntary disappearances to discharge their mandates in accordance with the terms of the resolution; and
- (4) welcomes the resumption of talks under the auspices of the Secretary-General of the UN to arrive at a just, comprehensive and internationally acceptable solution to the question of East Timor. (Notice given 10 May 1993.)

Time allotted 30 minutes.

Speech time limits—

First 2 Members speaking—10 minutes each.

Other Members—5 minutes each.

The Committee determined that consideration of this matter should continue on a future day.

2 MR FILING: To move—That this House:

- (1) notes the visit of Mr Vo Van Kiet, Prime Minister of the Socialist Republic of Vietnam to Australia, and deplores his Government's record of substantial human rights abuses; and
- (2) calls on the Government to:
 - (a) immediately and unconditionally release all political prisoners and prisoners of conscience, including the Venerable Thich Huyen Quang;
 - (b) introduce basic human rights to Vietnam, including freedom of assembly, religious worship and speech, a free press and free and open elections;
 - (c) provide for the creation of a pluralist free enterprise economy; and
 - (d) demonstrate to the Parliament of Australia how and where aid monies provided to Vietnam by Australia are spent and how that aid encourages the cultivation of a more democratic and free society in Vietnam. (Notice given 26 May 1993.)

Time allotted 35 minutes.

Speech time limits—

First Member speaking—10 minutes.

Other Members—5 minutes each.

The Committee determined that consideration of this matter should continue on a future day.

3 MR McARTHUR: To move—That this House:

- (1) notes the increasing vulnerability of Australian clothing manufacturers to counterfeiting and the negative effect that this is having on investment, employment and future prospects of this part of the textiles, clothing and footwear sector;
- (2) notes the amendments to the Trade Marks Act 1955 made last year providing for increased penalties for counterfeiters; and
- (3) calls upon the Government, Australian Federal Police and State police forces to consider suitable methods to reduce the damage to the clothing industry's intellectual property that counterfeiting is causing. (Notice given 14 May 1993, a.m.)

Time allotted—any remaining private

Members' business time.

Speech time limits—

First 2 Members speaking—10 minutes each.

Other Members—5 minutes each.

The Committee determined that consideration of this matter should continue on a future day.

ADVISORY COUNCIL ON AUSTRALIAN ARCHIVES

Membership

Motion (by Mr O'Keefe)—by leave—agreed to:

That, in accordance with the provisions of section 10 of the Archives Act 1983, this House appoints Mr Hollis as a member of the Advisory Council on Australian Archives for a period of three years from 6 June 1993.

VETERANS' AFFAIRS LEGISLATION AMENDMENT BILL 1993

Consideration of Senate Message

Consideration resumed.

Mr BRADFORD (McPherson) (8.04 p.m.)—I am delighted to have the opportunity to speak on the Veterans' Affairs Legislation Amendment Bill, and in particular on the amendment made to the Bill in the Senate. I take every opportunity to speak on veterans affairs in this Parliament; I have a direct inter-

est in the matter and, in some respects, one could almost construe a financial interest. However, I believe that I have a responsibility to veterans to speak at every opportunity.

As the Leader of the National Party of Australia (Mr Tim Fischer) said earlier, this Bill has been supported by the Opposition and to a very great extent it still has our support. We support the changes that the Government proposed to the assets test. We strongly support the changes to the definitions covering service in Cambodia, in the former Yugoslavia, and the peacekeeping service in Somalia, effectively granting additional benefits to Australian servicemen who served and continue to serve with distinction in the areas which have now been determined to be operational areas. With the elections going on in Cambodia at the present time, I observe in passing that the United Nations contingent in that country is commanded by an Australian, Lt Gen. Sanderson. The troops under his command have performed with distinction, and of course a substantial number of those troops are Australians.

However, the Opposition remains implacably opposed to the Government's proposal to treat unrealised capital gains on veteran pensioners' shareholdings as income. We debated this matter at length this morning in the context of the Social Security Amendment Bill. The Government is treating the proposal in the context of this legislation exactly as it treated it in the context of the other legislation this morning. In effect, we are being blackmailed—I do not use the word lightly—into ultimately supporting something to which we are strongly opposed.

I do not think that I will change the mind of the Parliamentary Secretary to the Minister for Social Security (Mr Sciacca) on this point tonight, because we argued about it all morning. It seems that the Government has made up its mind to proceed to tax unrealised capital gains on pensioners' shareholdings. We were informed this morning that 60,000 social security pensioners are affected by that legislation. In the context of this Bill, 24,000 veterans are affected by the proposal—and that concerns me greatly.

Although the matter was argued at length this morning, I do want to reiterate that we are opposed to the measure because it is unfair and it is totally unreasonable for the Government to have proceeded in that direction. Veterans are very special people. Many of them are now aged and, by and large, it is the aged veterans—veterans in receipt of a pension—who will be affected by this particular proposal. As I said, there are 24,000 of them, and almost all will be adversely affected.

I do not expect that the Parliamentary Secretary will be able to answer the question any more clearly tonight than he did this morning, but I put it again: does the Government realise that the practical implication of this proposal is that people will be asked to live on less money than they have now? There is no way around that unless, as the Parliamentary Secretary admitted, they sell their shares or part of their shareholding. That is the despicable aspect of this part of the legislation: that we should say to certain people—aged people; in this case the 24,000 veteran pensioners—that they can no longer hold shares; that they no longer have the right that every other Australian has to own shares in a public company.

I also posed the question of how far the Government is prepared to go in seeking equity, as the Government calls it. When, for instance, will it start to value their homes each year, or their cars? When does it move on to shares in private companies? The Parliamentary Secretary has already told us that they are not so marketable. Surely homes are marketable, in a sense, although they are not traded on the stock exchange. The principle of this proposal is so appallingly wrong that I cannot understand how the Government can argue for it.

I am proud to be a member of an Opposition which has clearly spelt out its position. In the Senate the Opposition successfully indicated our complete opposition to this particular proposal as it affects social security pensioners and, in this case, 24,000 veterans. As a veteran, I am concerned that the Government has failed us in the past. I would like to think that we could be bipartisan in our

treatment of veterans, but it is difficult to be bipartisan when we see the treatment that this special group of people receives at the hands of this Government.

In Question Time today the Prime Minister (Mr Keating) gave us an example of his attitude to this particular group of people. He underlined the deception that is inherent in this legislation, and the Opposition attempted to take him to task for that before we went to dinner. He denigrates the flag at every opportunity, and for very obvious reasons the flag is precious—not in the sense that he is—to almost every veteran. Yet the Prime Minister continues his denigration.

Today in this Parliament he compounded a previous error by publicly insulting Brigadier Garland who is the head of the premier veterans organisation. What the Prime Minister said does not bear repeating. If the Prime Minister denigrates the heads of veterans organisations and the symbols that veterans served and died under, what can they expect of this Government?

The Government's knee-jerk reaction to the Bushell case caused considerable anxiety in the veterans community. That piece of legislation now appears to have been consigned to the scrap heap where it belonged in the first place. It set out to diminish benefits to veterans, but there was little consultation with the veterans community. That is a constant source of anxiety. The Government was caught red-handed in attempting to reduce benefits to this very special group of people.

The Government's next test will be its response to the Auditor-General's report No. 8 on the Department of Veterans' Affairs. Veterans again genuinely fear that some of their benefits may be reduced or removed. I share their fear of the Government's response to that report. We will wait and see.

As I said at the start of my limited remarks, this legislation extends the benefits of having served on active service to servicemen who served in Cambodia, the former Yugoslavia and Somalia. However, many World War II veterans are now aged, and some are suffering more each day. This sort of legislation amounts to harassment, and they should not be harassed by this Government. Some of

those veterans have shareholdings, and once again they will be concerned and worried at a time in their lives when they do not deserve to have that imposed upon them. This legislation is petty and it should never have been proceeded with.

I hope veterans and pensioners will bring enough pressure to bear—it has been brought to bear on backbench members of the Government—to have this particular aspect of this legislation and the former legislation thrown out. It is totally flawed not only in concept but also in execution. Nobody seems to understand how it is worked out. We will remain completely opposed to this legislation. *(Time expired)*

Mr SCIACCA (Bowman—Parliamentary Secretary to the Minister for Social Security) (8.14 p.m.)—Let me say to the honourable member for McPherson (Mr Bradford) that I have absolutely no problems with his sincerity when he says that these measures are unfair. However, he is dead wrong; these measures are fair. I have already explained my reasons for saying that. This is the first opportunity I have had tonight to say that, if anyone in this House is denigrating anybody, it is not the Prime Minister (Mr Keating), it is those opposite. In the Senate the Opposition, by playing theatrics and by including an amendment to what is essentially a good news Bill, is in effect risking entitlements to UN peace-keeping forces that we have serving in Yugoslavia, Somalia and Cambodia—even 50 miles into Laos and Thailand.

Those benefits will be at risk if the Opposition continues to oppose this Bill. Honourable members opposite play semantics. They muck around with theatrics, as the honourable member for Berowra (Mr Ruddock) did today. He made a big deal so that he could go and do a doorstop interview outside and make it look as if the Prime Minister had somehow misled this House. The fact is that the Opposition was just playing semantics—it was playing with words. The reality is that, if the Opposition continues to oppose both these Bills in their present form, then it is endangering the benefits outlined by the Prime Minister today which will affect some 200,000 people.

Mr Bradford—That is blackmail.

Mr SCIACCA—The honourable member for McPherson says that it is blackmail. If there is any blackmail, it is on the part of the Opposition. The fact is that the treatment of shares was something that was passed in December 1992 with the full acquiescence of the Opposition. The Opposition voted for it then, and now it wants to go against it. The ball is clearly in the Opposition's court.

If at the end of the day the Opposition persists with this, we will make sure that every one of those 200,000 people who will not get these benefits will be told whose fault it was—and it was not ours. I hope that the Opposition has some sense and decides to support the legislation. At the end of the day the treatment of shares would still be the same because that was passed last year, but the Opposition would be depriving veterans—the people the Opposition says it wants to help, and I accept the sincerity of the honourable member for McPherson—of benefits.

I know that some of these measures are perceived by people in the electorate as being harsh. However, there is no bottomless pit. We are in government, not the Opposition. Those opposite were rejected quite categorically on 13 March. We are in government; they are in opposition. We have to make the decisions. Sometimes those decisions are not going to make us popular with a certain section of the population, but someone has to make those decisions—and we are making them.

We are targeting the welfare dollar in the best possible way. We are answerable to the total Australian public; we are answerable to the taxpayer. We have an obligation to ensure that, irrespective of the theatrics that have been going on here all day today, that money is spent correctly. The Government will be pressing ahead with the Bill the way it is. I move:

That the question be now put.

The Committee divided. [8.22 p.m.]
(The Deputy Chairman—Mr N.J. Newell)

Ayes	69
Noes	48
Majority	21

AYES

Adams, D.	Baldwin, P. J.
Beazley, K. C.	Beddall, D. P.
Bevis, A. R.	Blewett, N.
Brereton, L. J.	Brown, R. J.
Campbell, G.	Chynoweth, R. L.
Cleary, P.	Cleland, P. R.
Crawford, M. C.	Crean, S. F.
Crosio, J. A.	Cunningham, B. T.
Dawkins, J. S.	Deahm, M.
Dodd, P.	Duffy, M. J.
Duncan, P.	Easson, M.
Elliott, R. P.	Fatin, W. F.
Ferguson, L. D. T.	Fitzgibbon, E. J.
Gear, G.	Gibson, G. D.
Gorman, R. N. J.	Grace, E. L.*
Griffin, A.	Griffiths, A. G.
Haviland, C. D.	Henzell, M.
Holding, A. C.	Hollis, C.
Horne, R.	Howe, B. L.
Jenkins, H. A.	Kerin, J. C.
Kerr, D. J. C.	Knott, M. P. J.
Langmore, J. V.	Lavarch, M. H.
Lindsay, E. J.	McHugh, J.
McLeay, L. B.*	Melham, D.
Morris, A. A.	Morris, P. F.
O'Connor, G. M.	O'Keefe, N. P.
Price, L. R. S.	Punch, G. F.
Quick, H.	Sawford, R. W.
Sciaccia, C.	Scott, L. J.
Simmons, D. W.	Smith, S. F.
Smith, S. J.	Snow, J. H.
Staples, P. R.	Swan, W.
Tanner, L. S.	Theophanous, A. C.
Walker, F. J.	Willis, R.
Woods, H. F.	

NOES

Anderson, J. D.	Atkinson, R. A.
Beale, J. H.	Bradford, J. W.
Braithwaite, R. A.	Cameron, E. H.
Charles, R. E.	Cobb, M. R.
Dobie, J. D. M.	Downer, A. J. G.
Evans, R. D. C.	Filing, P. A.*
Fischer, T. A.	Forrest, J. A.
Gallus, C. A.	Hall, R. S.
Halverson, R. G.	Howard, J. W.
Jull, D. F.	Katter, R.
Kemp, D. A.	Lieberman, L. S.
Lloyd, B.	Mack, E. C.
MacKellar, M. J. R.	McArthur, F. S.
McGauran, P. J.	McLachlan, I. M.
Miles, C. G.	Moylan, J.
Nehl, G. B. *	Neville, P.
Pyne, C. M.	Reid, N. B.

NOES

Rocher, A. C.
Ruddock, P. M.
Slipper, P.
Sullivan, K. J.
Truss, W. E.
Vaile, M.
Williams, D. R.

Ronaldson, M. J. C.
Scott, B. C.
Somlyay, A. M.
Taylor, W. L.
Tuckey, C. W.
Wakelin, B. H.
Worth, P. M.

AYES

Willis, R.

NOES

Aldred, K. J.
Andrews, K. J.
Beale, J. H.
Braithwaite, R. A.
Carlton, J. J.
Cobb, M. R.
Dobie, J. D. M.
Evans, R. D. C.
Fischer, T. A.
Gallus, C. A.
Halverson, R. G.
Jull, D. F.
Kemp, D. A.
Lloyd, B.
MacKellar, M. J. R.
McGauran, P. J.
Miles, C. G.
Nehl, G. B.*
Prosser, G. D.
Reid, N. B.
Rocher, A. C.
Ruddock, P. M.
Sinclair, I. McC
Somlyay, A. M.
Taylor, W. L.
Tuckey, C. W.
Wakelin, B. H.
Worth, P. M.

Anderson, J. D.
Atkinson, R. A.
Bradford, J. W.
Cameron, E. H.
Charles, R. E.
Connolly, D. M.
Downer, A. J. G.
Filing, P. A.*
Forrest, J. A.
Hall, R. S.
Howard, J. W.
Katter, R.
Lieberman, L. S.
Mack, E. C.
McArthur, F. S.
McLachlan, I. M.
Moylan, J.
Neville, P.
Pyne, C. M.
Reith, P. K.
Ronaldson, M. J. C.
Scott, B. C.
Slipper, P. N.
Sullivan, K. J.
Truss, W. E.
Vaile, M.
Williams, D. R.

* denotes teller

Question so resolved in the affirmative.

Original question put:

That the amendment be disagreed to.

The Committee divided. [8.33 p.m.]

(Mr Deputy Chairman—Mr N. J. Newell)

Ayes 71

Noes 55

Majority 16

AYES

Adams, D.
Beazley, K. C.
Bevis, A. R.
Blewett, N.
Brown, R. J.
Chynoweth, R. L.
Cleeland, P. R.
Crean, S. F.
Cunningham, B. T.
Deahm, M.
Duffy, M. J.
Easson, M.
Fatin, W. F.
Fitzgibbon, E. J.
Gibson, G. D.
Grace, E. L.*
Griffiths, A. G.
Henzell, M.
Hollis, C.
Howe, B. L.
Johns, G. T.
Kerr, D. J. C.
Langmore, J. V.
Lindsay, E. J.
McLeay, L. B.*
Morris, A. A.
O'Connor, G. M.
Price, L. R. S.
Quick, H.
Sciaca, C.
Simmons, D. W.
Smith, S. J.
Staples, P. R.
Tanner, L. S.

Baldwin, P. J.
Beddall, D. P.
Bilney, G. N.
Brereton, L. J.
Campbell, G.
Cleary, P.
Crawford, M. C.
Crosio, J. A.
Dawkins, J. S.
Dodd, P.
Duncan, P.
Elliott, R. P.
Ferguson, L. D. T.
Gear, G.
Gorman, R. N. J.
Griffin, A.
Haviland, C. D.
Holding, A. C.
Horne, R.
Jenkins, H. A.
Kerin, J. C.
Knott, M. P. J.
Lavarch, M. H.
McHugh, J.
Melham, D.
Morris, P. F.
O'Keefe, N. P.
Punch, G. F.
Sawford, R. W.
Scott, L. J.
Smith, S. F.
Snow, J. H.
Swan, W.
Theophanous, A. C.

* denotes teller

Question so resolved in the affirmative.

Resolution reported.

Adoption of Report

Motion (by Mr Sciaca) proposed:

That the report be adopted.

Mrs SULLIVAN (Moncrieff) (8.40 p.m.)—I wish to speak very briefly on this matter. So far as I know I am the only member of this House—

Motion (by Mr Sciaca) put:

That the question be now put.

The House divided. [8.44 p.m.]

(Mr Speaker—Hon. Stephen Martin)

Ayes 72

Noes 56

Majority 16

AYES

Adams, D. Baldwin, P. J.
Beazley, K. C. Beddall, D. P.

AYES

Bevis, A. R.
 Blewett, N.
 Brown, R. J.
 Chynoweth, R. L.
 Cleeland, P. R.
 Crean, S. F.
 Cunningham, B. T.
 Deahm, M.
 Duffy, M. J.
 Easson, M.
 Fatin, W. F.
 Fitzgibbon, E. J.
 Gibson, G. D.
 Grace, E. L. *
 Griffiths, A. G.
 Henzell, M.
 Hollis, C.
 Howe, B. L.
 Johns, G. T.
 Kerr, D. J. C.
 Langmore, J. V.
 Lindsay, E. J.
 McLeay, L. B. *
 Morris, A. A.
 Newell, N. J.
 O'Keefe, N. P.
 Punch, G. F.
 Sawford, R. W.
 Scott, L. J.
 Smith, S. J.
 Snow, J. H.
 Swan, W.
 Theophanous, A. C.
 Willis, R.

NOES

Aldred, K. J.
 Andrews, K. J.
 Beale, J. H.
 Braithwaite, R. A.
 Cameron, E. H.
 Charles, R. E.
 Connolly, D. M.
 Downer, A. J. G.
 Filing, P. A. *
 Forrest, J. A.
 Hall, R. S.
 Howard, J. W.
 Katter, R.
 Lieberman, L. S.
 Mack, E. C.
 McArthur, F. S.
 McLachlan, I. M.
 Moylan, J.
 Neville, P.
 Pyne, C. M.
 Reith, P. K.
 Ronaldson, M. J. C.
 Scott, B. C.

NOES

Slipper, P. N.
 Sullivan, K. J.
 Truss, W. E.
 Vaile, M.
 Williams, D. R.

