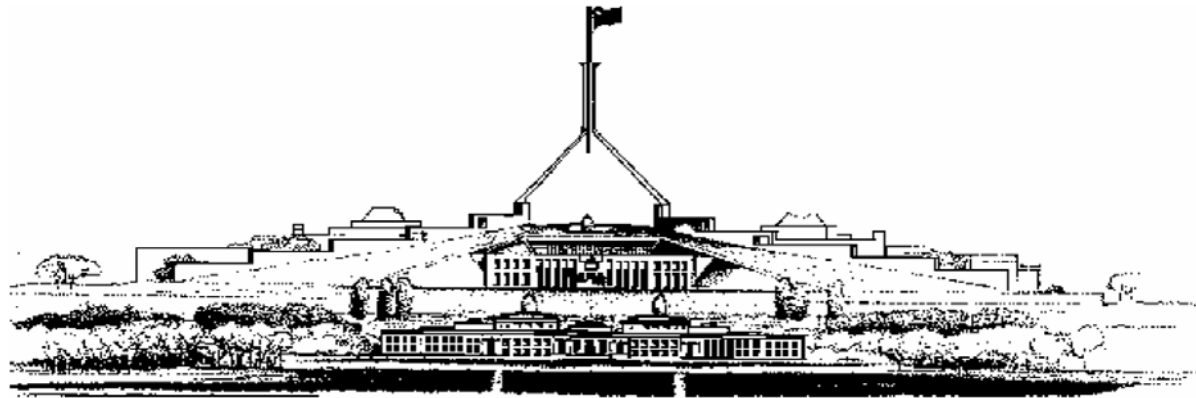




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 148, 1986
Monday, 5 May 1986

THIRTY-FOURTH PARLIAMENT
FIRST SESSION—THIRD PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

THIRTY-FOURTH PARLIAMENT

FIRST SESSION—THIRD PERIOD

Governor-General

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

House of Representatives Officeholders

Speaker—The Honourable Joan Child

Chairman of Committees—Mr Leo Boyce McLeay

Deputy Chairmen of Committees—Mr Cecil Allen Blanchard,

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

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

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

Leader of the House—The Honourable Michael Jerome Young

Leader of the Opposition—The Honourable John Winston Howard

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

Manager of Opposition Business—The Right Honourable Ian McCahon Sinclair

House of Representatives Party Leaders

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

Deputy Leader of the Australian Labor Party—The Honourable Lionel Frost Bowen

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

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

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

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

Members of the House of Representatives

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

Members of the House of Representatives—*continued*

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

PARTY ABBREVIATIONS

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

Second Hawke Ministry

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

THE COMMITTEES OF THE SESSION

FIRST SESSION: THIRD PERIOD

STANDING COMMITTEES

ABORIGINAL AFFAIRS—Mr Blanchard (*Chairman*), Mr I. M. D. Cameron, Mr Campbell, Mr Connolly, Mr Gayler, Mr Hand, Mr Maher and Mr Shipton
ENVIRONMENT AND CONSERVATION—Mr Milton (*Chairman*), Mr Chynoweth, Mr R. F. Edwards, Mr P. S. Fisher, Mr Gear, Ms McHugh, Mr Miles and Mr Webster.
EXPENDITURE—Mr Mountford (*Chairman*), Mr Beale, Mr R. J. Brown, Mr Cobb, Mr Cowan, Ms Fatin, Mr Free, Mr Hawker, Mrs Kelly (nominee of Chairman, Joint Committee of Public Accounts), Mr Langmore, Mr McLeay, Mr Martin, Mr Simmons, Mr Slipper, Mr Smith (*from 2 June*), Mr Tuckey (*to 2 June*) and Mr Wilson.
HOUSE—Madam Speaker, Mr Blanchard, Mr E. C. Cameron, Mr Katter, Mr Maher, Mr Martin and Mrs Sullivan.
LIBRARY—Madam Speaker, Mr Conquest, Mr Cross, Ms Jakobsen, Mr Cross, Ms Jakobsen, Mr Maher, Mr Smith and Dr Watson.
MEMBERS' INTERESTS—Dr Klugman (*Chairman*), Mr Adermann, Mr D. M. Cameron, Mr Kent, Mr Lindsay, Mr Maher and Mr Spender.
PRIVILEGES—The Deputy Leader of the Opposition or his nominee, Mr Campbell, Mr Cleeland, Mr Gear, Mr Hodgman, Mr Lindsay (nominee of Leader of the House), Mr Millar, Mr Reith, Mr Simmons, Mr Spender and Mr Tickner.
PROCEDURE—Mr Keogh (*Chairman*), Mr D. M. Cameron, Mr Hodgman, Mr Hollis, Mr Lindsay, Mr McLeay, Mr Millar and Mr Mountford.
PUBLICATIONS—Mr Brumby (*Chairman*), Mr Coleman, Mr Conquest, Mr Dubois (*from 26 May*), Dr H. R. Edwards, Mr Fitzgibbon, Mr Grace and Dr Theophanous (*to 26 May*).
TRANSPORT SAFETY—Mrs Darling (*Chairman*), Mr Downer, Mr Goodluck, Mr Gorman, Mr Hollis, Mr Lamb, Mr McGauran and Mr Mildren.

JOINT STATUTORY COMMITTEES

BROADCASTING OF PARLIAMENTARY PROCEEDINGS—Madam Speaker (*Chairman*), the President, Senators Coleman and Watson, and Mr Brumby, Mr R. F. Edwards, Mr Hicks, Mr Jull and Mr Maher.
NATIONAL CRIME AUTHORITY—Mr Griffiths (*Chairman*), Senators Archer (*from 17 April*), Bolkus, Crowley, Haines, Jessop and Missen (*to 17 April*), and Mr Brumby, Mr Duncan, Mr McGauran, Mr MacKellar.
PUBLIC ACCOUNTS—Senator Georges (*Chairman*), the Chairman of the House of Representatives Standing Committee on Expenditure, Senators Cooney, Dame Margaret Guilfoyle, Maguire and Watson, and Mr Conquest (*from 16 April*), Mr Downer (*from 27 May*), Mrs Kelly, Ms Mayer, Mr Nehl, Mr Price, Mr Punch (*to 27 May*), Mr Rocher, Mr Ruddock, Mr Sharp (*to 16 April*), Dr Theophanous and Mr Tickner.
PUBLIC WORKS—Senator Foreman (*Chairman*), Senators Jones and Sheil, and Mr Andrew, Mr Halverson, Mr Hollis, Mr Keogh, Mr Millar and Mr Saunderson.

JOINT COMMITTEES

AUSTRALIAN CAPITAL TERRITORY—Mrs Kelly (*Chairman*), Senators Giles, Lewis, McKiernan (*to 12 March*), Morris (*from 12 March*), and Reid, and Mr Langmore, Mr McArthur, Mr Sharp, Mr Snow and Mr Wright.
FOREIGN AFFAIRS AND DEFENCE—Senator Sibraa (*Chairman*), Senators Bolkus, Crichton-Browne, Elstob, Hill, Jones, MacGibbon, Maguire and Teague, and Mr Baldwin, Mr Beddall, Mr Bilney, Mr Campbell, Mr Charles, Mr Coleman, Mr Cross, Mr Gayler, Mr Hicks, Mr Jull, Mr Katter, Mr Kent, Dr Klugman, Mr Lindsay, Mr MacKellar, Mr Peacock, Mr Robinson, Mr Shipton and Dr Theophanous.
NEW PARLIAMENT HOUSE—The President and Madam Speaker (*Joint Chairmen*), the Minister for Territories, Senators Colston, MacGibbon, Reid, Reynolds, Sibraa and Withers, and Mr Dobie, Mr Dubois, Mr Lee, Mr Lloyd, Mr McLeay and Mrs Sullivan.

JOINT SELECT COMMITTEES

AUSTRALIA CARD—Senator Aulich (*Chairman*), Senators Haines and Puplick, and Mr Blunt, Mr R. J. Brown, Mr Brumby, Mr Porter and Mr Saunderson.
ELECTORAL REFORM—Senator Robert Ray (*Chairman*), Senators Sir John Carrick, Harradine, Macklin and Richardson, and Mr Blunt, Ms Jacobsen, Mr Lamb, Mr Lee, Mr MacKellar and Mr Scott.
TELECOMMUNICATIONS INTERCEPTIONS—Senators Archer, Black, Cooney and Vigor.
VIDEO MATERIAL—Dr Klugman (*Chairman*), Senators Harradine, Reynolds, Walters and Zakharov, and Mr Adermann, Mr Grace, Ms Jacobsen and Mr Jull.

PARLIAMENTARY DEPARTMENTS

SENATE

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

HOUSE OF REPRESENTATIVES

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

PARLIAMENTARY REPORTING STAFF

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

LIBRARY

Parliamentary Librarian—H. de S. C. MacLean

JOINT HOUSE

Secretary—M. W. Bolton

THE ACTS OF THE SESSION

FIRST SESSION: THIRD PERIOD

Aboriginal and Torres Strait Islander Heritage (Interim Protection) Amendment Act 1986 (Act No. 83 of 1986)—

An Act to amend the Aboriginal and Torres Strait Islander Heritage (Interim Protection) Act 1984.

Air Navigation Amendment Act 1986 (Act No. 69 of 1986)—

An Act to amend the Air Navigation Act 1920.

Apple and Pear Export Underwriting Amendment Act 1986 (Act No. 15 of 1986)—

An Act to amend the Apple and Pear Export Underwriting Act 1981, and for related purposes.

Appropriation Act (No. 3) 1985-86 (Act No. 30 of 1986)—

An Act to appropriate a sum out of the Consolidated Revenue Fund, additional to the sums appropriated by the Appropriation Act (No. 1) 1985-86, for the service of the year ending on 30 June 1986, and for other purposes.

Appropriation Act (No. 4) 1985-86 (Act No. 31 of 1986)—

An Act to appropriate a sum out of the Consolidated Revenue Fund, additional to the sum appropriated by the Appropriation Act (No. 2) 1985-86, for certain expenditure in respect of the year ending on 30 June 1986, and for other purposes.

Appropriation (Parliamentary Departments) Act (No. 2) 1985-86 (Act No. 32 of 1986)—

An Act to appropriate certain sums out of the Consolidated Revenue Fund, additional to the sums appropriated by the Appropriation (Parliamentary Departments) Act 1985-86, for certain expenditure, in relation to the Parliamentary Departments, in respect of the year ending on 30 June 1986.

Australian Apple and Pear Corporation Amendment Act 1986 (Act No. 16 of 1986)—

An Act to amend the Australian Apple and Pear Corporation Act 1973, and for related purposes.

Australian Citizenship Amendment Act 1986 (Act No. 70 of 1986)—

An Act to make provision in relation to Australian citizenship.

Australian Federal Police Amendment Act 1986 (Act No. 35 of 1986)—

An Act to amend the Australian Federal Police Act 1979, and for related purposes.

Australian Meat and Live-stock Corporation Amendment Act 1986 (Act No. 77 of 1986)—

An Act to amend the Australian Meat and Live-stock Corporation Act 1977.

Australian Wine and Brandy Corporation Amendment Act 1986 (Act No. 60 of 1986)—

An Act to amend the Australian Wine and Brandy Corporation Act 1980, and for related purposes.

Barley Research Levy Amendment Act 1986 (Act No. 21 of 1986)—

An Act to amend the Barley Research Levy Act 1980.

Bounty and Subsidy Legislation Amendment Act 1986 (Act No. 37 of 1986)—

An Act to amend certain Acts providing for the payment of bounty or subsidy.

Broadcasting and Television Legislation Amendment Act 1986 (Act No. 2 of 1986)—

An Act relating to broadcasting and television.

Builders Labourers' Federation (Cancellation of Registration) Act 1986 (Act No. 6 of 1986)—

An Act to cancel the registration of The Australian Building Construction Employees' and Builders Labourers' Federation under the Conciliation and Arbitration Act 1904.

Builders Labourers' Federation (Cancellation of Registration—Consequential Provisions) Act 1986 (Act No. 7 of 1986)—

An Act to enact certain provisions consequential upon the cancellation of the registration under the Conciliation and Arbitration Act 1904 of The Australian Building Construction Employees' and Builders Labourers' Federation, and for related purposes.

Commonwealth Tertiary Education Commission Amendment Act 1986 (Act No. 3 of 1986)—

An Act to amend the Commonwealth Tertiary Education Commission Act 1977, and for related purposes.

Community Employment Amendment Act 1986 (Act No. 14 of 1986)—

An Act to amend section 12 of the Community Employment Act 1983.

Companies and Securities Legislation Amendment Act 1986 (Act No. 68 of 1986)—

An Act to amend laws relating to companies and securities.

Companies and Securities Legislation Amendment (Futures Industry) Act 1986 (Act No. 74 of 1986)—

An Act to amend laws relating to companies and securities in consequence of the enactment of the Futures Industry Act 1986.

Copyright Amendment Act 1986 (Act No. 78 of 1986)—

An Act to amend the law relating to copyright.

THE ACTS OF THE SESSION—*continued*

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

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

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

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

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

An Act to amend the Customs Tariff Act 1982.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

An Act to amend the Dried Fruits Levy Act 1971.

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

An Act to amend the Excise Tariff Act 1921.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THE ACTS OF THE SESSION—*continued*

Grape Research Levy Collection Act 1986 (Act No. 64 of 1986)—

An Act relating to the collection of the levy imposed by the Grape Research Levy Act 1986.