* denotes teller

Question so resolved in the affirmative.

Original question resolved in the affirmative.

Report adopted.

Committee of Reasons

Motion (by Mr Sciacca) agreed to:

That Mr Lindsay, Mr O'Connor and the mover be appointed a committee to draw up reasons for the House of Representatives disagreeing to the amendment of the Senate.

Mr SCIACCA (Bowman—Parliamentary Secretary to the Minister for Social Security) (8.51 p.m.)—On behalf of the committee appointed to draw up reasons for the House disagreeing to the amendment of the Senate, I present the reasons which are being circulated to honourable members.

The reasons read as follows—

- (1) It excludes shares and other listed securities from the definition of investment product in the Veterans' Entitlements Act and thereby prevents the equitable assessment of the ongoing gains made on shares and other investments listed on the Stock Exchange compared with indirect investments in shares through equity trusts.
- (2) The amendment will reduce the equity of the service pension income test. The assessment of ongoing capital gains on shares ensures that equity of the service pension income test is enhanced. Pensioners with the same means and the same financial resources available to them should have the same amount of income assessed for service pension purposes. People who invest in shares should not be treated more beneficially than those who invest in equity trusts or other managed investments, and they should not be treated more beneficially than those pensioners who invest in income generating investments such as bank accounts.
- (3) The amendment would result in the expenditure of approximately \$20 million in a full year on a group of clients who generally have substantial financial resources.
- (4) There is no reason why shares should be excluded and given privileged treatment. It is a principle of the income test that ongoing

gains are treated as income for all investments that can be readily realised and utilised by pensioners for their support. Only those investments which are not readily realisable, such as real estate and shares held in private companies should be exempt. Listed shares can be sold in small or large bundles at any time allowing gains on listed shares to be readily utilised by a pensioner.

Motion (by Mr Sciacca) proposed:

That the Committee's reasons be adopted.

Mrs SULLIVAN (Moncrieff) (8.51 p.m.)—As these reasons have just been put into my hands, Mr Speaker, may we have the opportunity to look at them, as we did earlier today, and decide whether we will adopt them. I do not find this statement acceptable because it misstates the situation, as the situation in relation to veterans and our servicemen serving in Cambodia, Laos, Thailand and Somalia was misstated earlier today. It continues the Government's line—

Motion (by Mr Sciacca) agreed to:

That the question be now put.

Original question resolved in the affirmative.

PRIVILEGE

Mr JOHNS (Petrie—Parliamentary Secretary to the Treasurer)—Mr Speaker, I rise on a matter of privilege. Just five minutes ago I witnessed what I believe to be disgusting behaviour by the honourable member for O'Connor (Mr Tuckey). I was locked out of the division prior to the last one and I witnessed the honourable member for O'Connor burst through the door and push an attendant aside when that attendant expressly asked him to remain outside the chamber. Of course, the rest of us obeyed her decision and remained outside.

Mr Tuckey—Mr Speaker, I raise a point of order. The honourable member has risen on a point of privilege and I think he should state his case of privilege which applies only to members of this House. If not, he should wait and move the appropriate motion, which is not a motion relating to privilege. I believe this is the ground on which he claimed your attention, Mr Speaker. If he wants to move a formal motion, let him do so and we will deal

with it, but let us not have these sorts of situations.

Mr JOHNS—I raise this matter of privilege because it offends my rights as a member that someone has burst into this place.

Mr SPEAKER—Order! I have listened to what has been said. I will take some advice on the matter and report back to the House shortly.

Mr Tuckey—Mr Speaker, on a further point of order, if an allegation is made against me, it is my right to reply.

Mr SPEAKER—No, that is not correct.

Mr Tuckey—The requirement of this place is to lock the doors. The doors were not locked and I am entitled to enter.

Mr SPEAKER—Order! Resume your seat.

ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION AMENDMENT BILL 1993

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be taken into consideration in Committee of the Whole House forthwith.

Senate's amendments—

No. 1— Clause 3, page 2, lines 6 to 9, omit the clause, substitute the following clause:

Interpretation

"3. Section 4 of the Principal Act is amended:

(a) by omitting 'subsection 27(3)' from the definition of 'elected Commissioner' in subsection (1) and substituting 'subsection 27(2)';

(b) by omitting the definition of 'non-elected Commissioner' from subsection (1) and substituting the following definition:

"non-elected Commissioner" means a Commissioner chosen by the Minister under subsection 27(3);".

No. 2— Clause 4, page 2, lines 10 to 15, omit the clause.

No. 3— Clause 5, page 2, subclause (1), proposed section 27, lines 19 to 22, omit the section, substitute the following section:

Constitution of the Commission

" 27.(1) The Commission consists of a Chairperson and 18 other members appointed by the Minister.

(2) Seventeen of the members are to be the persons elected under Division 7 of Part 3 to represent the several zones.

(3) Two of the members are to be chosen by the Minister.

(4) The Minister must appoint a member of the Commission to be the Chairperson.'".

No. 4— Clause 8, pages 3 and 4, line 17 (page 3) to line 18 (page 4), omit the clause, substitute the following clause:

Deputy Chairperson of Commission

" 8. Section 32 of the Principal Act is amended:

- (a) by inserting in subsection (1) 'after a zone election' after 'Commission' (first occurring);
- (b) by omitting subsection (2) and substituting the following subsection:

'(2) At any other meeting of the Commission, the Commissioners must elect one of their number to be the Deputy Chairperson of the Commission if there is a vacancy in the office of Deputy Chairperson of the Commission.'".

No. 5— Clause 9, page 4, subclause (1), proposed subsection 33(1), lines 22 to 27, omit the subsection, substitute the following subsections:

" '(1) Subject to subsection (1AA), the Commission Chairperson holds office as Commission Chairperson for such period, not exceeding 3 years, as is specified in, or worked out under, the instrument of appointment.

'(1AA) The Commission Chairperson stops holding office as Commission Chairperson if he or she stops being a Commissioner.".

No. 6— Clause 9, page 4, subclause (1), after proposed subsection 33(1A), insert the following subsection:

" '(1B) A non-elected Commissioner holds office for such period, not exceeding 3 years, as is specified in, or worked out under, the instrument of appointment.".

No. 7— Clause 11, page 5, lines 8 to 16, omit the clause, substitute the following clause:

Acting appointments

" 11. Section 36 of the Principal Act is amended by inserting in subsection (6) ', after

consulting with the Commission,' after 'Minister may'.".

No. 8— Clause 12, page 5, paragraph (b), lines 26 and 27, omit the paragraph.

No. 9— Clause 13, page 5, paragraph (a), lines 30 and 31, omit the paragraph.

No. 10— Clause 23, page 9, paragraph (a), line 30, omit the paragraph.

Motion (by Mr O'Keefe) agreed to:

That the amendments be agreed to.

Resolution reported; report adopted.

CUSTOMS TARIFF AMENDMENT BILL 1993**First Reading**

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

Second Reading

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Industry, Technology and Regional Development) (8.59 p.m.)—I move:

That the Bill be now read a second time.

The purpose of the Customs Tariff Amendment Bill 1993 is to amend the Customs Tariff Act 1987 to put beyond doubt the construction of item 41A of schedule 4 to the Act. Item 41A is a key element of the legislative mechanism for implementing the Government's passenger motor vehicle manufacturing plan. From its commencement paragraph (a) of item 41A and the customs by-laws made in respect of that item have always been intended by the Government to benefit only the five 'plan producers' by allowing them duty free importation of certain passenger motor vehicles where they have earned export credits under the export facilitation scheme in accordance with the plan and hold the appropriate determinations under that scheme.

In extending the scheme with effect from January 1991, item 41A was amended by the addition of a paragraph (d) to allow non-plan producers such as component manufacturers to benefit directly from export credits they had earned under the export facilitation scheme. Previously non-plan producers could only benefit through the sale of their credits to plan producers.

It has recently been contended that these provisions and the customs administrative by-law could have allowed the duty-free importation of such passenger motor vehicles by importers not holding such determinations under the scheme. The Government's automotive policy sets out a schedule for the gradual reduction of tariff levels through to the year 2000. The intent of this policy, announced as part of the 1991 industry statement, is absolutely clear. The policy reflects the Government's commitment to reducing assistance to the automotive industry, but at a rate that is manageable and sustainable by that industry.

The plan has provided Australia's motor vehicle and component manufacturers with a clear direction in meeting the challenges of motor vehicle and component manufacture in the 1990s. Under the plan, motor vehicle and component exports have reached record levels, exceeding \$1.2 billion per annum. Confidence in the industry's future is reflected in recent decisions to upgrade and extend manufacturing facilities.

The possibility of uncertainty in the plan's legislative mechanism could seriously undermine the benefits achieved to date. The industry has every right to expect that the plan will be maintained as previously announced by the Government. The Government is therefore acting to preserve the integrity of its automotive industry policy by expressly stating that for an importer to benefit under paragraph 41A(a) of the Act they must be the owner of a determination under the export facilitation scheme.

Financial Impact Statement

The amendments will remove a potential liability of the Commonwealth to refund duty paid in respect of motor vehicle importations since 1 January 1991. But for the amendments the extent of that liability could be in the vicinity of \$500 million. I commend the Bill to the House and present the explanatory memorandum to the Bill.

Debate (on motion by Mr McGauran) adjourned.

SOCIAL SECURITY LEGISLATION AMENDMENT BILL 1993

First Reading

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

Second Reading

Mr SCIACCA (Bowman—Parliamentary Secretary to the Minister for Social Security) (9.04 p.m.)—I move:

That the Bill be now read a second time.

This Bill contains a wide range of omnibus amendments to the various programs administered under the Social Security Act 1991. These amendments will refine the Government's carefully balanced income support policies to make sure that members of our community in need receive the social assistance vital to them in difficult economic times.

Child disability allowance, or CDA, is paid in recognition of people who care for disabled children at home. Several reforms in this Bill will improve the effectiveness of this important payment. First, it will become possible for CDA to be shared between two people who share the care and control of a disabled child but one or both of whom do not receive family payment for the child. People who receive family payment as well as CDA for a child can already have both payments split in this way and this amendment makes sure that the same treatment is given all round.

The payment of CDA during a child's temporary absence from home has proved difficult for administration of the payment. It is to be made clear for all new claimants of CDA that payment is to be made only while the child is being cared for in the family home and during specified respite or hospitalisation periods. Also, all current recipients of CDA will now continue to qualify for CDA while the child is in short-term hospital care. Lastly, a limit of 12 months is to be placed on the backdating of CDA to the date of another, similar claim. Earlier cases of backdating for five to 10 years had highlighted problems with collecting information about a child's disability or care requirements for such a long time in the past.

This Bill allows parents who are granted prescribed education scheme payments for their children to be paid, in certain circumstances, arrears of family payment back to the effective date of grant of the education payment instead of just to the date on which the education payment was first made as provided now. This is a significant improvement for families in this situation.

One of our important responsibilities to the taxpayer is to get maximum value for every dollar of social security expenditure, and the debt recovery provisions in the Social Security Act help us achieve this. A range of amendments builds on these provisions. The Act will now specify how to calculate the amount of a debt that arises in some cases when a jobsearch or newstart allowance recipient's circumstances change during a public holiday period such as Christmas or Easter for which he or she is prepaid. If the client fails to return the usual fortnightly income statement, there is currently no basis on which to calculate the debt. The debt will now clearly equal the amount of the prepayment in these circumstances.

It is also being clarified that the debt that arises when family payment clients underestimate their taxable income by more than 25 per cent, or fail to comply with the notification provisions, is the difference between what has already been paid and the amount due on re-calculation. Furthermore, an overpayment of family payment following a reassessment of taxable income will become a clearly recoverable debt.

A redundant provision enabling the Department of Social Security to waive or write off Department of Veterans' Affairs debts is being removed. The Department of Social Security will still recover these Department of Veterans' Affairs debts when possible by deductions from current social security payments, but the department does not generally handle other agencies' debts. Also, overpayments under the child support scheme when there is no continuing entitlement to child support will become recoverable by deductions from social security payments.

Each year the department sends over 2,500 cases of potential offences under the Social

Security Act to the Director of Public Prosecutions. The penalty that applies to offences under part 8.1 of the Act is imprisonment for two years, having been increased from 12 months in 1991. As a result, cases that had been dealt with summarily—by a magistrate—are often now handled as indictable offences by judge and jury. It has been decided to revert to the 12-month penalty so that the more appropriate means of dealing with offences may be consistently employed.

Unemployed people have access to a wide range of labour market programs. The interaction of these programs with the social security system is being refined in this Bill by making sure that people who are paid for participating in the landcare and environment action program administered by the Department of Employment, Education and Training or the ACT Government's jobskills program cannot simultaneously receive payment under the social security system. When they have finished their training, these people can immediately return to the social security payment they were receiving before.

People who are serving a newly arrived resident's waiting period before being paid jobsearch, newstart or sickness allowance will now be able to serve that waiting period concurrently with the ordinary waiting period that applies to most new grants of these allowances. This will reduce the overall waiting period by around seven days.

The New South Wales Medically Acquired HIV Trust was established by the New South Wales Government to provide a package of financial assistance for people infected with medically acquired HIV in New South Wales. Through this Bill, the social security system will not be treating payments from the trust as income under the ordinary income test. This is in line with the Government's intention for payments made by the similar Mark Fitzpatrick Trust that was established by the Commonwealth and covered by identical legislation last year.

The rate of pension or benefit paid to someone whose partner is in gaol or psychiatric confinement following a criminal charge is to be clarified in this Bill in two respects. First, to recognise the financial realities of

living apart from a partner who is confined, a person in this situation will now be paid the higher rate that applies to a person without a partner instead of the rate normally paid to a member of a couple. Secondly, it is being made clear that an additional amount is not to be added to a person's rate of benefit for a partner who is in gaol or psychiatric confinement and therefore being maintained by the State rather than by the beneficiary.

Last year, an amendment was made to the review of decisions provisions to channel applications for review by the Social Security Appeals Tribunal through the internal departmental review mechanism. This Bill makes a minor enhancement to that initiative to make sure that, if a person incorrectly applies for review to the SSAT instead of to the department, he or she is taken to have applied to the department for internal review on the same date. This preserves the person's rights to be paid arrears should the review eventually decide in his or her favour as if the correct application had been made in the first place.

The dual payment of mobility allowance under the Social Security Act and training allowance paid by the Department of Employment, Education and Training is being prevented by this Bill. This dual payment exclusion has applied so far only to people undertaking training as part of a Commonwealth rehabilitation service rehabilitation program but is now to apply to all cases of common entitlement to these two allowances. To further protect the integrity of Commonwealth payments, it is being made clear that, where a person receives a payment by the Department of Employment, Education and Training under the new enterprise incentive scheme or the Aboriginal employment incentive scheme, the person's age or widow B pension will be reduced. If the person receives age pension, his or her partner's pension might also be affected. This is consistent with the approach taken with other social security pensions and benefits.

This Bill also makes some purely technical refinements not involving new policy in areas such as investment income, family payment, the employment entry payment for sole parent pensioners and the impairment assessment

tables for disability support pension. There are also some minor technical amendments to the Act to ensure its integrity in terms of correct references and terminology, notes to the text and similar matters. I commend this Bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Ruddock) adjourned.

**NUCLEAR NON-PROLIFERATION
(SAFEGUARDS) AMENDMENT
BILL 1993**

First Reading

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

Second Reading

Mr GEAR (Canning—Assistant Treasurer) (9.13 p.m.)—I move:

That the Bill be now read a second time.

The main purpose of this Bill, the second of two associated Bills, is to amend the Nuclear Non-Proliferation (Safeguards) Act 1987 to set the amount of the charge payable under the previous Bill and to specify when the charge is to be paid. This Bill provides that the annual charge payable for ASO safeguards activities by each uranium producer is \$500,000, or a lesser amount if the regulations so provide.

I will say in my remarks on the next Bill that the uranium companies would pay no more than is reasonable, having regard to the nature and costs of the relevant activities undertaken by ASO. This will be achieved by ensuring that the regulations annually specify an amount, less than the upper limit in the Bill, which represents the reasonable costs of the relevant activities undertaken by the ASO in that year.

It is the Government's clear intention that the uranium companies will be fully consulted each year on the planned program of ASO activities and costs and the charge proposed, before the final charge is set in the regulations. In other words, company officials will sit down each year with the Director of Safeguards and other relevant officials and

seek to agree on the level of ASO activity in relation to the companies' operations.

Naturally, the Government must retain the ultimate responsibility to determine the annual charge to ensure that the safeguards and physical protection programs fully meet all requirements and obligations, so that the uranium mining companies may keep operating. However, the views of the companies will be fully considered each year, and the Government will itself continue to pay for ASO activities which benefit the Government and the Australian community generally.

The ASO's program of activities for 1993-94 is of course not determined at this stage, so the charge for 1993-94 cannot yet be specified. We have, however, arrived at an indicative charge based on ASO's 1992-93 program. On this basis, we estimate an annual charge of about \$340,000 for each of the uranium companies. The maximum charge specified in the Bill—of \$500,000 for each uranium producer—has been set to ensure that the legislation will not require frequent amendment. I emphasise, however, that it does not represent in any sense the charge that will in fact be payable by the companies unless and until their reasonable shares of ASO costs should approach this amount.

Finally, the intended sanction in the event of failure to pay the charge provided in the Bill is revocation of the permit to possess the relevant nuclear material. Revocation is possible if permit conditions are not complied with, and all relevant permits will require the payment of the charge from the date of commencement. I commend this Bill to honourable members, and present the explanatory memorandum.

Debate (on motion by Mr McGauran) adjourned.

**NUCLEAR SAFEGUARDS
(PRODUCERS OF URANIUM ORE
CONCENTRATES) CHARGE
BILL 1993**

First Reading

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

Second Reading

Mr GEAR (Canning—Assistant Treasurer) (9.17 p.m.)—I move:

That the Bill be now read a second time.

The purpose of this Bill and the associated Bill is to impose a charge on commercial uranium producers in Australia to recover some of the costs of the Australian Safeguards Office, ASO, in undertaking nuclear safeguards and physical protection activities. The Government's decision to consider cost recovery for these activities was included in the 1992-93 Budget papers.

This cost recovery proposal rests on two fundamental principles. First, those who derive benefit from an activity should pay for it, so long as the amount recovered is reasonable having regard to the nature and costs of the activity. Second, those who pay should have a genuine opportunity to examine and be consulted on the necessity, quality and cost of the activities they are paying for. This is required not only on equity grounds, but also because it imposes a discipline, in addition to that of normal parliamentary scrutiny, on the provider of the activities—in this case the ASO—to deliver them as effectively and efficiently as possible.

The ASO cost recovery arrangements to which the Bills would give effect will be fully consistent with these principles. In particular, the Government accepts that a substantial proportion of the activities of the ASO provides benefits to Government and to the Australian community generally. The costs of ASO activities not specifically directed at or relevant to industry will continue to be met by the Government, which will remain the largest contributor to ASO resources.