Health Legislation Amendment Act 1986 (Act No. 75 of 1986)—

An Act to amend various laws relating to health, and for related purposes.

Income Tax Assessment Amendment (Capital Gains) Act 1986 (Act No. 52 of 1986)—

An Act to amend the law relating to income tax.

Income Tax Assessment Amendment (Research and Development) Act 1986 (Act No. 90 of 1986)—

An Act to provide income tax concessions for expenditure on research and development, and for related purposes.

Income Tax (Rates) Amendment (Capital Gains) Act 1986 (Act No. 53 of 1986)—

An Act to amend the Income Tax (Rates) Act 1982.

Income Tax (Securities and Agreements) (Withholding Tax Recoupment) Act 1986 (Act No. 50 of 1986)—

An Act to impose income tax in respect of avoided withholding tax amounts in relation to certain securities and agreements.

Industry Research and Development Act 1986 (Act No. 89 of 1986)—

An Act relating to financial assistance by the Commonwealth for certain research and development.

Judiciary Amendment Act 1986 (Act No. 1 of 1986)—

An Act to amend section 69 of the Judiciary Act 1903, and for related purposes.

Live-stock Export Charge Amendment Act 1986 (Act No. 12 of 1986)—

An Act to amend the Live-stock Export Charge Act 1977.

Live-stock Slaughter Levy Amendment Act 1986 (Act No. 23 of 1986)—

An Act to amend the Live-stock Slaughter Levy Act 1964.

Local Government (Financial Assistance) Act 1986 (Act No. 79 of 1986)—

An Act to provide financial assistance for local government by means of grants to the States and the Northern Territory.

Meat Chicken Levy Amendment Act 1986 (Act No. 24 of 1986)—

An Act to amend the Meat Chicken Levy Act 1969.

Migration Amendment Act 1986 (Act No. 71 of 1986)—

An Act to amend the Migration Act 1958.

Ministers of State Amendment Act 1986 (Act No. 26 of 1986)—

An Act to amend the Ministers of State Act 1952.

Oil Companies (Stock Loss Reimbursement) Act 1986 (Act No. 18 of 1986)—

An Act to reimburse oil companies for losses incurred as a result of those companies having purchased indigenous crude oil at import parity prices during February 1986.

Parliamentary Commission of Inquiry Act 1986 (Act No. 9 of 1986)—

An Act to provide for the establishment of a Parliamentary Commission of Inquiry.

Pig Slaughter Levy Amendment Act 1986 (Act No. 25 of 1986)—

An Act to amend the Pig Slaughter Levy Act 1971.

Protection of Movable Cultural Heritage Act 1986 (Act No. 11 of 1986)—

An Act to protect Australia's heritage of movable cultural objects, to support the protection by foreign countries of their heritage of movable cultural objects, and for related purposes.

Protection of the Sea (Prevention of Pollution from Ships) Amendment Act 1986 (Act No. 81 of 1986)—

An Act to amend the Protection of the Sea (Prevention of Pollution from Ships) Act 1983.

Social Security Legislation Amendment Act 1986 (Act No. 33 of 1986)—

An Act relating to welfare benefits and other matters.

Social Security (Proportional Portability of Pensions) Amendment Act 1986 (Act No. 5 of 1986)—

An Act relating to Social Security.

States Grants (Education Assistance—Participation and Equity) Amendment Act 1986 (Act No. 65 of 1986)—

An Act to amend the States Grants (Education Assistance—Participation and Equity) Act 1983, and for related purposes.

States Grants (Schools Assistance) Amendment Act 1986 (Act No. 66 of 1986)—

An Act to amend the States Grants (Schools Assistance) Act 1984, and for related purposes.

States Grants (Tertiary Education Assistance) Amendment Act 1986 (Act No. 67 of 1986)—

An Act to amend the States Grants (Tertiary Education Assistance) Act 1984, and for related purposes.

THE ACTS OF THE SESSION—*continued*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

An Act to amend the law relating to taxation.

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

An Act to amend the law relating to taxation.

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

An Act relating to foreign tax credits.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

An Act to amend the Wine Grapes Levy Act 1979.

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

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

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

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

BILLS OF THE SESSION

FIRST SESSION: THIRD PERIOD

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

THE BILLS OF THE SESSION—*continued*

- Intelligence and Security (Consequential Amendments) Bill 1986—
Initiated in the House of Representatives. Third Reading.
- National Capital Development Commission Amendment Bill 1985—
Initiated in the House of Representatives. Third Reading.
- Parliament (Powers, Privileges and Immunities) Bill 1985—
Initiated in the House of Representatives. Second Reading.
- Prompt Payment of Commonwealth Accounts Bill 1986—
Initiated in the House of Representatives. Second Reading.
- Sex Discrimination (Consequential Amendments) Bill 1986—
Initiated in the House of Representatives. Third Reading.
- South Pacific Nuclear Free Zone Treaty Bill 1986—
Initiated in the House of Representatives. Second Reading.
- Statutory Declarations Amendment Bill 1985—
Initiated in the House of Representatives. First Reading.
- Telecommunications (Interception) Amendment Bill 1986—
Initiated in the House of Representatives. Second Reading.
- Trade Practices Amendment Bill 1985—
Initiated in the House of Representatives. Discharged.
- Trade Union Training Authority Amendment Bill 1986—
Initiated in the House of Representatives. Third Reading.
- Wildlife Protection (Regulation of Exports and Imports) Amendment Bill 1986—
Initiated in the House of Representatives. Third Reading.

Monday, 5 May 1986

Madam SPEAKER (Hon. Joan Child) took the chair at 2 p.m., and read prayers.

MINISTERIAL ARRANGEMENTS

Mr HAWKE (Wills—Prime Minister)—I wish to advise the House of the following ministerial arrangements: The Minister for Defence, Mr Beazley, will be overseas on Government business and will not be returning to Australia until 19 May. In his absence his duties will be discharged very well by the Minister for Sport, Recreation and Tourism, Mr John Brown.

QUESTIONS WITHOUT NOTICE

MR JUSTICE MURPHY

Mr HOWARD—I refer the Prime Minister to the long-running controversy surrounding the position of Mr Justice Murphy on the High Court of Australia. I ask: Is it not a fact that the standing, integrity and reputation of the High Court of Australia would best be served in all of the circumstances if Mr Justice Murphy were to resign? Does the Prime Minister agree that at the very least it would be inappropriate for the judge to resume sitting on the High Court bench tomorrow, pending further investigation of outstanding matters, some of which have arisen since his acquittal? I further ask the Prime Minister: If Mr Justice Murphy does remain on the bench, will the Government immediately establish a judicial inquiry by a special Act of Parliament comprising eminent Australian judges to inquire into and report upon all matters including those in volume 2 of the report of the Stewart Royal Commission of Inquiry into Alleged Telephone Interceptions which might bear upon Mr Justice Murphy's eligibility to continue on the High Court in terms of Section 72 of the Constitution?

Mr HAWKE—I respond to the Leader of the Opposition in these terms: Of course the Government, properly, has a concern about the matters involved in the series of questions put to me by the honourable gentleman. The Cabinet commenced a consideration of these matters at its meeting this morning. It will be further considering them later today. In those circumstances, it is not appropriate to make any further comment.

CURRENT ACCOUNT DEFICIT

Mr BEDDALL—My question is addressed to the Treasurer. Did the former Government, in which the Leader of the Opposition was Treasurer, deliberately run an overvalued exchange rate to serve an anti-inflation purpose? Did that policy leave Australia with an excessive external imbalance and cause the destruction of our international competitiveness? What action has been taken by the Government to correct this position?

Mr KEATING—The answer is in the affirmative on the first two parts of the question. With respect to the third part of the question, the Government has undertaken fundamental policy changes to try to deal with the massive external imbalance bequeathed to us by the former Government through its failure to run a competitive economy for so long. The terms involved in that massive change in the policy settings were: Firstly, a floating of the exchange rate and its freefall to a level which has restored our competitiveness; secondly, a wages policy outcome the magnitude of which has made Australia comparable with the most flexible labour markets in the world; and, thirdly, a slowing of domestic demand in the economy in 1985 to try to make our domestic economy compatible with the deterioration of our external accounts. Last week the Leader of the Opposition said:

The Treasurer proffered the totally erroneous proposition that Australia's current account deficit problems were generated during the years that the Fraser Government was in office. That is wrong. It is one of the great pieces of mythology that this Government is trying to develop.

The fact is that it is right. For the benefit of honourable members I table the extract from the 1985-86 Budget Paper No. 1, page 46, which shows the current account deficit in 1981-82 at 6 per cent and declining to 3.9 per cent in 1982-83; the decline occurred under the weight of the recession, because imports fell off so dramatically as a result of the slack demand inside the economy. I also table a refutation of the claim by the former Treasurer that the Government of which he was a member did not use the exchange rate for anti-inflation purposes. I table an extract from the 1980-81 Budget Paper No. 1, which says, on page 52:

The expected larger surplus on private sector foreign exchange transactions will place upward pressure on money supply growth but will also provide a further opportunity for external policy to assist in containing inflationary pressures.

External policy can mean only one thing in the context of a managed exchange rate—that is,

management of the rate. The former Government managed the rate and kept it over-valued. This tore the guts out of our agricultural industry, tore the hell out of our manufacturing sector and rendered large slabs of our import competing industries an industrial cemetery. Because honourable members opposite had no wages policy, and they still have not, and because they had no decent incomes policy, and they still have not, the former Government over-valued the exchange rate as a crude anti-inflation weapon. The consequence is in the current account figure for 1981-82 which is at 6 per cent of gross domestic product and the obvious deterioration which was there until this Government placed some demand on the economy and imports started responding again. I refute, if you like, the two refutations—that is, that the former Government did not over-value the exchange rate for some anti-inflationary purpose, and that Australia's lack of competitiveness and its current account problems stem from the policies of the previous Government, as evidenced by a 6 per cent of GDP current account deficit in 1981-82.

MR JUSTICE MURPHY

Mr SINCLAIR—The Prime Minister will recall commenting, after the acquittal of Mr Justice Murphy early last week, that it was his expectation that Mr Justice Murphy would return to the High Court. That contrasts with the answer given by him a moment ago. In order to ensure maintenance of public confidence in the integrity of the High Court and an understanding of why that change in direction has been adopted by him, will the Prime Minister highlight to the House those matters which have intervened to lead to a change in his attitude?

Mr HAWKE—Of course I will not go into matters and I cannot imagine that even the Leader of the National Party would expect that I would, although his expectations in these matters are unique. I have nothing to add to the answer I gave to the Leader of the Opposition on this matter.

ABORIGINES: TRACHOMA ERADICATION

Mr BLANCHARD—My question is addressed to the Minister for Aboriginal Affairs. Has his attention been drawn to an article in today's *Sydney Morning Herald* in which the national co-ordinator of the National Aboriginal and Islander Health Organisation, Shane Houston, accuses him of putting at risk the health of Aboriginal people by failing to implement a na-

tional program to eradicate trachoma? If so, can the Minister advise the House on the accuracy of that article?

Mr HOLDING—Yes, I have seen the report in this morning's *Sydney Morning Herald*. Both allegations are false. The facts are as follows: I commissioned a report in April last year to examine the effectiveness of a program to eradicate trachoma and improve eye health among Aborigines. It was the first time that such a comprehensive statistical investigation had taken place since 1980. The trachoma report, responsibility for which was primarily in the hands of the National Aboriginal and Islander Health Organisation, was expected in July 1985. It was not in fact received until October of last year. On receiving the report I immediately circulated it to Aboriginal health organisations, community controlled organisations, State health authorities and services in which Aboriginal people were employed in trachoma programs outside the purview of NAIHO. We have been waiting upon the response of all of those authorities.

It has to be understood that the report that has come from NAIHO basically recommends that that organisation should be responsible for the entire control of the trachoma program, that it should receive full funding and that it should be administered from Sydney. Whatever the problems of trachoma are, there is not much evidence of it being a problem in Sydney or in New South Wales. Basically I think Mr Houston's motives in this matter were to pre-empt a decision which he knows will be made at a meeting timed for this week to which the relevant Aboriginal State trachoma committees and NAIHO are being invited to confer and to make recommendations as to the best way in which the report should be implemented. It has to be understood that in the meantime I have received representations from individual members of this House and from Aboriginal services saying that they are opposed to the total control of this program passing to NAIHO. Their view is that, where an effective service is being provided for the treatment of trachoma by a State authority or a health organisation outside the purview of NAIHO, that service ought to continue to be maintained and NAIHO ought to be concentrating on those areas where there is not an effective delivery of service. Basically it is not true to say that there has been any waste of funds. As I say, I regret that the statement has been made. It really is an attempt to pre-empt a decision which will be made by me this week in conjunction with the widest possible range of authorities

and Aboriginal people who have worked in the field of trachoma eradication.

MR JUSTICE MURPHY

Mr SPENDER—My question is directed to the Attorney-General. I ask the honourable gentleman as first law officer: Does the return tomorrow of Mr Justice Murphy to the High Court of Australia have his full confidence and support?

Mr LIONEL BOWEN—In view of the matters already raised in this House, and the question that has already been answered, I think we ought to wait for the next 48 hours.