Other countries charge their industries for nuclear safeguards and related activities, including the United States, Canada and Sweden. Moreover, cost recovery for undertaking regulatory and other activities, based on the same general principles I have outlined, applies quite widely across Australian industry. In the primary industries and energy portfolio, it currently applies to activities undertaken by the Australian Quarantine and Inspection Service and the Australian Fisher-

ies Management Authority, as well as to many of the projects of the Australian Bureau of Agricultural and Resource Economics, the Australian Geological Survey Organisation and the Bureau of Resource Sciences. Activities of the National Residue Survey and the registration of agricultural and veterinary chemicals are also subject to cost recovery arrangements.

Before commenting on this particular Bill I will say a little about the ASO and its activities. Established by the Nuclear Non-Proliferation (Safeguards) Act 1987, the Director of Safeguards and the ASO manage domestic and international nuclear safeguards and physical protection programs in accordance with our stringent nuclear safeguards policies and requirements.

ASO has a key role in ensuring that uranium produced in and exported from Australia is used only for peaceful purposes and is not diverted into non-peaceful programs. In short, a significant proportion of ASO's program exists, and the associated costs are incurred, because of the need to safeguard our uranium industry. These are the costs the Government has decided to recover. I shall return to this point when commenting on the associated Bill.

This first Bill provides in its substantive clause—clause 3—for a charge to be imposed on the companies which produce and export uranium in commercial quantities. Both Bills commence on 1 November 1993. In recognition that it is reasonable for a producer to have generated a cash flow before being liable for the charge, we have provided that no charge is payable until some uranium has been exported from the relevant processing facility.

The uranium industry has been going through a difficult period in recent years. Prices have been low and, at the Ranger plant in the Northern Territory, production has fallen and some workers have been retrenched. Happily, prices have increased quite significantly in the last few months. Although the industry is by no means fully recovered at this stage, I am pleased to note recent comments by senior officials of Ranger's parent company, Energy Resources of Australia, that

the market has strengthened recently, utilities are showing an interest in talking about future demand, and ERA has a number of new contracts under negotiation.

I also note that Western Mining Corporation intends to increase uranium production from its Olympic Dam mine at Roxby Downs in South Australia as part of a mine production expansion program in the near future. Our decision to charge the companies for nuclear safeguards has not been made without regard to industry conditions. We estimate that the two current uranium producers, both of which have remained profitable despite the industry problems, will each pay only about \$340,000 annually at the present level of ASO activity, representing about 20c per kilogram of uranium produced. This is less than one half of one per cent of the present value of uranium production.

All in all, the Government believes these cost recovery measures—fully justifiable in terms of the principles I have outlined—are not unreasonable as regards the impact on the uranium industry. Furthermore, the arrangements for determining the annual charge payable by the companies, which I shall describe shortly in discussing the associated Bill, will give them a genuine opportunity to influence through consultation the actual amount they would pay each year. I commend the Bill to honourable members and present the explanatory memorandum for it and the associated Bill.

Debate (on motion by Mr McGauran) adjourned.

AUSTRALIAN BROADCASTING CORPORATION AMENDMENT BILL 1993

First Reading

Bill received from the Senate, and read a first time.

Ordered that the second reading be made an order of the day for the next sitting.

COMMITTEES

Public Works Committee

Reports

Mr HOLLIS (Throsby)—On behalf of the Parliamentary Standing Committee on Public

Works, I present the first, second and third reports of the committee for 1993 relating to a housing development at Palmerston in the Northern Territory, a housing development at Flinders View near Ipswich, Queensland and HMAS *Waterhen* facilities modernisation, Waverton, New South Wales.

Ordered that the reports be printed.

Mr HOLLIS—by leave—The first report which I have tabled deals with the construction of 210 dwellings at Palmerston in Darwin—70 of which will be for service personnel and their families and the balance of 140 houses will be offered for sale to private purchasers. The project will be undertaken in three stages at a net cost of \$14.2 million.

The committee has recommended that the project proceed as planned. The committee concluded that there is a need for the Defence Housing Authority to provide appropriate housing to cater for the increased Army presence in the north. The site at Palmerston is ideally located for Army personnel working at Waler Barracks. The proposed construction of facilities, comprising Waler Barracks, for the 2nd Cavalry Regiment, was the subject of an inquiry and report by the committee during 1992. This proposal is therefore directly related to that development.

Palmerston, which was established in 1980, is located 22 kilometres east of Darwin and currently has a population of 8,000 residents. The houses will be located in the suburb of Driver and will be built on 114 lots. The proposed development has been designed to comply with local planning guidelines. Considerable regard has therefore been given to road patterns and the provision of open space which are reflected in the civic design concept and the landscape master plan.

The houses themselves will comprise 91 detached dwellings, 58 attached courtyard dwellings and 61 medium density dwellings. Features of the designs include: elevated floors; orientation to capture maximum ventilation and louvre windows for cross-flow ventilation; cyclone proof construction; metal wall and roof cladding; solar hot water; and ceiling fans and airconditioning of the living room and main sleeping area.

House sizes and the numbers of bedrooms in each will be provided to meet service requirements. The designs will provide for a range of floor areas ranging from 115 square metres to 145 square metres. As I mentioned earlier, the Defence Housing Authority proposes to provide 70 dwellings for service families with the balance of 140 being offered for sale to private purchasers.

At the public hearing the authority advised the committee that it may be desirable to increase this holding to 50 per cent should demand from the private sector be low. The committee was assured by the authority that it does not intend to establish an estate solely for service personnel, but wishes to integrate service families into the general community.

The second report which I have just tabled involves the development of a 53.8-hectare site at Flinders View near Ipswich to improve the standard of housing for defence personnel at the nearby RAAF base Amberley. The Defence Housing Authority proposes to construct 180 dwellings and the balance of 370 dwelling sites will be offered for sale to the public.

Service and private sector housing will therefore be integrated within the proposed development. The estimated cost of the proposal is \$31 million of which \$18 million will be received from the sale of building lots.

The committee has concluded that there is a need to provide suitable dwellings for those service personnel from RAAF base Amberley occupying substandard houses and temporary rental accommodation in the Leichhardt and Amberley areas. The site at Flinders View is well located for a housing development for service families due to its proximity to RAAF base Amberley and existing and proposed local schools, shopping and recreational facilities.

An urban planning concept was developed for the proposal. This aims to achieve a mixed density neighbourhood based on integrated allotment, housing and road planning design principles. Local housing precincts have been designed to have the focus of a small village reserve or landscape feature. Whilst the committee is generally satisfied with the planning and design of the

proposed development, its report makes a number of recommendations in relation to the provision of specific features in the houses.

First, the committee has recommended that the Defence Housing Authority provide all dwellings with solar hot-water systems. This recommendation is consistent with the stand taken by the committee on previous occasions. Solar hot-water systems are a community norm and the authority should demonstrate its commitment to energy conservation. Secondly, the committee has recommended that smoke detectors and earth leakage circuit breakers should also be installed in the houses. Again, the committee believes the provision of these features is consistent with community expectations.

The report also makes a wide-ranging recommendation which involves the authority reviewing its design criteria to ensure that service housing is as energy efficient as possible. However, the committee continues to be impressed by the progress made by the Defence Housing Authority in improving the standard of housing provided to defence personnel.

The third report which I have just tabled—we have been a very busy committee already, as you will see, Mr Deputy Speaker—concerns the proposed facilities modernisation at HMAS *Waterhen* at Waverton, a harbour-side electorate of North Sydney. HMAS *Waterhen* is the Navy's national mine warfare base. The committee has recommended that the facilities modernisation, estimated to cost \$73 million at December 1992 prices, should proceed as planned.

Mr McGauran—What did Ted say?

Mr HOLLIS—Ted might speak after me, so we will wait until after he speaks. In arriving at this recommendation the committee gave careful attention to a number of matters such as the need for a modernised mine warfare base, the best location for it and the existing facilities at HMAS *Waterhen*. There is no doubt that the Navy needs improved facilities from which to operate its new mine warfare vessels which are planned for introduction in December 1997. The existing facilities at HMAS *Waterhen* would

be inadequate to support the new minehunter coastal ships.

Defence examined a number of possible alternative locations and the committee has concluded that the location of new purpose built facilities in Sydney and at HMAS *Waterhen* offers cost, support and operational advantages over other options examined.

The number of personnel to be employed in shore facilities and attached vessels is expected to be 766. The proposed capacity of the shore element is to accommodate 377 personnel at peak levels of operation during a working week. The balance of 389 personnel will be employed in attached vessels which will deploy and return to the base on a continuing basis throughout the year.

The main elements of the proposed work include a new operations and administrative building, a supply and clearance diving building, a technical workshops building, waterfront and external works, a car park building and relocation works. The committee's report concludes that the scope of the proposed development can be justified on the basis of the functions of HMAS *Waterhen* and the number of vessels and support infrastructure it will be required to support. Furthermore, the report concludes that, generally, the proposed design and siting of facilities and other structures would not detract from the maritime character of other facilities and structures in the area.

The report does recommend, however, that the final design of the proposed car park will need to reflect its environmentally sensitive location and that defence should ensure that personnel to be employed on the redevelopment base use public transport to the maximum extent possible. The latter recommendation takes account of the views of representatives of local residents who appeared before the committee at the public hearing. I commend the reports to the House.

Mr MACK (North Sydney)—by leave—I would like to support the recommendations of the Joint Committee on Public Works in relation to HMAS *Waterhen* because this base has had nothing done on it since World War II. It was in fact in danger of being listed by the National Trust. Unlike most honourable

members, I have spent a political career opposing government expenditure in my electorate on things like roads, schools and technical colleges—which I know is unusual. The reason I have done that is the effects of those sorts of facilities on the very high density community of North Sydney.

In the case of HMAS *Waterhen*, however, I would like to compliment the Navy on the way it has gone about this project in elaborate consultations with local residents and the local council. The only quibble I would have with the project is the extent of car parking on the base, on two basic grounds: first, the cost to the taxpayers because a couple of million dollars is proposed to be spent on car parking for this base; and, secondly, the wider problem of subsidising and creating overdependence on car usage, particularly in urban areas.

This particular base does have a history of some trouble with access by motor vehicle to and from the site. I think the Government has to really look at all of its projects to try to reduce the overdependence on car usage, particularly in urban areas, because we just simply cannot afford the costs in urban sprawl, pollution, hospital costs and fuel imports. It makes a mockery of the Government's statement earlier today about reducing greenhouse emissions when one puts 200 cars on a base such as this which is right in the heart of Australia's largest urban area.

DELEGATION REPORTS

Parliamentary Delegation to the European Institutions and the Netherlands

Mr PETER MORRIS (Shortland)—by leave—I present the report entitled *The European Institutions and the Netherlands*. I was honoured to lead the Australian parliamentary delegation to the European parliamentary institutions and the Netherlands in September and October of last year. I was fortunate to have with me such a fine group of parliamentary colleagues and to have the support and cooperation that they gave as representatives of this Parliament. I am proud of the contribution that they made, the expertise that they brought and the competence and

skills that they evinced through the discussions that we had. I think the overall impact of that delegation and its contribution was to strengthen Australia's relationships with the European parliamentary institutions and the Netherlands.

The members of the delegation were: my special colleague, in terms of cooperation, support and assistance, the honourable member for Bendigo (Mr Reid), the honourable member for Barton (Mr Punch), the honourable member for Gippsland (Mr McGauran), the honourable member for Fraser (Mr Langmore) and Senator John Herron. We were ably assisted, in terms of secretarial backup, patience, understanding, attention in a meticulous way to detail, by none other than the Deputy Sergeant-at-Arms of this chamber. In this respect we were exceedingly fortunate. Ms Dalma Dixon is not only a woman of remarkable patience but also a woman of remarkable competence and attention to detail, which at some times we thought may not have been justified but the delegation was the better for it. We were very happy to have her with us and we say collectively, 'Thank you very much, Deputy Sergeant-at-Arms, for the service you gave to our delegation and to the Australian Parliament'.

On behalf of the delegation, I express our appreciation to the following staff of the Australian missions abroad who assisted us during the visit: the Australian Ambassador to Belgium and the European Communities, Ambassador Ted Pocock; the First Secretary, Hugh Borrowman; the Australian Ambassador to The Hague, Mr Warwick Weemaes; Mr John Monfries, counsellor; Ms Cate Steains, Second Secretary; and Mr Leo Cruise, counsellor, Australian Mission to the OECD. In their respective areas of responsibility, all were of great help to the delegation. They all helped to ensure that we were able to represent Australia at as good a level as possible.

I also express our appreciation to the following two ladies: Ms Jan Furman and Ms Cheryl Harris from the gifts section of the Department of the Prime Minister and Cabinet. I was a little puzzled at some of the recommendations that they made on appropriate gifts that we should make to the various

parliaments and people whom we had to see abroad. I understood, after I reached those places and we made those presentations, that they had a level of knowledge and wisdom that we very much needed. Their choices were excellent and their contribution also needs to be recognised by this Parliament.

I said at the outset that we had a fine group of parliamentarians. I think I would be fortunate amongst leaders of delegations to have had colleagues of the calibre that I had and to have had the level of cooperation that I had. There was unanimity, a free-flowing expression of views but most important of all a strong allegiance to Australia in putting the best view forward for Australia.

Supporting my colleagues—a number of them were mentioned in the report—were their respective spouses, partners and some members of families. I think they helped to add to the composition of the delegation and to the effect that we brought to our representation to the European parliamentary institutions.

Several issues were raised in the course of discussions, among them the Maastricht Treaty. We were fortunate enough to be in Europe when the French referendum on the treaty was held on 20 September. The yes case was carried by the barest of margins—51.05 per cent—and it was clear that the issues involved related more to the domestic politics of France than to the merits of the treaty and what it meant to Europe as a whole. It was extremely interesting to see the interplay between the European nations: the tensions; the difficulties of regionalism, or lack of regionalism in some cases; the principle of subsidiarity; the feeling in some areas that they were not being properly represented by their nations in the debate about a single Europe.

There was the issue of Yugoslavia. On page 37 of the report, it is stated in conclusion that the delegation was not fully persuaded that there was no possibility of an escalation of the Yugoslav conflict. Remembering that the report was put together soon after our return in October last year, it is tragic that we have subsequently witnessed the bloodshed and mayhem of which we were afraid when we

discussed these issues with our European colleagues.

As far as agricultural issues are concerned, those who had discussions with us came away with a better understanding of Australia's viewpoint and of the impact of foreign policies on our farmers, our livelihoods and agricultural economy than they had prior to the discussions. Whilst we could understand their views to some extent, it was important for them to understand that we could provide foodstuffs to Europe much more efficiently and at much lower prices than they could with their heavy subsidisation policy. It was also important for them to understand what effects the American enhanced agricultural program, EAP, and the subsidisation of exports had on other producers.

The desire to unify Europe into a single market with monetary union and associated common security policies is strong but, as we said at the time, the original timetable is ambitious. Looking back—the deputy leader of the delegation, the honourable member for Bendigo will follow up this point—the conclusions we drew at that time were accurate: the process is taking considerably longer than was anticipated.

I think ours was a unique delegation in terms of the level of cooperation and consensus achieved, but a recurring theme in our discussions was that the Europeans wanted some continuity between delegations. I am not putting in a plug to be the leader of the next delegation—although it would be wonderful, it would be great—

Mr Gear—Totally modest.

Mr PETER MORRIS—Far be it from me to be so immodest, but that was the recurring theme. The Europeans found it difficult to accept that, after establishing a rapport, an understanding and a feeling for issues with one delegation, the next year there would be a fresh cast of players. If even one member, the leader, or deputy leader were to remain the same between delegations, there would be a sense of continuity. We have made recommendations on how that could be achieved.

The final matter is our address to the inaugural Enlarged Parliamentary Assembly

of the Council of Europe on 2 October 1992. We were the first delegation to speak by right to the assembly, and to address it as Australians. I think that our contribution had an impact. We participated quite actively in the committee stage of the council, we had an impact upon the decisions that were reached, and we were also able to alter or fend off certain decisions.

Overall, it was a very successful delegation. I am proud to have had the honour to have led it. I thank each of my colleagues, Ms Dalma Dixon, our Deputy Serjeant-at-Arms, and all the others who helped us for their cooperation and support. I wish them well. I hope that we get the chance to speak with future delegations so that they will have a better understanding of what is involved. I conclude by expressing my special thanks to Mr Peter Stephens of the Parliamentary Relations Office who did a tremendous amount of preparatory work behind the scenes which made our task much easier.

Mr REID (Bendigo)—by leave—I support the remarks of the leader of the parliamentary delegation to the European institutions and the Netherlands, the honourable member for Shortland (Mr Peter Morris). He was a very fine leader and welded together an excellent delegation which worked very closely together in regard to the issues that were raised during that visit. We had some very good colleagues who brought a wealth of knowledge and information about the Australian scene and the Australian economy and who participated ably in the whole process.

It was certainly an exciting time to be there. The fortieth anniversary of the European Parliament occurred whilst we were there, as did the French referendum on the Maastricht Treaty. We were able to gain a closer knowledge of the current conflicts in the former Yugoslavian states. We have always maintained strong links with the Netherlands and I am sure that the delegation's visit there strengthened those links. They will be further strengthened when we receive a visit from the Netherlands parliamentarians later this year.

Participating in debate, particularly on agricultural matters, with my colleague the honourable member for Gippsland (Mr

McGauran) in the Council of Europe in response to the OECD report was one of the highlights of the visit for me because it gave the honourable member for Gippsland, me and the whole delegation the opportunity to participate in an issue which was very important to the Australian economy, the issue of subsidised food coming out of the European Community and the competition that Australia faced as a result.

I think we made an impression in this area. When one participates in a debate like that and one can get the French delegates very angry and excited, one has had some success. The honourable member for Gippsland and I put a few burrs under the French delegates' saddles. They became quite agitated.

Another important aspect of the delegation was our visit to the Australian war graves in Flanders and Ypres. We also attended a very impressive ceremony at Menin Gate. No-one left that ceremony without a lump in his throat. It was one of the most touching ceremonies that I have ever experienced in my life. I am sure that all of the delegation left with a greater respect for and understanding of the conflict that our own Australian service people were engaged in during that time.

I join the honourable member for Shortland, the leader of the delegation, in thanking a number of people. I thank the Australian missions and their support staff, who did an excellent job in supporting us and providing us with first-hand knowledge of what was occurring in each of the countries that we visited. I pay tribute to all of the people who have been mentioned by the leader of the delegation.

I also want to express my thanks to the Deputy Serjeant-at-Arms, Dalma Dixon, for her excellent guidance and assistance during that visit. We were under quite an amount of pressure from time to time because of tight timetabling, none of which we regret now of course, but it was pretty hectic at the time. However, Delma was able to pull all of the movements together. I thank her for her cooperation and assistance. All in all, the Australian delegation performed very creditably. I was pleased to be associated with a

fine leader, the honourable member for Shortland, on that delegation.

Mr McGAURAN (Gippsland)—by leave—I rise to endorse the remarks of my colleagues the honourable member for Shortland (Mr Peter Morris) and the honourable member for Bendigo (Mr Reid). It was an unusually harmonious and united team. It was a remarkable experience and a tremendous privilege to be able to represent Australia in the visit to the European institutions and the Netherlands. I also wish to be associated with the thanks expressed by the leader of the delegation, the honourable member for Shortland, particularly to Ms Dalma Dixon for her work as our secretary. The honourable member for Shortland's leadership had a great deal to do with the very strong and enthusiastic mood that permeated the team from beginning to end.

It was one of those delegations where we never tired and never wanted to miss any sort of meeting or discussion for fear of missing something substantial. It was termed a visit to the European institutions, and it certainly was that. In fact, we came away from Europe marvelling at the different number of institutions involved in the decision making which affects Europe as a whole. There was the European Parliament, the Council of Europe, the European Commission Council of Ministers, the European Commission, NATO, the North Atlantic Assembly, the OECD, the Strasbourg Conference on Democracy and, of course, the different national parliaments that we visited.

It was generally agreed by the delegation that this institutional structure is not one that can continue indefinitely in Europe, and there will have to be some sort of—dare I say—rationalisation; not that it is for me to preach to the Europeans as to what sort of institutional structure they would wish to endorse into the future. But there is no doubt that even amongst themselves there are frank admissions that there is tremendous overlap and duplication.

The honourable member for Shortland raised our discussions regarding the deterioration—remembering this was last October—in the former Yugoslav republic. It was obvious

that the suffering and the bloodshed to that date would be accentuated into the future. Wherever we raised it—and with whomever—the reply was the same, 'There is nothing we can do. We are powerless to act or to intervene'. The truth is that very few, if any, countries in Europe are going to shed the life of one young soldier for the Balkans. There was a complete paralyses then—as there is now—in how to respond to the butchery and disaster that is now engulfing Bosnia, Serbia, Croatia and, of course, does threaten Macedonia and one or two of the other former republics of the federal republic of Yugoslavia.

It is a disaster. It was frustrating for the people involved. Do not think for a moment that the Europeans were not horrified at their inability to act—they were. They know that night after night the whole world is watching the slaughter unfold. It is on their doorstep. They have had a European community—at least in name—for three or four decades, and now, faced with this enormous problem, they are unable to even remotely solve it.

The honourable member for Bendigo raised our discussions with various parliamentarians in the European Commission regarding agricultural subsidies. I think it is true to say that we gave as good as what we got, if not more, and we very forcefully put the point of view that European consumers were the losers in the high protection regime that encircles Europe. We made that point time and again—even to the extent where we were unofficially told that we may have been overplaying our hand. I think that is largely explained by certain parliamentarians from well-known countries who were tired of debate and argument with us.

It was a tremendous privilege and a fascinating and enormously rewarding visit for the delegation personally and, as a whole, I believe for the Parliament of Australia.

Mr DEPUTY SPEAKER (Mr Hollis)—I was pleased that the delegation was so harmonious. The European air must be different from the African air.

HEALTH INSURANCE COMMISSION AMENDMENT BILL 1993

First Reading

Bill received from the Senate, and read a first time.

Second Reading

Dr THEOPHANOUS (Calwell—Parliamentary Secretary to the Minister for Health) (9.55 p.m.)—I move:

That the Bill be now read a second time.

This Bill amends the Health Insurance Commission Act 1973 to allow the Health Insurance Commission to plan, establish and administer the child-care cash rebate scheme for expenses incurred for work-related child care as announced by the Prime Minister (Mr Keating) on 9 February 1993.

Under current Health Insurance Commission legislation, the Health Insurance Commission is restricted to undertake preparatory work in relation to health insurance or other health related matters only. This amendment to the Health Insurance Commission Act 1973 provides for additional functions for the Health Insurance Commission in respect of rebates for child-care costs.

Under the new arrangements, the Health Insurance Commission can plan and establish a scheme which will allow the payment of rebates for child-care costs to parents who are working, studying, training or seeking work. Such an amendment to the Act is required to enable the Health Insurance Commission to devote resources to develop and establish systems and procedures to register carers, register eligible families and make payments under the scheme from 1 July 1994. The new arrangements will also enable the Health Insurance Commission to administer a child-care cash rebate as specified by an Act. Such a scheme will be specified in amendments to the Child Care Act 1972, which is scheduled for amendment in Autumn 1994.

The child-care cash rebate is part of the Labor Government's comprehensive child-care policy which recognises that most parents need quality child care at some stage of their working lives and that they need help with the cost of child care. The child-care cash

rebate recognises that the cost of child care is a legitimate expense for parents in earning an income. The rebates will significantly improve the affordability of child care for working parents.

From 1 July 1994, parents using child care while in employment, training, studying or looking for work will be able to claim a rebate for part of their child-care expenses. An estimated 230,000 families, with 358,000 children, will benefit from the scheme. After the first \$16 of weekly child-care expenses, eligible families will be able to claim 30 per cent of their child-care costs up to a ceiling of \$110 per week for one child in care and \$220 per week for two or more children. The maximum child-care cash rebate will be \$28.20 per week, or \$1,466 per year, for one child and \$61.20 per week, or \$3,182 per year, for two or more children.

The child-care cash rebate will be paid for any work related child-care expense for children aged up to 12 years. Child-care expenses incurred in formal child care—for example, long day care centres, family day care and outside school hours care—and in informal care arrangements—for example, with relatives and nannies—will be eligible for the rebate. Child-care expenses incurred in informal care have been included in recognition of the fact that almost two-thirds of working families use informal care, either by choice or because formal care is not available. Families will be able to claim the rebate by mail or in person at one of 240 Medicare offices around Australia. I commend this Bill to the House. I present the explanatory memorandum to this Bill.

Leave granted for debate to continue forthwith.

Mrs SULLIVAN (Moncrieff) (10.00 p.m.)—I rise to state the position of the Opposition on the Health Insurance Commission Amendment Bill. I think at the outset it should be made clear that this is not a debate about the Government's child-care policy; this is a debate about how the Government is to implement its child-care policy. The second reading speech of the Parliamentary Secretary to the Minister for Health (Dr Theophanous) made that clear. In the Senate, when this

matter was being debated, the Minister for Family Services (Senator Crowley) said very clearly that this is not the child-care policy. She said:

Nothing can be done in the area of implementing of cash rebates until the Child Care Act is amended later on.

She went on to say that we shall not see that Bill until some time in the Budget session. So we are not tonight debating child-care policy. I say that because the Minister in the Senate to a large extent misrepresented the concerns that the Opposition had about this Bill. I would not like to see that repeated in here tonight. So, armed with the foreknowledge of the sort of misrepresentation of the Opposition's position that took place in the Senate, I lay that out very clearly here.

This Bill gives powers to the Health Insurance Commission to do something it does not have power to do at the moment. At present, its legislation restricts it to undertaking preparatory work in relation to health insurance or other health related matters. This Bill will enable it to undertake preparatory work in relation to the Government's child-care policy, not the implementation of the policy.

However, the Bill does rather more than just allow the Health Insurance Commission to undertake some preparatory work. During the debate in the Senate the coalition and the Australian Democrats expressed considerable alarm. The Bill breaks new ground in the use of tax file numbers, to which the coalition has said it will not agree. We are agreeing to this Bill because we do not raise an objection to the Health Insurance Commission having the power to look at how something might be implemented. What we are objecting to is that the Health Insurance Commission has clearly no discretion in how this matter is to be implemented. I will refer in due course to some statements that were made during the election campaign, in Senate estimates committees on this matter just very recently, and in the debate on this Bill in the Senate, to illustrate those concerns.

We will not raise any opposition to the passage of the Bill, as I have said. We agree that the charter of the Health Insurance Commission should be broadened sufficiently

so that it can examine implementation of the child-care rebate system. Our concern is that the Health Insurance Commission will clearly have no discretion in a vital part of the mechanism. It does not have the power to fully report on methods of implementation; it has been told the system has to be implemented in only one way. That instruction on implementation is a direct breaking of an election campaign undertaking by the Government on the subject of privacy. I will come to that in a minute. In the second reading speech we have just heard, the Parliamentary Secretary said:

The child-care cash rebate recognises that the cost of child care is a legitimate expense for parents in earning an income. The rebates will significantly improve the affordability of child care for working parents.

Three cheers for the ultimate triumph of sanity and reason. I do not know for how many decades women have been saying that child care should be recognised as a legitimate expense of working where they are dependent children and they are their dependent children. For years the tax commissioner has been saying that this would require certain amendments to the legislation.

For the last 10 years this Government has been under pressure on that subject. It has long since been an undertaking of the Liberal Party and the National Party, in a series of election campaigns, that, if elected to government, we would move to recognise the very basic principle that a parent who has the prime responsibility for the care of children, and who needs to take on child care in order to earn an income, has incurred that expense of child care as a necessary part of earning that income. Overwhelmingly this relates to women.

For a very long time in this Parliament we have been told by the Labor Party that that was not the way to achieve the objective of fairness for women in relation to child care. We were told that the way to do it was to subsidise the cost of child care. Finally, obviously, the pressure has become too much for the Government and now there is a recognition that, as the Parliamentary Secretary said in his second reading speech '... the cost of

child care is a legitimate expense for parents in earning an income' and that:

The rebates will significantly improve the affordability of child care for working parents.

The coalition welcomes the fact that the Labor Party has finally got aboard on this issue.

I will very briefly make one point that has not been widely raised in the debate but is a matter that the Government must address. The Parliamentary Secretary said:

Families will be able to claim the rebate by mail or in person at one of 240 Medicare offices around Australia.

If this is the way that this matter goes ahead, a matter of very basic equity has to be considered. The figure of 240 Medicare offices around Australia sounds like a lot of offices, but it is not when one is talking about a population like that of Australia.

Until very recently my electorate included rural areas, including the very significant rural area of Beaudesert, and it still includes a very long strip of the Gold Coast, which is a strip of provincial city population some 40 kilometres long. A very high proportion of my constituents are pensioners. Many people are in the position of having only one Medicare office to go to. Many of my elderly constituents do not own motor vehicles and do not drive cars and it is a hardship for them to travel to this one office. Many times I have made representations for extra Medicare offices and they have been rejected. I know that many honourable members have been in that position. There has been a view around—

Mrs Crosio—Don't the doctors bulk-bill?

Mr DEPUTY SPEAKER (Mr Hollis)—Please continue to discuss the Bill and we will save the debates until later.

Mrs SULLIVAN—I do not believe that that is a legitimate comment. If the non-provision of Medicare offices in areas of need is used as a stick to hold over doctors for bulk-billing, then maybe we have yet another reason for there being so few Medicare offices. I must admit it is not one that I had thought of before. Innocent little me!

I thought it was because the Health Insurance Commission some years ago took on a

huge computer with a capacity far outside its needs, obviously with the ID card as part of its planning, and it had to find a way to fill that capacity. A number of people who previously could make medical rebates were suddenly told that they could no longer. People had to do it by mail and the computer could print out the cheques, but there is apparently another reason.

I return to the Opposition's initial concern about the issue. A few minutes ago I referred to the breaking of an election undertaking and I would like to outline to the House precisely what that was. During the election campaign a concern was raised through newspaper reports that the Government was going to require child carers to provide tax file number information to Medicare, administered by the Health Insurance Commission as a method of implementation. This raised concern.

The Australian Privacy Foundation contacted the office of the honourable member for Jagajaga (Mr Staples), then Minister for Aged, Family and Health Services, about it. An assurance was given by Minister Staples's private staff that a tax file number would not have to be provided to the Health Insurance Commission. In other words, during the campaign a concern was raised in relation to the tax file number because a newspaper got a whiff of the Government's intentions regarding this issue. When the concern was taken up and pursued by the privacy foundation, Minister Staples's office hit it on the head. The spokesman from Minister Staples's office did not tell the truth, because this Bill will enable the Government to implement exactly that policy.

There was much waffling on the subject by the Government in the Senate. The Opposition was accused of saying that the Government's policy was that child-care users would have to provide tax file numbers. I have read and reread that Senate debate. At no time did the Opposition say that. The Opposition just took the case as the Government put it and showed the dangers of that procedure. The public—people who care about the extended use of the tax file number, which would be improper—were lied to during the election campaign. There is no doubt about that.

The people who were making the inquiry did so very carefully and specifically. What was said was recorded. The person who was saying that this was not going to happen was told that it was being written down. The words that Minister Staples's staffer had used, as written down by the representative of the privacy foundation, were read back to him over the telephone and it was confirmed that those words were the Government's policy, including the denial that a tax file number would have to be given by child-care providers as part of the implementation. What was denied, absolutely and specifically, during the election campaign is exactly what this Bill is about. At no time since has the Government responded to that. To the Government's credit, it has not dumped the staff member, because the staff member was doing what he was told to do.

The tax file number is unnecessary; nevertheless, the Government is determined to go ahead with it. The Government's policy could be implemented in a range of ways. As I have said, tonight's debate is not about the policy; it is about the implementation. The Government could give these rebates in an utterly non-offensive way—in fact, several non-offensive ways—but it has indicated its determination to pursue the tax file number course.

During Senate estimates committee hearings a hapless public servant tried to obfuscate and indicate that maybe it was not all set in stone yet, but a few minutes later the Minister dumped that public servant and said that the decision had been taken and that this was the way it was to proceed.

Estimates committee evidence also revealed that the commission had looked at a range of ways that the Government's policy could be implemented still using the Medicare office device, but that the Government had instructed the commission not to proceed with the alternatives, that the tax file number device was the one that had to be proceeded with. We have to ask why, in all the debate about the Australia card and its ultimate dumping and in all the subsequent debate about upgrading tax file numbers for the tax lurk purpose that the Australia card was supposed

to meet, the Government went to some pains to say, 'The tax file number will not be used as a de facto ID card'. At least front bench government members did.

The Parliamentary Secretary to the Minister for Social Security has a couple of words bubbling up, I can just tell. Maybe he did not think that. I want to make this very clear point: the then Treasurer, the present Prime Minister (Mr Keating), very specifically undertook that use of the tax file number would not be extended in a way that would intrude into non-relevant areas. There were, I admit, some government backbenchers who put forward a different point of view, including the present Minister for Family Services. She put the view that if a tax file number were put in place it could be a de facto ID card.

Very significantly I believe—as does the Opposition—that there is a danger. If the Government is fair dinkum about not extending use of the tax file number in a way that is bound to cause harm and intrusion, it has a range of alternatives. It could, of course, do what the Opposition said it was going to do, and I would like to refresh the memory of government members on the Opposition's policy on this matter. Our child-care policy statement reveals that we would have administered our child-care rebate scheme as follows:

Individuals who provide child care on which a rebate is to be claimed will be required to register with the Tax Office. Each registered carer will then be provided with a Registered Carer's Number which must be quoted on all rebate claim forms.

Parents will have the option of claiming the rebate either fortnightly, in which case payment will be made in cash and available through Medicare offices, or annually in which case the rebate will be calculated as part of the parents' tax return.

The administration of this scheme by the Government and by the Opposition would not be very different, with one critical exception. The Government will require the carer, the provider of child care, to give to the Health Insurance Commission a tax file number. The Opposition was going to say to the carer, 'Here is a registered carer's number'. That number would be given again by the Tax

Office, but there would be no revealing of that tax file number which can link into so many other things. It would be a special number issued by the Tax Office which would then be passed on to the person claiming child care to quote when obtaining a rebate. It is a very simple alternative system.

Another alternative which was raised by Senator Harradine in debate and which was not, I believe, properly answered—and I hope it might be better answered when we debate the actual system in the Budget session—was the possibility of looking at the plain tax rebate system. That is a possibility. The objection that the Minister raised was that a number of people—and she made it sound like a huge number of people—who would be benefiting from this provision are not taxpayers. A number of them are not, that is true. A number of them are students or people who are undertaking further training before re-entering the work force or something like that. However, when pressed on the issue, the Minister could give no break-down of the figures at all.

I think that it should be possible to give some close notional figure. If one knew what the break-down was between tax paying people who are going to be looking for this child-care rebate versus non-tax paying people, and then a break-down of the non-tax paying categories—at least a notional one—then it would be possible to construct something that would fit the situation. But, after saying, 'No, we could not possibly do that because so many of them do not pay tax', the Minister then could not give any clue at all about how many that was. To me, it was just a way of dismissing the argument without looking at the merits. Frankly, I am sorry to say that because I have a personal regard for the Minister. But in my opinion she ended up looking very foolish on that particular subject.

For the first time, service providers as against benefit recipients will have to provide a tax file number. That is breaking new and quite dangerous ground. There was a suggestion some time ago, which the Government hastily dropped—and we might come to it in debate on the next health Bill—that pharmacists should be linked into the Health Insur-

ance Commission system. This was to be done for the sake of checking on the eligibility for benefit of particular types of beneficiaries who presented with prescriptions. There was such an outcry about it that the Government had to drop the proposal that a service provider be linked into the system by computer.

But now we come to what appears to be a very much more acceptable area of debate: that of child care. I am sorry to say that again the Minister doubled back and contradicted herself several times in the course of the debate. She got really very confused indeed about whether what was in this Bill was a proposal. After it was made very clear at an estimates committee hearing that the Government had decided this was the way to go, she then tried to get out from under by saying that this was 'quite innocent legislation'. She then said:

Nothing can be done in the area of implementing the cash rebates until the Child Care Act is amended later on.

I have already referred to that. She said that it was 'just a proposal' which the Health Insurance Commission was looking at. Saying 'just a proposal' is like saying 'This is just an idea and here you are, Health Insurance Commission, kick this one around a bit; if you can think of a better proposal than this "just a proposal", then please make it'.

The coalition made a proposal which was ignored. But, more importantly, the Health Insurance Commission has made, or embarked upon making, proposals—that comes out in Senate estimates reports—but it was told to stop and get on with the tax file number. So when the Minister was saying that this was 'just a proposal', she was being too coy and too ingenuous by half. It is far more than just a proposal. The Government has taken a decision which the coalition urges it to move away from.

Of course, being so ingenuous and saying, 'You don't have to worry about this. You can happily support it, and when the proposal comes along then you can debate it', means that we will have a re-run of what the Prime Minister said, quite falsely, in Question Time about opposition policy in relation to social

security and veterans affairs. We agree in principle with the child-care policy, but we object to the detail.

When this legislation proceeds and the Government goes ahead with the tax file number proposal, we will vote against it in the Senate and the Australian Democrats will vote against it in the Senate. They have put the Minister on notice that they will not agree to the extension of the tax file number in this way. They were talking about care providers, not recipients as the Minister tried to say in her reply during the second reading debate.

It is very clear that both the coalition and the Democrats—and the Minister wanted to talk about something else—will not support this legislation. If that happens, it will not get through the Senate. Then of course the Minister will say, 'But they voted for this Bill back in May. They let all this go ahead, and here they are trying to stop the child care. They are against child care; they are against women; they are against all these other things'. And that would not be true. But we have seen it enough times in this Parliament to know that that method of deceitful misrepresentation of debate is the standard way in which the Government handles its problems.