PRICES AND INCOMES ACCORD

Mr GEAR—Has the Prime Minister seen reports that the Leader of the Opposition is calling for the end of the accord as a necessary condition for economic growth and improved living standards? Will the Prime Minister inform the House of the Government's position in relation to this claim?

Mr HAWKE—I thank the honourable member for his question without notice.

Mr N. A. Brown—Is it really without notice?

Mr HAWKE—Yes. It is a very important question. I have not been able to keep up with this latest observation of the Leader of the Opposition. One really needs a very sophisticated radar set to follow the Leader of the Opposition in this whole area of wages policy. Members of the Opposition have been labouring away for month after month on this question of industrial relations policy and wages policy. They have had one fight, one brawl, after another. It looked as though they had it altogether about two weeks ago and then, just a matter of a few days before its release, they had to make another fundamental change in it. As I understand it—and I say this, of course, subject to the greatest qualification—they have now reached a position whereby in the small firms category—they say arbitrarily that a firm is small if it has 50 or less employees but is not small if it has 50 or more—the employees and the boss can get together and have an arrangement that will not be subject to registration in the Australian Conciliation and Arbitration Commission. We are going to have a bifurcated industrial relations system in this country that pays no attention at all to the realities of the Australian economy and the Australian industrial relations system. It is a plan which, even with the highly controlled neutralisation policy which the Opposition has undertaken, will receive no support in important areas

of the Australian business community. Why? Because the Australian community is the beneficiary of the operation of the accord, which in the last three years in this country has brought unrivalled results. Never before in the history of this country, with the level of economic growth averaging 6 per cent per annum and a 600,000 increase in jobs, would we have had the restraint in wages which, in fact, has come about under the accord. This has seen a return of profitability to the levels at the end of the 1960s and the beginning of the 1970s. This has seen a return of Australian competitiveness to the best position for 15 years. That is what the accord has brought. It has brought unparalleled prosperity, record economic growth and record employment growth in this country. It is a measure of the perspicacity and the economic capacity of the mob opposite that they would throw that down the gurgler. There is only one thing that is going down the gurgler; and that is the Opposition's reputation for economic competence and responsibility.

RELATIONS WITH INDONESIA

Mr HOWARD—I refer the Prime Minister to his interview on the *Sunday* program yesterday when he claimed that the significance of Australian relations with Indonesia had been exaggerated. On what basis did the Prime Minister make that claim? Does the Prime Minister not agree that the quality and depth of our relations with our closest Asian neighbour, with a population of 160 million, enormous economic potential and influence in the Association of South East Asian Nations and the Islamic world, are anything other than of the highest priority for any Australian government of any political colour?

Mr HAWKE—Of course I stand absolutely by what I said on the program yesterday. I was trying to indicate that in some quarters in Australia an absolute pre-eminence had been given to the relationship but, more importantly, that there was a feeling that perhaps more could be obtained from the relationship than the realities of our differing cultures and differing experiences would intrinsically allow to be extracted. Let me make our position quite clear so that I can destroy at the outset the quite stupid position of the Leader of the Opposition that not enough work is being done on the relationship by establishing that from the very first day of office the Foreign Minister, Mr Hayden, and I addressed ourselves to this question and that within a matter of weeks of our coming to office the Foreign Minister went to Indonesia and began the establishment of what had been an im-

provement in the relationship. I followed that up within a matter of months with my visit there which, apart from a visit to Papua New Guinea, was the first visit by me as Prime Minister to any foreign country. That initial work by Bill Hayden and me has been consistently followed, particularly by the Foreign Minister, since.

There is no doubt that Mr Hayden has established a constructive relationship with his counterpart, Dr Mochtar. We will continue to do that. No objective analysis of the three years of this Government could come to any conclusion other than that this Government has consistently attempted responsibly to establish a constructive relationship. What I was saying then—it is the third time I have said this in the last week or so—is that I believe that the people of Australia would expect to get, and certainly they are going to get, from this Government a position in which we will continue to establish a constructive relationship with a country of 160 million people, which by any standard of assessment is an important relationship—no one is trying to deny that; we do not deny that—but in the attempt to establish that constructive relationship no government that I lead will accept a situation in which, given all the attempts that we make, if there is what we see as a capricious act by those in authority in Indonesia we will simply say: 'Oh, well, that is okay. We have no comment to make about'.

Particularly at the core of this issue is that there must be an acceptance by the authorities in Indonesia of the nature of the Australian society. This is a society which has its imperfections, but one distinguishing characteristic of it is the freedom of the Press. This is not just something which one verbalises by saying: 'There it is—the freedom of the Press'. It means something as far as we are concerned; and it is something that we must protect at all costs. We must say to our friends in Indonesia that they must understand this characteristic of the Australian society.

In the immediate aftermath of the reaction of the Indonesian authorities to the publication of the article in the *Sydney Morning Herald*, there were two reactions from the Opposition. The Leader of the National Party of Australia wanted to declare war tomorrow. The Leader of the Opposition said we had to be even more understanding. As far as this Government is concerned, we will not declare war tomorrow and we will not accept any capricious action and say: 'We will not put our position'. We will put the position of Australia and we will put it in

the context of going about the hard, undramatic, unremitting task of bilateral relationships, through the Minister for Foreign Affairs and other Ministers, in an attempt to get the relationship on a basis which will protect and advance the interests of the people of Australia.

FOOD IRRADIATION PROCESSING PLAN

Mr SCOTT—My question is addressed to the Minister for Health. I refer to an article in the Melbourne *Sun* of 30 April which quotes a Mr George West, a senior executive of the company Ansell International, as admitting that certain types of plastic become unstable when treated with irradiation. As Mr West also said, it is up to manufacturers to ensure that the products that Ansell irradiates are suitable for the process, I ask: Does this company deal in the processing of condoms and are these subjected to irradiation treatment? In light of the Government's nationwide assault on the drug crisis and the apparent lack of public information about the food irradiation processing plan, will the Minister advise the House of the steps he can or will take to stop these dangerous practices?

Dr BLEWETT—I am afraid that I am not briefed and able to comment on the question of the irradiation of condoms. But I will endeavour to address the other issues raised in the honourable member's question.

There is no doubt that certain plastics, when wrapped with foods which have been treated in different ways, may become unstable. It is not, of course, only a problem relating to irradiated food. There has always been a problem with different sorts of plastics and their use in the wrapping of food. We have heard about other instances of this previously. But I am informed that certain plastics do produce instabilities in relation to irradiated food.