I tell the Government now that throughout the recess the coalition will be making crystal clear what this Government is doing and how it has changed direction in relation to tax file numbers. We will be reminding the public why that system of identity cards was dropped. We will be reminding them of the outrage that built in this community at the linking together of certain types of very sensitive information. We will be reminding them that there was a fear when the tax file number was upgraded that this might be the ID card in another form. We will be reminding them in words of one syllable that the present Prime Minister, when Treasurer, introduced the tax file number and said, 'This will not happen'. We will also be making crystal clear that we support rebates for child care and have been doing so for years. If we had been in government, it would have been implemented by now. It is the Labor Party's

views that have stopped those rebates being implemented before now.

In conclusion, as I said at the beginning of my speech, this is not a debate about child-care rebates. That debate will come in the form of amendments to the Child Care Act, as the Minister said. We are amending the Health Insurance Commission Act here tonight. We will then consider all of these things fully, look at who is affected and consider the alternatives should the Government decide to go ahead with the implementation of the tax file number. I urge the Government to make a decision; that it gives the Health Insurance Commission genuine freedom to look at proposals for implementing its child-care policy and that it puts those proposals forward, as this Bill gives the Health Insurance Commission the power to do. The only thing that will not empower the Health Insurance Commission to do that will be if the Government, through private directive—not through legislation—tells the Health Insurance Commission that it may not look at the alternatives but must instead stick with this so far unexplained but entirely obnoxious proposal of implementation of the tax file number for a purpose which we had been assured in this Parliament would never be put.

Ms HENZELL (Capricornia) (10.27 p.m.)—I find myself feeling the need to remind my colleague the honourable member for Moncrieff (Mrs Sullivan) that I hope that the Opposition will not be, as the Prime Minister (Mr Keating) said in Question Time today, revengeful and vengeful, that it will not go out in the recess and nitpick and have an absolute beat-up on the issue raised by the Health Insurance Commission Amendment Bill. It is quite clear from the second reading speech on the Bill that it is an enabling piece of legislation and that all bets will be up and available for people to fully debate the child-care legislation. With this Bill, we will have to make sure that we have accountability. Of course, whatever is finally decided, and the recommendations that come back, it will be public money and we have to make sure that we are efficient and accountable as a government. I am sure the Opposition would want that.

I return to the Bill. I think there are considerable areas of agreement between the Government and the Opposition on this matter. This enabling legislation will allow the Health Insurance Commission to provide the Parliament during the recess with some plans to establish and administer this scheme. We all agree that it is necessary to provide working parents with the ability to get some assistance—which is very essential—to enable them to look after their families and be productive in our economy. We are not trying to do anything by stealth. This very useful initiative that I believe really caught the imagination of the electorate is to enable families to use the Medicare system to provide this kind of facility for parents.

The legislation that will come in in the Budget sitting will provide all the answers and the reassurance, not only to the Opposition but also to the community, about how effective this scheme will be. The Government has been criticised for delaying the implementation of election promises. However, as both sides of the House would know, such new initiatives are administratively complex and must be set in place with due process, hence this enabling legislation.

We are asking the Health Insurance Commission to allocate resources, establish systems and procedures, register carers, register eligible families, and make payments to families. Effectively, this legislation allows the Health Insurance Commission to plan and administer the scheme. I agree that there are 250 Medicare offices across the country and the cost of implementing this scheme is \$2.25 million. Program and running costs will be outlined when the amendments to the Child Care Act are introduced in 1994.

One of the very positive aspects of these proposals is the efficient use of existing government services to provide a further family support initiative rather than develop a new bureaucracy. The honourable member for Moncrieff is splitting straws at the idea of the Taxation Office putting forward a new tax number, some other way of identifying the child-care providers. It would seem to be nitpicking to me. Of course, we will have to find some way of making sure that the trans-

actions are codified but that will be presented as a range of proposals. I am sure there will be much debate in both Houses when the proposals are introduced.

The Medicare office and what it symbolises has become part of our national culture, and I firmly believe the threat to the viability of the Medicare system was one of the many aspects of coalition policy that led to the electorate rejecting the coalition at the recent election. At the same time, the very positive proposals and track record of the Government on child-care options was one of the big winners for the Labor Party in the recent election campaign.

These initiatives will further improve the position of Medicare in the national psyche as an outreach service by government to the community. Hopefully—and here is my further point of agreement with the honourable member for Moncrieff—in cities such as Rockhampton and other regional centres, in Capricornia and elsewhere, there may well be the need for an extension of service delivery points which will enable easy access for both Medicare refunds and child-care rebates. It is certainly an issue of concern in regional areas.

Accessibility, both physical and temporal, is an important aspect of the proposed scheme. Families will be able to claim the rebate by mail or in person each week as they incur the cost for work-related child care. In comparison, tax rebates, which the honourable member for Moncrieff suggested, tend to favour higher income earners and there is often a long waiting period. Taxation deductions also disadvantage low income earners, part-time workers and students, all of whom are much more effectively covered by these proposals. At the end of every week, at the point where the costs are being incurred, working parents will be able to recoup a portion of those costs.

As the Parliamentary Secretary to the Minister for Health (Dr Theophanous) indicated, once the first \$16 a week has been put forward, parents will be able to receive up to \$28 a week for one child or \$61.20 per week for two or more children. At the end of the week when hard-pressed families will be trying to balance their budgets, that will be

very helpful. The cash rebate will not be income tested and will be available to parents working full- or part-time, studying or training, or looking for work. These are truly very effective initiatives and were very positive parts of the proposal put forward in the campaign. As the Minister for Family Services (Senator Crowley) noted in her second reading speech in the Senate:

The child care cash rebate recognises that the cost of child care is a legitimate expense for parents in earning an income. The rebates will significantly improve the affordability of child care for working parents.

As the Parliamentary Secretary indicated, some 358,000 children will benefit directly from this Labor Government initiative at a cost in the full year to government of \$149 million. Those families now receiving assistance through maximum fee relief will not be eligible for the cash rebate system.

The child-care cash rebate scheme will be available for costs incurred where parents use both formal accredited child-care programs and informal arrangements such as family members, neighbours and nannies. As we know, two-thirds of parents use these types of informal systems, whether this is through personal choice or lack of availability of accredited child-care placements which, of course, the Government is committed to improve.

The power of choice is very important at a number of levels. Firstly, it allows parents to seek the best quality child care for their children. At the second level it provides real encouragement for women to seek employment, to retrain, to study or to move from part-time to full-time employment. There is no doubt that the cost of child care in the past has been a real disincentive for women to re-enter the paid employment sector.

As the report of the House of Representatives Standing Committee on Legal and Constitutional Affairs *Half way to equal* noted, nearly 50 per cent of married women in the paid work force have children under the age of five. Seventy per cent have children between the ages of five and nine and all these children are requiring either full day care, after school care or care in relation to

shift work. I think it is important to recall what the report had to say about this very important social justice issue for working parents and particularly women workers. It stated:

The paramount issue identified by the vast majority of submissions which dealt with women and employment was that of child care. The submissions almost universally argued that good quality, affordable child care was the basic necessity for women to have a realistic choice as to their life options.

I will refer to one other section of the report which stated:

The fact that inadequate child care impacts so greatly on women rather than men in terms of workforce opportunities is a stark reminder of how society and largely parents see mothers as the prime carers of children. Given this, there is a temptation to portray child care as a 'women's issue'. The evidence to the Committee strongly rejects this proposition and argues that child care is an economic and productivity issue as well as a basic test of the community's commitment to equity.

There is no doubt that this debate has been going on for a long time and many political representatives, many women's groups, have been advocating this position for a considerable time. It certainly has been responded to by the Government in the New National Agenda for Women, which made the point:

Child care is an issue for families, for employers, for unions and for all levels of government. We need to work together to build a strong child care program and to make things work both at home and work.

However, it is important to see that over the last 10 years of Labor governments a great deal has been achieved. I disagree with the honourable member for Moncrieff in her interpretation of those events. Let us look at the facts. Commonwealth funded child-care places have increased from 46,000 to 193,000 from 1983 to 1990, and the Government has announced a commitment to ensure 250,000 places by 1995-96. The Government has increased spending on child care from \$65 million in 1983 to \$440 million in 1992. In 1984 the Government made child-care fee relief available to low and middle income families, and in 1991 fee relief was extended to eligible families using private and employ-

er sponsored child-care services. Over 130,000 families were assisted in 1991.

The Government's track record on the expansion of child care has been very creditable. The commitment we are providing for the future, as outlined in the new national agenda for women, gives this Government a great challenge. I believe that we will meet that challenge. We will work with the State, Territory and local governments, community groups and employers to increase child-care places, with a commitment of 250 child-care places by 1996.

The Government is also committed to improving the accreditation of child care so that we provide quality child care. It is very important not only that child care be affordable but also that working parents know that, when their children are being cared for away from direct parental supervision, the quality of that care is excellent. The program outlined during the campaign was a real winner for this Government. I have absolute confidence that both sides can look forward to the new legislation with confidence.

In summary, this enabling legislation is one more step in a proud record of achievement by Labor governments in this country to address the issues of quality and affordable child care. It is very important that we maintain the important issues. The quality of the child care that we provide, the access and the social justice that is involved in providing this are absolutely important to the future development of our children and our country's future. It is very easy for me to commend this Bill to the House.

Ms DEAHM (Macquarie) (10.41 p.m.)—I will be brief and I will not repeat any of the comments that have already been made. I fully endorse the words of the honourable member for Capricornia (Ms Henzell). In supporting the Health Insurance Commission Amendment Bill, I wish to point out its wider implications and also its historical significance.

When I first entered the work force at the age of 15—that was in 1955; if honourable members have their calculators at hand, they can work out how old I am—it was accepted that girls worked until they got married. They

left work when they got married to become full-time homemakers, child-bearers and child carers. The only women who worked were highly professional women—they were in the minority, as they still are in many places—or extremely poor women who had to work in order to keep the family. This was certainly looked down on at that time. I certainly did not live in a very well-off area. The question of child care did not really arise at that time.

Further on in my life, like a lot of older women, I undertook a tertiary degree. I did this by external study. I met a lot of women who had gone through those stages of homemaking, child-bearing and now, in their middle age, wished to join the work force. By that time it was accepted that it was all right for women to work in their own careers, not just for economic reasons. This has been one of the biggest breakthroughs for women and for families as a whole. It is accepted that women do have careers and can have a life of their own in the work force and not just be dependent.

I met a lot of very interesting women at university who were studying by that particular method because they could not leave their children. Many went through difficult times with their marriages and their families because they wanted a career of their own and they wanted to study. I saw marriages break up and I saw others consolidate. Child care was a very integral part of this. It is now generally accepted, as I have said, that women can have careers of their own. Child care is being more and more accepted in the workplace and in the community.

It is significant that several new members of this House have advocated the provision of child care in this place. Mr Speaker is looking at the facilities that can be provided. Women were discouraged from entering parliament until they reached a mature age, like me, because of that problem. The honourable member for Lowe (Mrs Easson) is a good example of a woman who has taken on this role while she has two young children. In the New South Wales Parliament at the moment a new member of the Ministry has borne a child during her time as a member of parliament. When asked how she was going to

handle a ministerial position, she said that her one-year-old child was cared for in the Parliament House child-care centre. Obviously, New South Wales has done something about this.

The more facilities that we have provided in the workplace and in the community, the more scope women will have for furthering their careers. However, in saying that, we are not discouraging women who wish to stay at home to look after their children. Another election promise which will be honoured is to provide extra assistance for women who choose to stay at home to look after their children. In my electorate, which is not quite the same size as that of the honourable member for Capricornia—although we do have quite a lot of isolated places—there are insufficient child-care places. With this provision I think we will see the development of more of those places. It is certainly something I will be working for over the next three years and, hopefully, beyond.

The honourable member for Capricornia also alluded to the fact that child care is now accepted as an economic issue, and I commend the Prime Minister (Mr Keating) for announcing these child-care measures as part of his economic statement. Child care is no longer just a welfare issue or a women's issue—indeed, it is not just a women's issue. I have already found in my short term as a member of Parliament that there are men who are child carers and who find themselves in an extremely difficult position when they become sole parents. So those child-care places and child-care rebates will also be of great advantage to men.

I will not say any more than that. I wanted the House to realise that this is an historic Bill. It will be more fully debated, as has been said, under the child-care legislation in the next session. It must not pass without our acknowledging that we have come a long way, even though it has been slow. The development of opportunities for women, of which child care has been a great part, has been slow, but the opportunities are increasing. There are more women in this place now, and there will be more in the future. Child care is an integral part of enabling those

people to become productive members of the work force.

Dr THEOPHANOUS (Calwell—Parliamentary Secretary to the Minister for Housing, Local Government and Community Services and Parliamentary Secretary to the Minister for Health) (10.47 p.m.)—in reply—I commend the speeches of the honourable member for Capricornia (Ms Henzell) and the honourable member for Macquarie (Ms Deahm) on the Health Insurance Commission Amendment Bill. I concur with the comment of the honourable member for Macquarie that this is an historic piece of legislation, especially in the area of women's rights. Although the honourable member for Moncrieff (Mrs Sullivan) tried to represent it as only a small step, in fact, it is one of the most important and significant steps because it commits the Government to a timetable to implement the changes and to develop the full system to bring before this Parliament.

One could not imagine anything more democratic than that. Firstly, the commitment was made in the election. Secondly, the Government brought in the enabling legislation to study ways and means of bringing in the whole process and to allow the planning towards implementation to take place. Thirdly, the legislation allows for a situation where there is discussion in the public arena.

The honourable member for Moncrieff chose not to compliment the Government for the speedy implementation of an election promise. We have heard a lot of nonsense from the Opposition and some of the media about the Government not meeting election promises, but here is an historic piece of legislation that will meet a very important election promise, especially with respect to the rights of women. The honourable member for Moncrieff hardly emphasised that. Instead, she ranged widely in her discussion. She even referred to the comments earlier today of the Prime Minister (Mr Keating) when she said, 'Look, if we block this legislation because of the so-called concern which is raised about the tax file number'—and I will return to that in a minute—'and if we block this legislation with the Democrats, the child-care rebates will not come through for all the people who

are to benefit, but don't blame us because, after all, it is your fault'.

The honourable member for Moncrieff used the example of what was done in the Senate this day with respect to the social security and veterans legislation. She tried to say that that was a very good example. It was a good example of the Opposition trying to block the social justice agenda of this Government, which has brought in very important measures to aid social security and veterans beneficiaries. What happened? The Opposition brought in something that was the reverse of something that had already been passed by this Parliament and tried to add it to the Bill.

Mrs Sullivan—Mr Deputy Speaker, I raise a point of order. I have listened very carefully to the Parliamentary Secretary to the Minister for Health, who I assume will take his seat now that I have the call. I will not take exception to the earlier stages of his remarks, but I draw your attention to the standing order which says that, a question having been disposed of, it cannot be raised again. I did not canvass the ins and outs of the amendments. I did not mention the content of the Bill that I referred to or the amendment. The Parliamentary Secretary is now making statements about the Government's program of social justice and so on. He is starting to go into detail on a matter that has been dispatched by this House, and that is out of order. We cannot re-canvass a debate which has taken place today and which has been finalised.

Mr DEPUTY SPEAKER (Mr Newell)—There is no point of order. However, I remind the Parliamentary Secretary to confine his remarks to what has been said in the debate so far.

Dr THEOPHANOUS—The honourable member for Moncrieff raised this issue in her comments.

Mrs Sullivan—Not in the way you are.

Dr THEOPHANOUS—She raised the issue, but she does not think I am entitled to reply to her. That is the whole point of a reply to a speech in the second reading debate. I think I have made my point on that matter.

I will now turn to the other matter, which concerns the possibility that some excuse may be found by the Opposition and, as the honourable member for Moncrieff hopes, the Democrats, to block this very important and historic legislation. What was the excuse that the honourable member for Moncrieff raised? She raised a concern about the tax file number and the question of whether this legislation is in breach of various privacy provisions.

Notwithstanding the various guarantees by the Minister for Family Services (Senator Crowley) that the Privacy Commissioner has been and will be involved in the development and consideration of the system, what do we have? We have the honourable member for Moncrieff telling us that the Government is firmly committed to one particular interpretation of the involvement of the tax file number—her interpretation and the Liberal Party's interpretation—and that, therefore, the legislation may be blocked because of this. She said this without even accepting the offer of the Minister that this matter be discussed with the Privacy Commissioner and that all privacy concerns be addressed in this process.

What did the honourable member for Moncrieff then do? She came up with some half-baked idea that there is some very simple way out of this which the Government could have adopted to overcome any question of the tax file number. But she has not thought through the ramifications of the proposal that she put forward. She simply put it forward as though it were some gospel to which we would readily agree.

If the honourable member for Moncrieff or the Opposition has a serious proposal to put forward, let them put it forward in detail and I am sure that the Government will look at it, as will the Privacy Commissioner. The reality is that the Opposition is again flagging the fact that it will try to undermine the Government's social justice policies as it did today in respect of the social security and veterans legislation. It will try to find any excuse in order to block important social justice measures.

We will not be deflected by these sorts of comments. If the Opposition has concerns

about the tax file number and the Privacy Commissioner is prepared to take them up, we will consider them, look at them in great detail and come to an accommodation of those concerns. But let us not use these sorts of concerns as some kind of red herring or an excuse to block an important piece of legislation benefiting millions of Australians.

Question resolved in the affirmative.

Bill read a second time.

Third Reading

Leave granted for third reading to be moved forthwith.

Motion (by Dr Theophanous) proposed:

That the Bill be now read a third time.

Mrs SULLIVAN (Moncrieff) (10.56 p.m.)—I rise reluctantly because I do not want to draw out the proceedings of the House until an unearthly hour tonight. But I want to set right the record on some of the matters raised by the Parliamentary Secretary to the Minister for Health (Dr Theophanous) in his reply on the second reading and specifically some of the things he claimed that I said and some of the things that he claimed the Minister for Family Services (Senator Crowley) said.

The Minister said that I said that this was only a small step. I do not recall saying anything of the sort. I said it was of only limited significance in the child-care debate because the Child Care Act will be amended in due course when we will have a full debate on that, and I will enjoy joining in and saying how good it is. I said a little bit in relation to that earlier when I said it was about time the Government moved along this track; but there is no debate about that at the moment. I said it is not a significant part of the debate.

The Minister was absolutely wrong when he went on to say that it is very significant because it will provide for discussion in the public arena of the proposal and some sort of public input to the proposal's implementation. There has been no policy announcement or intention of the Government to involve the public in this at all. The Health Insurance Commission Amendment Bill simply gives the Health Insurance Commission \$2½

million, which is the money it needs to go into the details of the proposal and put it forward so that when the Child Care Act is amended an administrative structure will be in place. But there is no proposal for public consultation or discussion on that.