It is important to take this opportunity to correct some of the misinformation that has been spread about the issue of the irradiation of food. Let me say that the Federal Government has no intention of introducing legislation on food irradiation. It is true that the Public Health Committee of the National Health and Medical Research Council has recently developed a model food standard for food irradiation. The National Health and Medical Research Council advises both the Federal Government and State governments. As I understand, this request came some years ago to the National Health and Medical Research Council both from some of the States and some industrialists interested in this process. For the last three or four years the Public Health

Committee has been working with international bodies to develop a standard, which is advice given to the Federal Government and also to the State governments. The model that has been developed is based on the international standard developed and endorsed by the Codex Alimentarius Commission of the World Health Organisation and the Food and Agriculture Organisation. It is also the intention of NHMRC to provide an information paper to the public to discuss the whole issue of food irradiation. That will enable a proper and informed debate to take place in this community before any State government makes any decision to proceed with decisions in relation to food irradiation. Because I regard the issue as one of considerable importance to the community, and at the request of some of my Caucus colleagues, I asked that the standard that has been prepared be referred to a full meeting of the National Health and Medical Research Council in view of some of the issues that have been raised in relation to it so that, at its next meeting, the National Health and Medical Research Council will be able to overview the whole matter.

FRINGE BENEFITS TAX

Mr CARLTON—My question is to the Treasurer. I refer the Treasurer to his estimates that the net revenue gains from the fringe benefits tax will be \$330m in 1986-87 and \$625m in a full year. Will the Treasurer advise how much of the projected gain comes from taxes levied on Commonwealth, State or local governments and authorities and thereby is met directly by increases in taxes and charges levied on the general public?

Mr KEATING—I am not a walking computer, carrying those sorts of numbers around in my head. This is easily procured information. I have told the honourable member that if he gives me notice of such questions I will provide the answers. My friend, I am not a reference service for you.

CRIME STATISTICS

Dr KLUGMAN—I direct my question to the Special Minister of State. Is he aware that police in nearly all democratic countries always want more powers and that they always claim that criminal behaviour is increasing and threatening the very fabric of society? Could he arrange, possibly with the co-operation of the Attorney-General, for the statisticians in the Institute of Criminology to brief the media and parliamentarians on the actual position and to explain any superficially significant changes?

Mr YOUNG—I am glad that the honourable member for Prospect said 'in democratic countries' because in undemocratic countries they have the ultimate powers and do not need recommendations. Of course it is true that there will be arguments between various bodies set up in democracies as to the extent to which these powers should be extended to the various law enforcement agencies. The most significant move in Australia, I suspect, was that made last year at the drug summit whereby the Government, through the Prime Minister and Attorney-General, extended to the States our co-operation in extending those powers in drug related crime, which is a matter still being discussed.

It is on the record now. Everybody in the Parliament can see the various reactions of the States to those powers to the extent that the debate has now been raised to other matters of criminal activity that may be covered by this question. Of course, it is subject to review by Cabinet, as has been pointed out by the Prime Minister in relation to the Stewart report. However, to the extent that I can facilitate any briefings by any of the groups, whether it be the Institute of Criminology, the civil liberties groups or anybody taking part in this debate, I give the honourable member for Prospect the undertaking that I will do so.

MINISTERIAL CONSULTANT

Mr TUCKEY—Madam Speaker, are you aware that that great character in *Oliver Twist*, the Artful Dodger, was called John Dawkins?

Madam SPEAKER—Order! The honourable member is not addressing his question to me.

Mr TUCKEY—Thank you, Madam Speaker. I address my question to the Minister for Sport, Recreation and Tourism and refer the Minister to his statement in the Parliament last Thursday in regard to his consultant, Mr Groux, when he stated:

I happen to have sought advice as to how he could be removed It was very difficult to sack the man He disappeared for a month and nobody could find him I achieved a resignation from Mr Groux which saved the Commonwealth paying out his contract—many tens of thousands of dollars—by this stage he had been revealed as a fraud and quite different from the person whom I had employed.

In the light of schedule 2, clauses 3 and 3 (a) of the agreements signed between Mr Groux and the Minister dated 6 and 29 May 1985 permitting early termination of the contract why was not Mr Groux's employment terminated because of unsatisfactory service either in July when the Minister first became dissatisfied with Mr Groux's

services or after discussions with the Prime Minister on or about 26 August 1985?

Mr JOHN BROWN—I think I pointed out last week the difficulties that are involved in dismissing a person on a contract. I do not propose to canvass that matter any more. This matter has had a deal of ventilation over the last week. It is all very well for the people in this gladiatorial contest here to be assassinating one another day by day; that is our job. I think that most people in this House, including me, are fairly sick and tired of some poor unfortunate person who may or may not have been on my staff and who may or may not have been entitled to be sacked being persecuted any more, and I do not intend to be any more of the crucifixion.

Mr Tuckey—Madam Speaker, I raise a point of order. I seek leave to table schedule 2 of the agreement between Mr Groux and Mr John Brown.

Madam SPEAKER—Leave is granted.

INDUSTRIAL DEMOCRACY

Ms JAKOBSEN—My question is addressed to the Minister for Employment and Industrial Relations. Will the Minister inform the House of the actions taken by the Government in relation to the important question of industrial democracy in this country? Further, can the Minister advise when he anticipates that the Green Paper on this subject will be released?

Mr WILLIS—The development of industrial democracy is an important plank in this Government's industrial relations platform. It is a matter which some people on the other side gave some credence to at some time during the period of the previous Government, but never delivered very much. It is something which this Government intends to deliver. Industrial democracy basically means that there is greater capacity for people in work places to have greater say in the factors which affect their working life. We believe that a fully-fledged democracy ought to extend to the work place and provide a capacity for working people to have a greater say than in many cases occurs at present. The way in which industrial democracy can be introduced is multifarious. We are in the process of developing a Green Paper, which will shortly be available, which will spell out various ways in which such a policy could be implemented in this country. When that is produced I hope that it will receive a thorough analysis from the other side on the basis of looking to develop industrial democracy in this country and not the normal knocking exercise that one gets. This is a policy I believe

which is very much in the interests of better industrial relations in this country. I hope that certain people on the other side who have given some support to this in the past will be able to persuade their colleagues to support it in the future.

MINISTERIAL CONSULTANT

Madam SPEAKER—Order! The honourable member for O'Connor sought leave to table a paper. That is not the Chair's prerogative; the House gives leave. Is leave granted?

Mr Young—No.

Leave not granted.

DISTINGUISHED VISITOR

Madam SPEAKER—Order! I have to inform the House that we have present in the gallery today Mr Fred Osborne, a former Minister in this House and the honourable member for Evans. On behalf of the members of the House, I bid him welcome.

QUESTIONS WITHOUT NOTICE

COMMERCIAL TELEVISION SERVICES

Mr MACPHEE—Will the Minister for Communications inform the House when the people of regional Australia can expect additional commercial television services, as was promised by the Government over two years ago?