I reiterate, contrary to what the Parliamentary Secretary said in his speech, that this is both the keeping of a promise and the breaking of a promise. It is the keeping of a promise in relation to child care—moving towards that—and it is the breaking of a promise in regard to the use of the tax file number. That was quite specific during the election campaign.

The Minister then went on to say that the Opposition would find some excuse to oppose this historic measure. We do not oppose the child-care rebate at all; it was our policy too during the election campaign. Our method of implementation was different, but I have said we will oppose the extension of the tax file number and we have said that in the Senate. It is very clear that the Parliamentary Secretary had not looked at the *Hansard* of the Senate debate because he invented statements by the Minister in the Senate debate and so on that simply are not there. I said at one stage of the debate, 'What page of the *Hansard* is that?'. He was making it up as he went along. I reiterate it because I will not have myself or the Opposition misrepresented on this.

I said the Opposition has said it will oppose the extension of the tax file number. I also relayed to the House something the Parliamentary Secretary should have known—that Senator Lees, speaking for the Australian Democrats in this debate, also said, in words of one syllable, that the Democrats will not support the extension of the use of the tax file number in this way.

Senator Lees spoke very strongly for the proposal of child-care rebates, as did Senator Newman, and as would I if that was what the debate was about tonight, but it is not. So there is no contest on child-care rebates. The contest is on the Government attempting to use an issue which has total support as a device to do something that clearly the community a long time ago said it did not want

and that the Prime Minister (Mr Keating) five years ago said in this place would not happen. Keeping the Government honest is what the Opposition was on about. I am sorry, but the Parliamentary Secretary's representation was exactly what I said would happen—dishonest representation of the Opposition's point of view on child care. It had nothing to do with child care.

As far as the Opposition putting forward its alternatives is concerned, it has. It put forward an alternative method of implementation during the election campaign and also in the Senate. What we are objecting to is the words of the Minister, Senator Crowley, in the Senate—it is all in the *Hansard* from page 688 onwards for those who want to read it—that this is a simple little Bill that really does not do anything. At one stage, Senator Crowley said that we really ought to be talking about this Bill when we come back with the amendments to the Child Care Act. Of course, what she is trying to do is channel the opposition to the extension of the tax file number into phoney opposition to child care. I take advantage of my right to speak on the third reading to set right something that was misrepresented in the second reading debate.

Dr THEOPHANOUS (Calwell—Parliamentary Secretary to the Minister for Health) (11.02 p.m.)—in reply—This is a further attempt by the honourable member for Moncrieff (Mrs Sullivan) to make a whole range of gratuitous comments. Let me reaffirm what I said, and that is that the Privacy Commissioner will look at these concerns in relation to the tax file number. If the Opposition has concerns it can put them to the Privacy Commissioner or put them to the Government and we will certainly look at them.

The honourable member for Moncrieff tried to go back on some of the comments she made earlier, and I ask people to read the *Hansard* and look at what she said at the beginning of the debate. I do not want to hold up the House in relation to this matter, but I reinforce the fact that this is very important enabling legislation to implement the child-care rebates which are very important to millions of Australians.

Question resolved in the affirmative.

Bill read a third time.

ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION AMENDMENT LEGISLATION

Mr O'KEEFE (Burke—Parliamentary Secretary to the Minister for Transport and Communications)—by leave—I thank the Opposition for its indulgence in granting me leave. This is a statement which I intended to make at the time the legislation was passed earlier this evening, but I got caught up in the proceedings—a trap for young players, I suppose you could say.

What I was intending to do on behalf of the Minister for Aboriginal and Torres Strait Islander Affairs (Mr Tickner) was point out that the Government has reluctantly accepted the amendments to the legislation which were moved by the Opposition and the Australian Democrats in the Senate. The reason for this is that, in view of the scheduled timetable for the ATSIC elections, the Government has no practical option but to accept the amendments to allow other necessary changes to the ATSIC Act to proceed in time for the ATSIC elections later this year.

The Minister has asked me also to convey his apologies to the House for his inability to be here tonight as he is undertaking a visit to Torres Strait in the company of the shadow Minister for Aboriginal and Torres Strait Islander Affairs.

The Minister has asked me to place on record his profound and deep regret that the Opposition and Australian Democrats have combined together to propose amendments which will deny Aboriginal and Torres Strait Islander people the right to have a totally elected ATSIC board and the right to elect the chairperson of ATSIC. It was a source of great pride to the Government that, had these proposals gone forth without amendment, indigenous people in this country would have been able to achieve the social justice milestone of having their affairs conducted by a totally elected body, in this, the United Nations International Year of the World's Indigenous People.

The changes proposed by the Government to ATSIC were directly in line with the recommendations of the Royal Commission into Aboriginal Deaths in Custody. I would particularly direct the attention of the House to the royal commission's overview and recommendations, including the following key points. Paragraph 1.7.22 states:

The perception of many Aboriginal people . . . is that too often policies are propounded, programs put forward . . . in a form which has been largely determined in the bureaucracies . . . not by Aboriginal people. The agenda is being fixed by non-Aboriginal people.

Paragraph 1.7.23 states:

In the ultimate, self-determination is basically about people having the right to make decisions concerning their own lives, their own communities, the right to retain their culture and to develop it.

Paragraph 1.7.34 states:

. . . the whole thrust of this report is directed towards the empowerment of Aboriginal society on the basis of their deeply held desire, their demonstrated capacity, their demonstrated right to exercise, according to circumstances, maximum control over their own lives and that of their own communities; that such an empowerment requires that the broader society . . . approaches the relationships with the Aboriginal society on the basis of the principle of self-determination.

It should be noted for the record that the totality of the Government's proposals were not in response to proposals put forward by the Opposition, but were directly in line with the ideas put forward by indigenous people, through the section 26 review process, carried out as an essential step in the reform of the ATSIC Act. The ATSIC commissioners debated all the issues and, after careful consideration, recommended a fully elected ATSIC. The Government supported their position and, regrettably, the Opposition has undermined it.

The Government is disappointed that the idea of a totally elected commission and chairperson has been so decisively rebuffed by the Opposition. The Minister has asked me to record the fact that, while he retains his personal respect for the shadow Minister and the Leader of the Australian Democrats, Senator Kernot, and looks forward to continuing to strive for cross-party cooperation with them, he does reject the arguments put for-

ward by the Democrats and the Opposition in support of their proposals.

The views expressed by the Opposition and the Democrats are in defiance of the central theme underpinning the recommendations of the Royal Commission into Aboriginal Deaths in Custody, namely, empowerment and self-determination. The Minister has already begun to receive letters of outrage in opposition to the attitude being taken in relation to this matter. To give an idea of the vehemence of this criticism, he has asked me to refer to the letter forwarded to all members and senators by the Sydney Regional Council of ATSIC which highlighted that, while the Opposition and the Democrats have been very ready to support the non-election and consequent appointment of two ATSIC commissioners and the chairperson, 'this provision is conspicuously absent from our non-Aboriginal elected counterpart in Canberra, the Parliament of Australia, and reflects the paternalism which our non-Aboriginal minders continue to perpetrate upon our people'.

The Minister, in preparing these remarks for me to deliver, has deliberately chosen not to use inflammatory and critical language of any kind in expressing his own opposition to the Opposition's amendments, but believes their advocacy is an extremely sad day for the Commonwealth Parliament, and believes that history will judge the Democrats and coalition harshly for the stand they have taken on this amendment.

It should be noted that the ATSIC legislation confers very little, if any, substantive powers on the chairperson. The ATSIC genie remains well and truly out of the parliamentary bottle, and nothing constructive whatsoever is gained for the Parliament in forcing the Minister to continue to appoint commissioners and the chairperson. The Minister is convinced, however, that ATSIC will continue to develop and prosper with cross-party cooperation as a genuine vehicle for self-determination for indigenous people in this country and that, within the not too distant future, both the Opposition and the Democrats will be convinced of the desirability of supporting the changes that the Minister proposed in the original draft Bill.

Given the text of the remarks that the Minister wanted recorded, it is obvious that he has a considered and deeply-felt position. I appreciate the Opposition granting me leave to read these remarks into the *Hansard*.

NATIONAL HEALTH AMENDMENT BILL 1993

First Reading

Bill received from the Senate, and read a first time.

Second Reading

Dr THEOPHANOUS (Calwell—Parliamentary Secretary to the Minister for Health) (11.10 p.m.)—I move:

That the Bill be now read a second time.

The purpose of the National Health Amendment Bill 1993 is to clarify doubts concerning the interpretation of section 135AA of the National Health Act 1953, requiring the issue of guidelines by the Privacy Commissioner relating to information obtained under the Medicare benefits program and the pharmaceutical benefits program. Under these two programs the Government receives annually claims for approximately 157 million medical services and 94 million pharmaceutical prescriptions. Over \$6 billion annually is spent on these services by the Government. Efficient and accurate processing of this huge quantity of information requires the use of large computerised databases.

Legislation provides for the privacy of all information gathered as part of the administration of these very large and complex programs. Section 135A of the National Health Act 1953 and section 130 of the Health Insurance Act 1973 require officers to observe secrecy in respect of all information obtained in the course of their duties. The Privacy Act 1988 also applies to the collection, storage, use and disclosure of personal information which is obtained in the administration of the Medicare benefits program and the pharmaceutical benefits program. In addition, the agencies responsible for administering these programs have agreed to be bound by the Privacy Commissioner's data matching guidelines.

Section 135AA of the National Health Act 1953 complements this general framework by expressly providing that the Privacy Commissioner shall develop, in consultation with affected organisations, privacy guidelines relating to information obtained under the programs. This section was enacted in 1991 following an amendment moved by the Opposition in the Senate which was accepted by the Government.

The Privacy Commissioner's subsequent consultations on the guidelines, and advice from the Office of General Counsel in the Attorney-General's Department which was provided to the then Department of Health, Housing and Community Services, revealed a number of problems relating to the wording of that section. For example, on one reading of the current provision, personal identification information held in the eligibility enrolment databases—that is, name, address, Medicare card number and pharmaceutical entitlements number—would need to be deleted and reconstructed each five years thereby necessitating the issue of new eligibility cards at considerable public expense for no net benefit. Similar problems may relate to databases containing the names, addresses and qualifications of all approved providers of services and goods. A further difficulty relates to uncertainty as to whether the section applies only to information received after the commencement date of the Health Legislation (Pharmaceutical Benefits) Amendment Act 1991; that is, 27 June 1991.

The various difficulties were identified by the Privacy Commissioner in his report to Parliament of 28 May 1992. The Privacy Commissioner has deferred issuing privacy guidelines under the existing section pending the proposed legislative amendments contained in this Bill. The provisions in this Bill have been developed in consultation with the Privacy Commissioner. Officials have also discussed these issues with members of the Opposition and the Australian Democrats.

The purpose of this Bill is to clarify section 135AA to overcome the problems identified during the consideration of the draft guidelines. It repeals the existing section and substitutes a new section 135AA with, subject

to the differences identified below, the same general structure. The Privacy Commissioner will still be required to issue privacy guidelines for the management of information stored in computer databases and to conduct consultations with affected organisations. The guidelines will also have to be tabled in the Parliament as a disallowable instrument.

To avoid the need to delete and reconstruct eligibility enrolment databases every five years, the new section 135AA makes it clear that the guidelines to be formulated by the Privacy Commissioner do not extend to information contained in databases maintained for the purpose of identifying persons eligible to receive benefits. For similar reasons information simply identifying the practitioners and pharmacists who provide goods and services or issue referrals in connection with claims are also excluded.

The Bill restricts the scope of the proposed guidelines to databases as it is not practicable to cover information held on paper files—that is, otherwise the guidelines would require the removal of patient names from general files containing ministerial correspondence. However, the Bill does require the guidelines issued by the Privacy Commissioner to specify the circumstances in which creating paper copies of information in computer databases is prohibited.

Notwithstanding those exemptions, the disclosure of such information will continue to be regulated by the general secrecy provisions under the National Health Act 1953, the Health Insurance Act 1973 and the Privacy Act 1988. The new section 135AA also specifies that the guidelines will cover information held by an agency whether or not it was obtained after the commencement of the new section.

The new section also specifies the content of the guidelines. In particular, it requires the guidelines to cover the ways in which information may be stored; the circumstances under which the making of paper copies of the information in the databases is prohibited; the uses to which agencies may put the information, for example, to process claims, to investigate fraud; and the circumstances in which agencies may disclose information. It

also requires that information obtained from claims for medical benefits must be stored in a separate database from information obtained from claims for pharmaceutical benefits, and prohibits linkage of such information except in the way specified in the guidelines. It also requires the guidelines to make special provisions in relation to the storage and retrieval of information that is more than five years old.

Any complaint about breach of the guidelines will be regarded as a complaint under the Privacy Act 1988, enabling the Privacy Commissioner to exercise the powers available under that Act. As a transitional measure, consultations on guidelines already conducted by the Privacy Commissioner in 1991-92 will remain effective under the new section to avoid unnecessary duplication of effort. The Bill also provides for a number of consequential amendments to the National Health Act 1953 and to the Privacy Act 1988.

I commend this Bill to the House and I present the explanatory memorandum to this Bill.

Leave granted for debate to continue forthwith.

Mrs SULLIVAN (Moncrieff) (11.18 p.m.)—I will be very brief. The National Health Amendment Bill has interesting origins. It is an interesting example of the fact that at times parliament can, through its activities, actually affect what happens in this country. In 1989 Senator Patterson, a Liberal senator from Victoria, happened to ask some questions in an estimates committee hearing relating to the retention of certain information by the Health Insurance Commission. She found that there was no policy in relation to the privacy or security of records. I just reiterate a couple of the figures that the Parliamentary Secretary to the Minister for Health (Dr Theophanous) just gave to this House in the second reading speech. He said:

Under these two programs the Government receives annually claims for approximately 157 million medical services and 94 million pharmaceutical prescriptions. Over \$6 billion annually is spent on these services by the Government.

He went on to say:

Efficient and accurate processing of this huge quantity of information requires the use of large computerised databases.

The number of services involved gives an indication of the huge amount of personal information that is held in the Health Insurance Commission database, and that is an annual occurrence. It has been established, certainly through estimates committees with Health Insurance Commission witnesses, that where there are patterns of types of medical services—for example, pathology tests—combined with the types of medication prescribed, one can actually identify an individual's medical condition, whatever it may be. The condition does not need to be specified; it can be put together from the information. As a result, the information becomes very personal and is clearly very extensive. We would all have some amount of personal information on that database—information which is not protected by any particular privacy provisions.

Since 1989 Senator Patterson has pursued this matter in the Senate and through estimates committees with a view to pushing the Government into doing something about protecting the privacy of information on the database. In June 1991 the Government's amendments to the National Health Act sought to establish a computer link between pharmacists and the Health Insurance Commission for the purpose of checking an individual's eligibility for benefits under the pharmaceutical benefits scheme. It was a huge step at the time—pharmacists being forced to link with the Health Insurance Commission by computer so that certain personal matters could be pursued—when there were other ways of doing it. As a result, matters other than individual benefits could be checked through the system.

The amendments required the issuing of guidelines by the Privacy Commissioner for the management of data generated by the Medicare and pharmaceutical benefits program. The guidelines were designed to address the issue of privacy which had been raised earlier. A report to the Parliament in December 1991 by the Auditor-General and the Department of Finance found that the expected savings from the computer checking

system were significantly overstated. As a consequence, the Government decided not to proceed with the system. However, the requirement from the Privacy Commissioner to issue guidelines on Medicare and pharmaceutical benefits programs remained.

By way of an aside, we ought to keep that example in front of us. I repeat that the report by the Auditor-General and the Department of Finance found that the expected savings from the computer checking system were significantly overstated. A proposal which made significant advances in the area of linking personal information, computer databases and service providers with the Health Insurance Commission was a very major administrative step with many implications. Whatever one thinks about it, and however the Government felt about it at the time, it had been suggested that there were significant savings to be made and that was the justification for implementing the system.

The Department of Health did not admit that it was wrong. It took the Auditor-General and the Department of Finance to identify that the department was wrong about the savings to be made. If the report had not been written and the inquiry not undertaken, and if the Parliament had agreed to the proposal, then I presume that we would have had this forced linking when the savings simply were not there. We should bear in mind that these claims are made from time to time and that a government acting on them will be taken in a significant direction—a direction, with all its implications, in which it might not want to go—having been persuaded by costings based on incorrect information. Very often we are told just that; very often there is a dispute in this place about cost savings and so on. We should always take care when taking such a big step if we are told to do it for money reasons.

As the Parliamentary Secretary said on behalf of the Minister for Health (Senator Richardson), a procedure was adopted under which certain guidelines were issued, and certain difficulties were encountered with it. The Bill attempts to address those difficulties. As I understand it, the Privacy Commissioner has foreseen no serious problems with the

Bill, but he has identified two areas that he will be monitoring. The first is in relation to the guidelines, which he recommends should not apply to paper files for the present. He will report to the Parliament if he sees any future difficulty with that provision. The second matter relates to the definition of the word 'database', and he will also keep an eye on that.

In conclusion, in the past the Government has held personal health information indefinitely in a readily identifiable form. Prior to the development of the guidelines by the Privacy Commissioner, the Government had no policy on the retention, retrieval and destruction of personalised health information. It is pressure from the coalition which has forced it to address this issue and to take the necessary step through this Bill, which we support.

Mr HAVILAND (Macarthur) (11.25 p.m.)—I have pleasure in supporting the National Health Amendment Bill 1993. This Bill seeks to clarify doubts concerning the interpretation of the existing provisions which were identified by the Privacy Commissioner in May 1992. Medicare is the fairest and most equitable health insurance system Australia has ever had. It compares favourably with other health systems throughout the world and is a significant achievement of this Labor Government. The Australian people's confidence in Medicare and their concern for its retention were amongst the principal reasons for the Government's success at the recent Federal election.

Similarly, the pharmaceutical benefits scheme has played a significant role in providing Australians with prescribed drugs at reasonable cost, particularly in relation to pensioners and lower income earners. Like Medicare, the pharmaceutical benefits scheme is an important component in the provision of a health care scheme based on the principles of access, equity and social justice. However, both the Medicare benefits scheme and the pharmaceutical benefits scheme by necessity account for a significant amount of Commonwealth budgetary outlays. In the 1991-92 financial year, Medicare benefit payments

totalled over \$4.5 billion and pharmaceutical benefits totalled nearly \$1.2 billion.

Many of those opposite have very different philosophical views to the Government on questions such as Medicare and the Government's role in funding our health system. The Labor Party believes that governments have a legitimate and, indeed, essential role in providing access to essential services such as health care through Commonwealth expenditure. However, one principle on which there should be agreement on both sides of the House is that when there is an improved government program which is provided at significant cost to taxpayers, such as Medicare or the pharmaceutical benefits scheme, it is essential that the money is spent in the most equitable and cost-effective manner possible and that abuse of Commonwealth money is kept to an absolute minimum.