Mr DUFFY—I thank the honourable member for Goldstein for his question. I think it is interesting because there is an implication of some delay. I think it is worth reflecting where we were in this area when the Hawke Labor Government was swept to power in March 1983. At that stage the then Government was really like a rabbit in a spotlight—it was totally spellbound, blind and did not know where it was going. At that stage it had not even faced the issue of the remote area commercial television services. There had been an implication of a Homestead and Community Broadcasting Satellite Service II which the honourable member for Murray spoke about from time to time in Opposition. The former Government really had no idea where it was going. In relation to the remote commercial television services this government adopted the proposal which was the preferred option of the Australian Broadcasting Tribunal. That solution was known as the regional solution which involved a consortia of regional stations providing that remote commercial television service.

We are well aware of the fact that the regional areas of Australia, as opposed to the remote areas, have not received the same televi-

sion services as the capital cities of this country which, of course, with the exception of Perth, have three commercial television services, the Australian Broadcasting Corporation and the Special Broadcasting Service. The difficulty is, of course, to bring about equalisation of those services whilst at the same time protecting the interests of the viewers and the industry. The announcement that the honourable member for Goldstein refers to has been delayed because of the fact that balancing factors have to be weighed up, and I would be hopeful that there would be an announcement on that matter certainly within the next month.

AUSTRALIA POST

Mr MAHER—My question is also directed to the Minister for Communications. Is it a fact that, since I last directed a question to the Minister about the excellent overnight letter delivery service in Sydney, the delivery rate has actually improved even further? Can the Minister inform the House about this outstanding performance by Australia Post?

Mr DUFFY—I thank the honourable member for Lowe for his question. I think that when the honourable member for Lowe last asked a question regarding the performance of Australia Post I was able to advise him that there had been a considerable improvement. Specifically, in 1984-85 the mail delivered to meet standard service requirements Australia-wide was 88 per cent, but unfortunately in New South Wales it reached only 76 per cent. Since the honourable member for Lowe last asked this question, I am delighted to be able to advise him that for the March quarter 1986 the standard of delivery Australia-wide is 94 per cent and in New South Wales the performance has improved from 76 per cent to 91 per cent.

NEW SOUTH WALES INTRASTATE AIR SERVICES: SYDNEY AIRPORT

Mr LLOYD—My question is to the Minister for Aviation. Has the Minister's attention been drawn to the report of the Riley Committee into Intrastate Air Services in New South Wales, which recommends a significant increase in the number of air services between 12 major regional centres and Sydney (Kingsford-Smith) Airport? Has the Minister noted the warning in that report that increasing congestion will be inevitable at Sydney Airport unless its runway and terminal capacities are urgently upgraded? Will the Minister now agree to the construction of a parallel runway and the earlier than planned installation of new radar so that Sydney can

retain its status as the premier international airport of Australia and to allow the Riley recommendations to be implemented and permit better air services for people in regional New South Wales?

Mr PETER MORRIS—My attention has been drawn to those Press reports. We have not received a copy of the report. I understand the report was delivered to the New South Wales Minister for Transport—

Mr Lloyd—I believe it was released in the New South Wales Parliament last week.

Mr PETER MORRIS—I understand that it was received by the New South Wales Minister towards the end of last week and it is not proposed to table the report before the State House resumes in September.

Mr Lloyd—Whatever it is, it is out in the public.

Mr PETER MORRIS—When the honourable member gets a copy I would like one, thank you very much. This Government has not yet received a copy, and I do not know under what timetable I will receive a copy.

Mr N. A. Brown—It was probably lost in the post.

Mr PETER MORRIS—I do not believe that. It is just the honourable member's rotten suspicious mind again. One set of recommendations in the report apparently goes to intrastate licensing in New South Wales. I suppose that is in accord with the very progressive policy followed by this Government in the upgrading of country airports to jet standard. The suggestion in the report is that, since there has been an increase in the availability of jet airports, we ought to be seeing in New South Wales a movement towards hub and spoking, a concentration on the lesser services feeding into those jet airports that have been upgraded by this Government—airports such as those at Albury, Wagga Wagga, Tamworth, Casino and, in a few months, Coffs Harbour, and even Bundaberg in Queensland. That is a policy followed by this Government to give better air service to country Australia. That recommendation, obviously, is one simply for the New South Wales Government. In respect of Sydney, I can understand what the Committee is trying to achieve there. If there were more aircraft and air services operating on a hubbing and spoking system into the jet airports in New South Wales it would mean that country people could have a faster service into Sydney by jet aircraft from those hubbed airports. That would

reduce the number of aircraft operating into Sydney.

The other matters raised by the honourable member go to the improved utilisation of Sydney Airport, which is a policy of this Government. As I have said so many times in respect of transport and aviation, the days of throwing money at problems are over. The Opposition cannot have it both ways. It cannot in the morning be screaming for this Government to reduce expenditure, to reduce the deficit by \$2 billion a year, and in the afternoon be calling for more expenditure. Those days are gone. The exercise is to improve the efficiency and utilisation of the existing investment. In Sydney we will be doing that in a number of ways. There is a program under way to improve taxiways whereby we can marginally increase the utilisation of the runways. There is a program under way to update radar installations, which will also make a contribution. We will see also with the introduction of the new system of landing movement charges from 1 July a consequential action, I believe, by those lesser airlines to better utilise their aircraft. They will be paying on a user pays basis each time they use Mascot; they will be paying a charge for each movement.

Going on to the next matter, the point that the honourable member overlooked in his question is that the Committee also made a recommendation that intra-state airlines should use a wider range of more modern aircraft with 30 to 36 seats and aircraft with fewer than 18 seats should be discouraged. That is fundamental to the utilisation of Mascot airport. The problem at Mascot airport is not a problem of utilisation by the airlines. In fact, if one compares the figures for 1985 with those for 1975, one finds that the international airlines, the major domestic trunk airlines and the regional airlines with the larger aircraft were using Mascot about as often, and in some cases even less often, in 1985 than they were using it in 1975. The problem at Mascot is one of small aircraft, commuter aircraft, aircraft of a lesser size, to which Mr Riley and his team have referred and which ought to be discouraged from using the Sydney Airport. It is very interesting that Mr Riley, the former Managing Director of East-West Airlines Ltd, has seen it pertinent to make that recommendation. He knows very well the problem of small aircraft utilising Mascot. That problem will not be solved in the short term by just throwing more money at Mascot.

Overall, the policy that this Government is following to reduce congestion and to make bet-

ter usage of the strip will, I believe, produce value for money for the Australian taxpayer. If the recommendations in respect of hubbing and spoking, as suggested in Press reports, are followed in New South Wales, that will reduce the number of aircraft movements and provide better services for people in country New South Wales. Certainly, it shows that throwing money at airports, building monuments for politicians, does not produce the result that taxpayers want to see; nor does it produce the kinds of results that aircraft operators themselves want to see, because of the added costs which are entailed but which cannot be justly serviced by the amount of utilisation.