The need for privacy legislation is well documented. The intention of the Privacy Act and similar legislation is to protect private individuals against public disclosure of information relating to them which is of a personal or sensitive nature but which is held on file by a government agency. Indeed, individual Australians have a right to expect that personal information in the hands of such authorities should be subject to confidentiality. However, there is a need to ensure that legitimate privacy principles are balanced against the public interest, particularly in relation to the possible misuse of public money. This is the essential aim of this amendment—to clarify privacy provisions to ensure that legitimate privacy concerns of individuals are protected while enabling government agencies, in this case the Health Insurance Commission, to adequately safeguard against fraud and misuse of taxpayers' money.

Measures which rightly protect the individual privacy of innocent citizens must not be allowed to become a vehicle whereby corporate criminals can defraud the Commonwealth. In my first speech, on 6 May, I referred briefly to the issue of medical fraud and overservicing by medical practitioners, an area in which I have a background of experience. In 1982, the then Labor Opposition drew attention to reports that a Department of

Health estimate supported by the Australian Medical Association showed the level of abuse of Commonwealth medical benefits through fraud or excessive servicing to be around \$100 million a year. This represented approximately seven per cent of total Commonwealth medical benefit payments, this of course being prior to the introduction of Medicare.

This led to a Public Accounts Committee inquiry into medical fraud and overservicing which produced an interim report in December 1982. The report was extremely critical of the then Department of Health's administration of the relevant program and made a number of recommendations. This led to a hurried shake-up of senior administration in the department, the allocation of additional resources, and the creation of a new surveillance and investigation division. This all commenced in the dying days of the Fraser Government and was completed by the incoming Labor Government.

A number of highly trained and skilled staff were employed to utilise a highly sophisticated computer system. However, the best efforts of these staff were undermined by elements of the medical establishment, both inside and outside the bureaucracy. This situation intensified as an increasing number of cases of abuse were being identified by analysis of computer data.

The threat of increasing exposure of cases of fraud and overservicing caused resentment and hostility amongst sections of the medical profession, although it was never suggested by anyone that anything other than a minority of medical practitioners was involved in cases of abuse. The controversy surrounding this issue coincided with the Medicare doctors dispute in New South Wales in 1984 and 1985. In 1985 the Government decided to abolish the Department of Health surveillance and investigation program and transferred responsibility for control of medifraud and excessive servicing to the Health Insurance Commission.

This was an understandable decision by the Government in light of the department's ultimate failure to come to grips with the problem and to reduce the level of abuse

which was still estimated at the time to be around about seven per cent of Medicare benefits. However, it must be said that the consultant's report which recommended the transfer of the function to the commission was poorly researched, factually incorrect and extremely unfair in its criticism of some aspects of the program, and gave a totally misleading impression of the reasons for the failure of the program. Nevertheless, the transfer of responsibility to the commission was seen as a fresh start by the Government and by the medical profession.

The Auditor-General's report No. 17 of 1992-93, which was tabled in December last year, deals with the Insurance Commission's performance in dealing with medifraud and excessive servicing since 1985. Some of the findings and recommendations of this report give cause for concern. Among its key findings the report says:

The performance of the Commission, with the exception of the last 12 months, shows little improvement over that of the then Department of Health in the early 1980s.

The report also says that the commission's legislative powers to combat fraud and excessive servicing are deficient in regard to the investigation and prosecution of unethical medical providers, and that the Medical Services Committee of Inquiry, the bodies that deal with cases of excessive servicing, were not operating successfully and should be replaced by tribunals.

These are just two of a number of examples which were covered by recommendations of the Public Accounts Committee in 1982, but which, as the Auditor-General's report points out, have not been implemented. Another key finding of the Auditor-General's report is of particular relevance to the Bill before us tonight. The Auditor-General found:

The ability to release information for investigation is important in preventing Medifraud, and the Commission has been reluctant to fully utilise its powers under the Health Insurance Act because of uncertainty about the effect of privacy legislation. A comprehensive policy is needed.

This is a clear example of the importance of clarifying the distinction between privacy provisions in legislation and the need for access to information in the public interest in

order to prevent or detect fraud or misuse of Commonwealth funds. Even though the report in question refers to the Health Insurance Act, the same principle applies to the National Health Act which this Bill seeks to amend.

I would like to take this argument a bit further in relation to the provision of information between government agencies. I am aware of at least one case in recent years where the Australian Taxation Office was seeking to prosecute a medical practitioner for failure to declare taxable income. The Tax Office sought information from the Health Insurance Commission in relation to the doctor's earnings from Medicare benefits. However, I understand that the commission refused to supply the information because of concerns over breaches of the secrecy provision of the Health Insurance Act.

The point is that the intent of any privacy based provision—whether in a privacy Act or in any other legislation—is surely to protect the privacy of individuals against public disclosure of personal information. I stress the words 'public disclosure'. In this case we could reasonably assume that this would mean that names of individual patients of the doctor in question, and details of their medical conditions or medical procedures undertaken, would quite properly remain confidential. However, in this case the only information that the Tax Office had been seeking from the commission was the total Medicare benefits paid to the doctor in question in a given period. No patient details were sought; nor were they required, yet the information requested could not be supplied by the commission because of the secrecy provisions. This further emphasises the need for comprehensive guidelines that strike the appropriate balance between the need for individual privacy and the need for government agencies to have access to necessary evidence in relation to the prevention or detection of abuse of government funds, or recovery of such funds, which is clearly in the public interest. This Bill is an appropriate and timely step in this direction.

The Auditor-General's report made a number of other observations in relation to medifraud and excessive servicing which I

would like to mention briefly. It points out that many of the problems which existed within the Department of Health's program in the early 1980s and which were referred to in various reports of the Public Accounts Committee still appeared to exist and were only just beginning to be addressed by the Health Insurance Commission.

Further, the report suggests that the previous estimate of seven per cent of the Medicare benefit as the level of abuse could still be appropriate today. Given the current annual Medicare benefit payout of \$4.5 billion, this means that the amount of money lost on abuse of Medicare could be in excess of \$300 million a year. In this respect, I am encouraged by the recent announcement by the Minister for Health (Senator Richardson) that he will seek the cooperation of the AMA in attempting to crack down on fraud and excessive servicing.

It is acknowledged that only a minority of medical practitioners abuse the system. It is clearly in the interests of the responsible members of the profession to work with the Government to reduce the level of abuse, thereby enabling Medicare funds to be spent more appropriately on improving our health system.

As the Auditor-General's report says, the pressures on the Medicare budget are considerable, with the advent of new medical procedures and the growth of entrepreneurial medicine. The emergence of organised fraud and excessive servicing, protected by corporate veils and the best advice money can buy, as the report says, represents a real challenge to the efficient and effective use of the health budget. Clearly, there will be a great responsibility on the commission and the medical profession to meet this challenge. The Bill before us represents a small but significant measure in this context. I commend the Bill to the House.

Mr REID (Bendigo) (11.36 p.m.)—I rise to support the remarks made by my colleague the honourable member for Moncrieff (Mrs Sullivan) on the National Health Amendment Bill. It is principally through the efforts of the coalition since 1989 that this Bill is currently before the House. I refer to the efforts of a

number of senators in another place—Senators Walters, Patterson and Watson—who have been pursuing this issue for some four years. I also pay tribute to a former member of this House, Dr Bob Woods, the former member for Lowe, who was also very active with regard to this issue.

Mr Bruce Scott—A great shadow Minister too.

Mr REID—That is quite right. He was a very fine shadow Minister. He was a great loss to this House and the public of Australia. Since 1989 the coalition has been pursuing the Government on the issue of retention, retrieval and destruction of personalised information held by the then Department of Health, Housing and Community Services and the Health Insurance Commission.

In June 1991, the government amendments to the National Health Act sought to establish a computer link between pharmacists and the Health Insurance Commission, and that certainly caused quite a lot of consternation amongst the pharmacists in my electorate. The purpose of that computer link was to check an individual's eligibility for benefits under the pharmaceutical benefits scheme. The amendments also required the issuing of guidelines by the Privacy Commissioner for the management of data generated by the Medicare and pharmaceutical benefits programs. These guidelines were to address the issues of privacy which had been raised by Senators Walters, Patterson and Watson.

A report to the Parliament in December 1991 by the Auditor-General and the Department of Finance found that the expected savings from the computer checking system were significantly overstated. As a consequence, the Government decided not to proceed with the system. However, the requirement for the Privacy Commissioner to issue guidelines on the Medicare and pharmaceutical benefits programs remained. Draft guidelines were prepared by the Privacy Commissioner for tabling by April 1992. However, after advice from the office of general council, he instead made a report to the Parliament in May 1992, indicating that he could not table the guidelines since they appeared to be inconsistent with certain

provisions of the National Health Act. This Bill now addresses those provisions.

I want to refer to the efforts of Senator Patterson in pursuing this issue through Estimates Committee C where Senator Patterson expressed her concern by asking the officers of the department whether it would be feasible to identify families with genetic disorders such as fibrocystic disease from, firstly, the type of doctor they visit, secondly, the type of treatment that they receive and, thirdly, the types of drugs they are prescribed. The answer Senator Patterson was given at Estimates Committee C was that it would be possible in fact to identify these people. That is something about which the community ought to be very concerned. That led Senator Patterson to push for a period of four years for the department to develop a much better privacy policy in relation to Medicare data.

This legislation goes only part of the way to allaying the fears expressed by Senator Patterson, Senator Walters and Senator Watson. They believe that that legislation should go further than it does, but at least it is placing something into position where it can be watched and developed. I know that the senators on the coalition side who have been active in the implementation of this legislation take great credit, which is due to them, for the very important role that they played in making sure that the Government in fact addressed these questions which were raised in another place.

I believe that the legislation currently before us goes part of the way but I am sure that it will be watched very closely by the coalition. Most of the credit should go to the coalition parties for bringing the Government to the implementation of this legislation. I can assure honourable members that the coalition will be watching the progress and the implementation of this legislation to ensure that its fears and concerns in respect of it are fully and properly met by the Government.

Dr THEOPHANOUS (Calwell—Parliamentary Secretary to the Minister for Health) (11.43 p.m.)—in reply—I want to thank the honourable member for Macarthur (Mr Haviland) for his very thoughtful contribution—

Mrs Sullivan—Go on, be generous. Thank us too.

Dr THEOPHANOUS—And also the Opposition, especially the honourable member for Moncrieff who keeps interrupting me. The Government appreciates the Opposition's support for this legislation. I want to point out to the honourable member for Macarthur, on the question about the importance of there being some provisions which allow for the checking of medical fraud and certain issues of overservicing, that in fact the Privacy Commissioner accepted this as one of the legitimate concerns of the department in his report. In his report he refers to certain aspects of the operations of the department and cited examples of where the department was required to re-identify patient data. These included:

- to support the work of a Royal Commission
- to support the work of a Parliamentary inquiry
- to assist in a murder trial or coronial inquiry
- to assist in medical board and medical complaint tribunal hearings
- to respond to requests by a patient
- if a matter previously under the control of the HIC were to be the subject of further inquiry by the HIC (fraud investigation)
- to support epidemiological studies where it is not possible to trace service utilisation over time involving the same patient using an identification number (because of different identification numbering schemes in different health schemes)
- to enable epidemiological studies where the studies involve medical service utilisation and drug service utilisation and a common identifier is not present in both systems.
- to enable tracking of individuals who may have taken a drug for which a new, long term, serious side effect emerges.

(Some of the above uses of identified data only require temporary re-identification of data to enable a link to be made between two schemes or data bases and names were not stored permanently.)

All that information is important in addressing the concerns mentioned by the honourable member for Macarthur. I thank all honourable members who contributed to the debate. I commend the legislation to 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 Dr Theophanous) read a third time.

ADJOURNMENT

Motion (by Dr Theophanous) proposed:
That the House do now adjourn.

Education Scholarships

Mr TUCKEY (O'Connor) (11.47 p.m.)—As most honourable members know, I have for many years brought students from senior high schools within my electorate to the national capital on education scholarships. Tonight in the Speaker's gallery I have two young men who are the 33rd and 34th students to participate in this scholarship. They are Bradley Cox, aged 17 years, a year 12 student from Merredin Senior High School, who lives 60 kilometres away in the farming community of Doodlakine—the home of Senator Walsh—and travels to school each day. He hopes to continue studying science at university next year. Also present is Regan Opalinski, aged 15 years, a year 10 student from Katanning Senior High School, who comes from the farming community of Tam-bellup but boards in Katanning. I take this opportunity to sincerely thank Ansett Australia for its assistance. As is the custom, I have invited both of the students to write a short speech which I now have the pleasure in reading. Bradley writes:

Merriden is a relatively large country town—population 4,300—which is located 260 kilometres East of Perth, halfway between Perth and Kalgoorlie along the Great Eastern Highway. It is the centre of the wheatbelt region of Western Australia and is focused on the surrounding wheat and sheep farms which are very important industries to the area.

The district was first settled in the early 1800's by sandalwood cutters and later some of the land was taken up by pastoralists who used it for grazing.

The area grew and eventually became a large agricultural area, as the development of the railway and discovery of gold at Coolgardie brought more people.

Today the town is very important as the main town in the shire, and many people travel to Merredin for shopping, school and medical needs.

It has many facilities such as an agricultural research station, its own newspaper and many sporting and cultural clubs.

One of the most noticeable features of Merredin is its beautiful trees and rose bushes, which adorn the town in a fairly hot climate.

The education facilities of the town are very good, including three primary schools and the senior high school which I attend.

The senior high school has 367 students which come from the surrounding region.

This small school has both advantages and disadvantages. The small population allows a friendlier atmosphere but there are also less facilities for study.

Similarly, the town of Merredin is a friendly, peaceful place but is isolated from the city.

A major concern for all people in the country areas is the declining population which means that shops and facilities are slowly disappearing. This process leads to diminishing employment in country areas.

Roads and transport costs are also important because of the distances involved. However, the pioneering spirit which enabled people to overcome the hardships of isolation and distance and to create the town, will ensure the survival of the area.

The rural people love the space, peace and friendliness of the district, compared to the rush, noise, overcrowding, crime and pollution of the cities.

Regan Opalinski writes:

My home, which is on a sheep, wheat and pig farm, is situated 72 kilometres south of Katanning. The town of Katanning is 320 kilometres south of Perth and 180 kilometres north of Albany and is located in the Great Southern Region of Western Australia. It is an important regional centre with a shire population of 4,616 and covers an area of 1,524 square kilometres. The Great Southern Region's population represents 2.9 per cent of WA's population and 10.3 per cent of the rural population. Between the last two censuses, Katanning was one of the few shires to increase in population, gaining 6.2 per cent higher than the average.

Katanning has a large exporting abattoir, creating job opportunities for around 340 people, which benefits the district. Katanning has the largest sheep saleyards in WA outside Perth. Katanning also has very large grain storage bins. Local crops are wheat, barley, lupins and oats; and wool, sheep, cattle and pigs are the main animal products. Katanning's climate consists of warm dry summers and cool wet winters and is ideally suited to crop and livestock farming.

Katanning has a senior high school, which I attend, providing secondary education for 550 students

from all over the region. The high school is very competitive and has a reputation for excellence both academically and in sport, where it is very well known for its athletic performance. It competes in many sporting events such as the high schools country week carnival in Perth, summer cup in Albany and numerous other athletics and swimming carnivals.

There is a residential hostel, St Andrews College, located close to the school, catering for those who live in the outlying regions. Katanning boasts a good range of sporting facilities, including golf courses, lawn bowls, tennis, swimming pools and sporting ovals and soon an indoor recreation centre. It is a community built on solid foundations and is going ahead despite the difficult times in rural areas.

I thank the Speaker and the officers concerned for making it possible for a group of young people to attend the Governor-General's Address-in-Reply, particularly the Serjeant-at-Arms for giving them a good look at the mace and telling them its history. It was extremely interesting.

Youth Homelessness

Mr RONALDSON (Ballarat) (11.52 p.m.)—Thank you, Mr Deputy Speaker. May I take this opportunity—the first I have had—to officially congratulate you on your elevation to that role. Tonight I wish to speak about an issue that affects all Australians—that of youth homelessness. Although this issue has received prominence only in recent years, the many organisations throughout Australia which have been dealing specifically with this national tragedy will attest to the fact that it is not a new one.

As far as the wider Australian community is concerned, however, it was the publication of the Burdekin report in early 1989 that raised public awareness of the extent and seriousness of youth homelessness because of the extensive media attention it received. The Burdekin report gave estimates of youth homelessness which sent a shudder through the community. It claimed that between 20,000 and 25,000 Australians under the age of 18 were homeless. What was even more shocking was the likely estimate that between 50,000 and 70,000 young people were either homeless or at serious risk. I suspect that for want of a better description these young people were tagged with the name 'street

kids'. The push to address their plight has helped raise awareness of other youth related issues such as drug abuse and youth suicide.

There are now a large number of organisations throughout the country that are specifically targeting assistance to street kids, and fortunately this is becoming more and more hands-on. There has been criticism in the past that philosophical debates about the cause of the problem were taking precedence over direct hands-on contact with affected street kids. The great challenge for governments, both State and Federal, is to ensure that both aspects are adequately funded and appropriate priorities accorded. Following the tabling of the Burdekin report, an extra \$100 million was allocated by the Commonwealth Government over a four-year period specifically to tackle youth homelessness. However, there is still an enormous amount to be done, and appropriate responses need to be both developed and refined.

While the methodology used by the Burdekin inquiry has been questioned in some quarters, it is my belief that it does the debate no good whatsoever to debate numbers alone. The debate should be centred on appropriate responses at the street level to address the root causes of youth homelessness. It is generally agreed that the primary causes of youth homelessness are family instability and breakdown, poverty and unemployment. The increase in youth homelessness can be directly equated with the deteriorating position of those three root causes.

The serious issues of family instability and breakdown, poverty and unemployment that affect the wider community can therefore be seen to be exacerbating the problems facing Australia's youth. The need to address the immediate requirements of street kids such as crisis accommodation and long-term housing is obvious, and so too is the need to address the issues of job creation, income support and social support.

While considerable financial and human resources have been allocated in an endeavour to address the youth homelessness tragedy, it is glaringly obvious that there has been no improvement. Indeed, workers in the field are adamant that the situation is deteriorating

even further. On that basis, it is a matter of great urgency for the community to address the bigger picture agenda, which should include a review of the availability of education to young people and also the availability of health services and employment opportunities and training.

Probably the saddest aspect of youth homelessness is that in the vast majority of cases homeless young people are in that position through no fault of their own. On that basis the questions of family instability and breakdown, poverty and unemployment must be addressed in the context of being the main causes of, or at the very least major contributors to, youth homelessness.

Federal Airports Corporation: Residential Land Acquisition

Mr ALDRED (Deakin) (11.55 p.m.)—Mr Deputy Speaker, I would like to join my colleague in congratulating you on your elevation to the office of Deputy Speaker.

In this adjournment debate I wish to draw the attention of the House to the plight of a Victorian citizen and resident of Barbiston Road, Keilor, Mr Jesse Boyse, otherwise known as 'Snowy' Boyse. To put this matter into context, Snowy Boyse, who is 73 years of age, owns one of the properties on Barbiston Road which the Federal Airports Corporation, the FAC, is attempting to acquire in order to extend the runways of Melbourne Airport.

Mr Boyse, in a letter to my colleague the shadow Minister for tourism and aviation, the honourable member for Fadden (Mr Jull), dated 26 February 1993, explained that some residents of Barbiston Road have, under pressure, accepted FAC offers dealing with residents outside the Lands Acquisition Act 1989, the LAA, by agreement under section 36 of the Federal Airports Corporation Act 1986, the FACA.

Snowy maintains that by offering these terms the FAC is precluding residents from the rights and privileges to which landowners are entitled under the LAA, including an equivalent dwelling, stamp duty on the new property, exemption from capital gains tax, removal expenses, and access to all legal

expenses in the event of differences of opinion regarding the transaction. Residents have been asked to get valuations on their properties but Snowy protests that there are no potential buyers because it is a well-known fact that the land is 'condemned' and 'has no sale value'; therefore potential buyers are non-existent.

Snowy, together with a neighbour, Mr Graham Tamworth, wrote to the Minister for Transport and Communications (Senator Collins) to organise a time for a petition from residents to be given to him in Canberra but, through the honourable member for Calwell (Dr Theophanous), I understand, were informed that the Minister refused.

According to Snowy, the FAC has been on his property without permission making bore tests for runways and doing a geological survey; yet the FAC has informed him by letter that it does not need his property. Recently Snowy sent a letter to the Minister making a claim for compensation under section 98 of the LAA. The Minister referred him to the FAC and informed him that he did not respond to his claim. Snowy maintains that the Minister should have issued a claim form as required under the LAA. Instead the FAC has been negotiating settlements by agreement under section 36 of the FACA.

All this becomes rather complicated, but basically Snowy maintains that the Minister has not done his job under sections 97 and 98 of the LAA and he has refused to negotiate with the FAC. It appears that Snowy has right on his side. He has been pushed from pillar to post and has recently been informed by the FAC that unless he is prepared to negotiate with it under its terms and conditions it will let him wait there for up to 15 years before it finally uses the LAA to forcibly take his home and land. By that time Snowy will be 88 years old. Is it any wonder that Snowy regards the FAC as absolutely unscrupulous?

The FAC—which in its own brochure is described as 'a public authority with a private enterprise philosophy'—in 1991-92 made a profit of \$142 million which, after the payment of interest, et cetera, became a net profit of \$35 million. Snowy Boyse describes that organisation as 'private individuals who have

been given the jurisdiction over my property—for profit motives'. He goes on to give an account of the FAC's dealings with a Mr Robert Shaw of Rosebank farm, Barbiston Road, Keilor, which are, to say the least, very suspect but too lengthy to deal with here. Mr Boyse concludes his letter by saying that all residents should be dealt with on a 'level playing field' as laid down under the LAA.

As the events of 13 March ensued, the shadow Minister was unable to come to Snowy's aid as he had hoped. I therefore wish to draw this matter to the attention of the House and the Minister involved in the hope that Snowy will now receive fairer treatment than he has so far from the FAC. It would appear that on this matter ministerial intervention is most definitely required.

Question resolved in the affirmative.

House adjourned at 11.59 p.m.

NOTICES

The following notices were given:

Mr Filing to move—

That this House

- (1) notes the visit of Mr Vo Van Kiet, Prime Minister of the Socialist Republic of Vietnam to Australia, and deplores his Government's record of substantial human rights abuses; and
- (2) calls on the Government to:
 - (a) immediately and unconditionally release all political prisoners and prisoners of conscience, including the Venerable Thich Huyen Quang;
 - (b) introduce basic human rights to Vietnam, including freedom of assembly, religious worship and speech, a free press and free and open elections;
 - (c) provide for the creation of a pluralist free enterprise economy; and
 - (d) demonstrate to the Parliament of Australia how and where aid monies provided to Vietnam by Australia are spent and how that aid encourages the cultivation of a more democratic and free society in Vietnam.

Mr Filing to move—

That this House

- (1) deplores the Prime Minister's constant rewriting of Australian history to suit his own political purposes;

- (2) particularly deplores the Prime Minister's denigration of the Menzies years, a period of growth, employment and stability where Australia developed a strong national identity that reflected its role as a positive and beneficial influence in its region; and
- (3) contrasts the Prime Minister's own legacy of record unemployment, economic decline, massive debt, rampant crime, family breakdown and a society where many feel alienated and powerless.

Mr Filing to move—

That this House:

- (1) deplores the decision of the federal Government to disband the Australian Army Band, Perth; and
- (2) calls on the Government, in making any changes to Australian Defence Force band deployment, to retain a full-time band in Western Australia.

Mr Bradford to move—

That this Parliament:

- (1) expresses its profound regret to the people of Bosnia and Herzegovina for the suffering and misery they have experienced;
- (2) does not support the US-Europe-Russia strategy on Bosnia which effectively condones the territorial gains in Bosnia through aggression;
- (3) abhors the practice of ethnic cleansing which has occurred in Bosnia and Herzegovina; and
- (4) urges the Government to request the UN to allow the legitimate Government of Bosnia and Herzegovina to acquire weapons to defend its sovereign territory.

Mr Hawker to present a Bill for an Act to amend the Motor Vehicle Standards Act 1989.

Mrs Crosio to move—

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Housing development at Palmerston, NT.

Mrs Crosio to move—

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Housing development at Flinders View near Ipswich, Qld.

Mrs Crosio to move—

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: HMAS Waterhen facilities modernisation at Waverton, NSW.

Mr Johns to present a Bill for an Act to make provision of certain entities engaged in the superannuation industry, and for related purposes.

Mr Johns to present a Bill for an Act relating to the resolution of complaints about decisions of trustees of superannuation funds and approved deposit funds.

Mr Beazley to move—

That, in accordance with the provisions of the Public Works Committee Act 1969, leave be granted to the Parliamentary Standing Committee on Public Works to meet during sittings of the House.

Mr Beazley to move:

- (1) That, if the House is not sitting when the Standing Committee on Industry, Science and Technology has completed its report on the Export Market Development Grants Scheme, the committee may send the report to the Speaker, or, in the absence of the Speaker, to the Deputy Speaker and Chairman of Committees, and, in that event:
 - (a) the publication of the report is authorised by this resolution; and
 - (b) the Speaker or the Deputy Speaker and Chairman of Committees, as the case may be, is authorised to give directions for the printing and circulation of the report.
- (2) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

Mr Beazley to move—

That the time for completion of the review by the Standing Committee on the Televising of the House of Representatives of the arrangements relating to the live television broadcast and rebroadcast of proceedings and excerpts of proceedings of this House be extended until the end of the 1993 Budget sittings.

Mr Beazley to move—

That standing order 399 be suspended for this sitting, except when a motion is moved pursuant to the standing order by a Minister.

Mr Beazley to move—

- (1) That the resolution relating to the powers and proceedings of the Parliamentary Joint Committee on Corporations and Securities be amended by omitting paragraph (o) and substituting the following paragraphs:
- "(o) That the committee or any subcommittee have power to consider and make use of the evidence and records of the committee appointed during the previous Parliament.
- (p) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders."
- (2) That a message be sent to the Senate acquainting it of this resolution and requesting its concurrence.

PAPERS

The following papers were deemed to have been presented on 26 May 1993:

Acts Interpretation Act—Order under subsection 19BA(1), 1 April 1993.

Australian Bureau of Statistics Act—Australian Bureau of Statistics—Proposals for the collection of information—1993 Nos. 10, 11, 12, 13.

Australian Meat and Live-stock Corporation Act—Orders Nos. M54/92, M55/92, M56/92.

Civil Aviation Act—Civil Aviation Regulations—Civil Aviation Orders—Parts—

105—Amendments, 12, 13(3), 17, 18(2), 19(2), 21, 24, 25(2) May 1993.

106—Amendments 13, 19 May 1993.

107—Amendments 13, 17(2), 19 May 1993.

Corporations Act—Accounting standard—AASB 1010 (4/93).

Currency Act—Determinations—

1992 No. 9.

1993 Nos. 1, 2, 3, 4.

Endangered Species Protection Act—Regulations—Statutory Rules 1993 No. 84.

Export Control Act—Export Control Orders—

1992 Nos. 9, 11, 12.

1993 No. 1.

Extradition Act—Regulations—Statutory Rules 1993 No. 86.

Fisheries Act—

Copy of agreement between the Commonwealth of Australia and the Australian Fisheries Management Authority (AFMA) and Karina Fisheries Pty Ltd, 19 January 1993.

Notices—Nos. NPF 22, NPF 23, NPF 24, NPF 25, NPF 26, NPF 27, NPF 28.

Subsidiary agreement between the Government of Australia and the Government of Japan concerning Japanese Tuna long-line fishing 1992.

Health Insurance Commission Act—Regulations—Statutory Rules 1993 No. 81.

Lands Acquisition Act—Statement under subsection 40(1).

Military Superannuation and Benefits Act—Instrument 1993 No. 4.

National Health Act—

Declaration 1993 No. PB7.

Determinations—

No. 1992-93/15.

1993 No. PB8.

Principles 24SH 3/1992, 24SH 1/1993.

Regulations—Statutory Rules 1993 No. 85.

National Residue Survey Administration Act and National Residue Survey (Aquatic Animal Export) Levy Act—Regulations—Statutory Rules 1993 No. 82.

Primary Industries Levies and Charges Collection Act and National Residue Survey Administration Act—Regulations—Statutory Rules 1993 Nos. 75, 76, 77, 79, 80.

Primary Industries Levies and Charges Collection Act and National Residue Survey (Game Animals) Levy Act—Regulations—Statutory Rules 1993 No. 83.

Primary Industries Levies and Charges Collection Act and National Residue Survey (Horse Slaughter) Levy Act—Regulations—Statutory Rules 1993 No. 78.

Proclamation by His Excellency the Governor-General fixing 20 May 1993 as the date on which parts 2 and 3 of the Crimes (Ships and Fixed Platforms) Act 1992 shall come into operation.

Public Service Act—

Determinations Nos. 19, 20, 23, 24, 26, 41, 48, 51, 56, 57, 58, 59, 60, 61, 116, LEC Butterworth 1, LES 10.

Parliamentary Presiding Officers' Determinations—1993 No. 2.

Remuneration Tribunal Act—Determination—1993 No. 1.

Safety Rehabilitation and Compensation Act—Direction 1993 No. 1.

States Grants (Petroleum Products) Act—Amendment of schemes—No. 93/01.

Superannuation Act 1976—

Declaration—Statutory Rules 1993 No. 87.

Determination under section 248, 18 May 1993.

University of Canberra Act—Statute No. 22.

Wildlife Protection (Regulation of Exports and Imports) Act—Declaration under subsection 9(1), 28 April 1993.

ANSWERS TO QUESTIONS

The following answers to questions were circulated:

Social Security Compliance: Project (Question No. 3)

Mr Connolly asked the Minister for Social Security, upon notice, on 5 May 1993:

(1) Did his predecessor inform the House on 10 September 1992 that his Department, in conjunction with the Australian National University, had engaged Professor Dick Weatherley of the University of Washington to conduct a research project into social security compliance in Australia.

(2) Was the project conducted; if so, (a) what was examined, (b) what sum did his Department pay Professor Weatherley, (c) for how long was the Professor engaged by the Department and (d) did the Professor present a report on the project and will he make the report available.

Mr Baldwin—The answer to the honourable member's question is as follows:

(1) The former Minister for Social Security, the Hon. Neal Blewett MP, did inform the House on 10 September 1992 about a research project being conducted by Professor R. A. Weatherley. The project was carried out under the Administration, Compliance and Governability Program of the Research School of Social Services at the Australian National University. The Department of Social Security provided a grant to the Australian National University to assist with the project.

(2) (a) The project has been completed. Professor Weatherley's research into factors contributing to compliance and non-compliance with Social Security rules and procedures was based on extensive field work, review of the documentary records and comparative examination of compliance in the United States, Denmark, Sweden and Finland.

(b) The Department agreed to provide a grant of \$167,000 towards the project. To date \$150,000 of this has been paid.

(c) Professor Weatherley conducted his research from July 1990 to November 1992.

(d) Professor Weatherley provided his report entitled 'Compliance Policies In Social Security' in February 1993. A copy of the report will be made available to the Member for Bradfield.

Department of the Prime Minister and Cabinet and Portfolio Agencies: Payments for Rent and Building Leases (Question No. 22)

Mr Langmore asked the Prime Minister, upon notice, on 5 May 1993:

What total sum was paid in rent and for building leases by all parts of the Minister's department and its agencies during 1991-92.

Mr Keating—The answer to the honourable member's question is as follows:

In respect of the Department and agencies within my portfolio the following information is provided:

Department of the Prime Minister and Cabinet—\$3,718,900;

Australian Science and Technology Council—\$174,042;

Merit Protection and Review Agency—\$873,247;

Office of the Inspector General of Intelligence and Security—Nil. (This agency is co-located with the Department at its central office in Barton. Property operating costs are met by the Department);

Resource Assessment Commission—\$611,242;

Commonwealth and Defence Force Ombudsman—\$623,047;

Office of National Assessments—\$543,141;

Office of the Official Secretary to the Governor-General—\$104,362;

Office of the Economic Planning Advisory Council—\$141,294;

Public Service Commission—\$977,463; and

Aboriginal and Torres Strait Islander Commission—\$6,280,000.

Department of Social Security and Portfolio Agencies: Payments for Rent and Building Leases (Question No. 34)

Mr Langmore asked the Minister for Social Security, upon notice, on 5 May 1993:

What total sum was paid in rent and for building leases by all parts of the Minister's department and its agencies during 1991-92.

Mr Baldwin—The answer to the honourable member's question is as follows:

The Department's expenditure for rent and for building leases for all the Department's parts and agencies during 1991-92 was \$109,359,705.50

Shipping: Nuclear Armed or Nuclear Powered

(Question No. 38)

Mr Langmore asked the Minister representing the Minister for Defence, upon notice, on 5 May 1993:

What visits have been made by nuclear armed and/or nuclear powered vessels to Jervis Bay since 1983.

Mr Beazley—The Minister for Defence has provided the following answer to the honourable member's question:

There has been only one visit by a nuclear powered vessel to Jervis Bay since 1983. The submarine USS *Sea Dragon* anchored for 36 hours during the period 12-14 February 1983.

Additional Family Payment

(Question No. 47)

Mr Filing asked the Minister for Social Security, upon notice, on 5 May 1993:

Can a family with one child, (a) renting a house, earn up to \$28 007 and (b) paying off a mortgage earn up to \$24 169 before their Family Allowance Supplement ceases; if so, (i) why is there a difference and (ii) what steps will be taken to restore a balance.

Mr Baldwin—The answer to the honourable member's question is as follows:

(a) A family with one child under 13 years, renting a house, can earn up to \$28 007 including rent assistance; and

(b) A family with one child under 13 years, not renting privately, can earn up to \$24 169 per year, before their Family Allowance Supplement (now Additional Family Payment) ceases.

(i) There is a difference between the amount a private renter and the amount a homeowner can earn before their Additional Family Payment ceases as the amount earned by the renting family includes rent assistance. Rent assistance is paid to private renters in recognition of the costs involved in renting accommodation in the private rental market.

Homeowners receive other benefits from the taxation system, such as exemption from capital gains tax on the family home under certain conditions and the exemption of the family home from Department of Social Security (DSS) assets testing rules.

Low income home buyers may also receive assistance through home ownership programs operated by State Housing Authorities.

(ii) There will be no change to the amounts earned by homebuyers or renters before Additional Family Payment ceases, for the reasons outlined in (i) above.

Republic

(Question No. 72)

Mr Lieberman asked the Prime Minister, upon notice, on 10 May 1993:

(1) What will be the cost to the Commonwealth of the committee which is working on the republican issue.

(2) What costs will be incurred by the Commonwealth with respect to all other aspects of the republican issue over the period to (a) May 1994, (b) May 1995 and (c) May 1996.

(3) What was the cost to the Commonwealth since May 1990 of any measures taken with respect to the republican issue and what are the details of the expenditure.

Mr Keating—The answer to the honourable member's question is as follows:

(1) The cost of the Republic Advisory Committee, including secretariat services, is expected to be of the order of \$280,000.

(2) It is not possible to make accurate predictions of the kind sought by the honourable member.

(3) My department has prepared advice on arrangements for setting up the Republic Advisory Committee and associated matters. Preparation of advice of this kind is not separately costed.

Republic

(Question No. 84)

Mr Slipper asked the Prime Minister, upon notice, on 11 May 1993:

(1) Has he expressed both a preference for a minimalist position on republican change whereby a president would replace the Governor-General with existing vice-regal powers intact and opposition to the reserve powers of the Governor-General; if so, how does he reconcile the two positions.

(2) Would the political disintegration of Australia follow if a referendum did not establish a majority in favour of republican change in all States.

(3) How could he deal with problems arising from State constitutional monarchies co-existing in a federation with republican States under a republican national structure.

(4) Will a referendum be conducted on Australia becoming a republic; if so, would he seek to override referendum results in States which chose to remain constitutional monarchies and what would be the effect on Australian democracy.

(5) What authority does he propose the president would have over the presidents, governors or heads of state of the States.

(6) Would the presidents, governors or heads of state of the States act as the national president's deputies in accordance with the latter's directions.

(7) Would the national president's directions be framed by the Prime Minister; if so, what would be the effect on the federal system.

(8) Does he propose to restrain the powers of the Senate; if so, how.

(9) Does he intend to make the Senate more representative; if so, how.

(10) Does he intend to abolish the States and replace them with regions.

(11) How would he ensure the stability of Australian political institutions and citizens' freedoms under a republic.

(12) Does he propose to change the external affairs power in the Constitution to enable the States to exercise their responsibilities fully; if so, how.

(13) Does he propose that Aboriginals be involved in altering the Constitution to promote reconciliation; if so, how.

(14) Does he intend to change the Constitution to enable one person to hold simultaneously the positions of president and Prime Minister.

Mr Keating—The answer to the honourable member's question is as follows:

(1)-(14) The honourable member's question appears to be based on a presumption that I have an agenda for change far wider than the one I have stated publicly. That is not so.

Republic

(Question No. 128)

Mr Slipper asked the Prime Minister, upon notice, on 13 May 1993:

(1) Would any economic benefits flow to Australia's one million jobless from the successful implementation of Australia as a republic; if so, what are they.

(2) How many jobs would be created by the declaration of a republic.

(3) How would Australia's foreign debt be reduced by the declaration of a republic.

(4) What prospect of employment would the declaration of a republic give to the long term unemployed.

Mr Keating—The answer to the honourable member's question is as follows:

(1)-(4) I assume the honourable member would not be foolish enough to claim that retaining the British monarch as Australia's head of state would be likely to have a positive effect on the unemployment problem. Unless that is his purpose I fail to see the relevance of his question to the issue of whether Australians should, or should not, vote at a referendum in favour of having as head of state an Australian, chosen by Australians.