WAGE LEVELS

Mr CUNNINGHAM—I address my question to the Treasurer. In doing so, I wish to quote a couple of paragraphs from the monthly summary of the National Australia Bank Limited:

It concedes that the Prices and Incomes Accord has achieved some success in reducing the growth of nominal labour costs . . .

That summary goes on to say:

The main risk is that exchange rate fluctuations will be reflected in wage levels, producing little if any economic benefit from the depreciation of the \$A. A reduction in real wages is needed if the economy is to respond appropriately to the deterioration in Australia's terms of trade.

Will the Treasurer comment on these claims by the National Australia Bank in its summary?

Mr KEATING—I have not seen the report, but it would be consistent with some views being put by commentators. Let me just make the point, as I have in the House on a number of occasions in the last week, that the comparative wage outcomes in this country are now exceedingly good compared with our history through the 1970s. When one looks at the table showing the latest annual comparative wage changes in countries such as the United States of America with 2.7, Japan with 4, Canada with 4.4, Australia with 6, France with 6, the United Kingdom with 7.5, Italy with 9.5 and New Zealand with 12, one sees that we are in the bottom end of that league table. I think that is the new element in Australia's competitiveness, other than, of course, the change in the exchange rate.

I mention also that the Government has instituted the discounting arrangements with the Australian Council of Trade Unions, which will now be part and parcel of the Commonwealth's case before the Australian Conciliation and Arbitration Commission in line with the renegotiation of the prices and incomes accord. The effect

of that will be, of course, to discount the current wage case to give due and appropriate account of the inflationary influences released by the sudden and substantial depreciation which we have currently enhanced. From the Government's point of view, it thinks that any policy corrections which needed to be undertaken were substantially undertaken by slowing domestic demand in the economy in the latter part of 1985, by the use of monetary policy. Of course, that monetary policy is still having an influence on demand on activity and, therefore, the current account. In the meantime, as endogenous imports continue to fall, I think we are seeing the effect of the depreciation upon the whole question of net exports in this country. Hence, in my view, any prescriptions of the kinds which are offered in the journal referred to are not necessary. However, I do welcome a reference in that journal to Australia's wage outcomes which are, as I say, amongst the most competitive in the world.

MR JUSTICE MURPHY

Mr HOWARD (Bennelong—Leader of the Opposition)—Madam Speaker, I seek leave of the House to make a statement on the attitude of the Opposition to Mr Justice Murphy's position on the High Court of Australia.

Madam SPEAKER—Is leave granted?

Mr HOWARD—Will the Government grant me leave or not?

Mr Young—No.

Mr HOWARD—Leave has been refused on the most important issue of the day. Madam Speaker, in the event of my furnishing the Prime Minister (Mr Hawke) with a copy of the statement I propose to make, may I inquire of the Chair whether the Leader of the House (Mr Young) could indicate whether leave will be granted later today in accordance with the normal arrangements.

Mr YOUNG (Port Adelaide—Leader of the House)—The Leader of the Opposition (Mr Howard) referred to normal circumstances. There is nothing normal in asking, straight after Question Time, to be allowed to make a statement. Three questions on this matter were asked. The Prime Minister (Mr Hawke) has made it clear that the matter is before the Cabinet. We will not grant leave for a statement of that nature to be made because that would be quite an unusual circumstance.

Mr HOWARD (Bennelong—Leader of the Opposition)—Madam Speaker, I seek leave of

the House to table a statement on the attitude of the Opposition to the Murphy affair.

Mr YOUNG (Port Adelaide—Leader of the House)—The answer is no. Let me make it quite clear. The Leader of the Opposition (Mr Howard) knows only too well with regard to material that he seeks to table or to have incorporated in *Hansard* the convention is that he shows such material to the opposing party. In this case, the Leader of the Opposition is just grandstanding.

Madam SPEAKER—Order! I am following previous Speakers' rulings here and I point out to honourable members that incorporations in *Hansard* should be those things which cannot properly be read into the record.

Mr HOWARD—I asked leave to table a document; it is no mere grandstanding to have a full page statement.

Madam SPEAKER—I understand that leave has been refused.

PERSONAL EXPLANATIONS

Mr HOWARD (Bennelong—Leader of the Opposition)—I seek leave to make a personal explanation.

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

Mr HOWARD—I do. During Question Time, the Treasurer (Mr Keating) referred to one of the hoary myths of the Australian Labor Party—that is, that in some way the former Government was responsible for the current crisis in Australia's balance of payments and the enormous current account deficit which this man, supposedly the world's greatest Treasurer, has given to this country. In the course of making that quite erroneous and dishonest claim about the policies of the former Government, the Treasurer, as is his wont, selectively quoted from the current account deficit figures of the years of the Fraser Government. He chose to refer to the current account deficit in 1981-82 as being 6 per cent—

Madam SPEAKER—Would the Leader of the Opposition please show the House where he has been personally misrepresented.

Mr HOWARD—With respect, Madam Speaker, the Treasurer made the mistake on this occasion of making a sweeping criticism of one aspect of my administration instead of confining himself to a tiny little fragment. I maintain that this sweeping claim that the policies I pursued as Treasurer contributed to the current imbalance in our external account is absolutely and completely wrong. The Treasurer is nodding to

indicate that this was the claim that he was making against me, so therefore the House must hear me out on my refutation of that claim. The Treasurer selectively referred to the 1981-82 figure of 6 per cent but he dishonestly omitted the 1982-83 figure of 4 per cent—

Madam SPEAKER—Order! I discussed this matter with the Leader of the Opposition on Friday. He must show where he personally has been misrepresented, not where the previous Government has been misrepresented.

Mr HOWARD—I am sorry, but the Treasurer specifically referred to my position as Treasurer in the former Government, and he personally identified me.

Madam SPEAKER—Previous Speakers in this House—I have looked at their decisions on these matters—have laid down a pattern to be followed in the matter of personal explanations. I will not allow the House to get into a debate in which honourable members are rebutting claims that others have made. The Deputy Leader of the Opposition (Mr N. A. Brown) recognised this on Friday and I was pleased to have his support. On that occasion he pointed out that such matters constituted a debate, not a personal explanation. If honourable members will cast their minds back to last year they will remember that this situation often occurred. I shall read to the House exactly what the Deputy Leader of the Opposition said about this last Friday. This is the extract from *Hansard*:

Mr N. A. Brown—On a point of order, Madam Speaker: This is all very interesting and very enlightening but it is not a matter for the exchange of comment; it is a matter for personal explanation, and this is not one.

He was referring to the Treasurer when he answered the Leader of the Opposition on that occasion. I will not allow personal explanation time to be used to make debating points for the Opposition and then the Government and so on. If the Leader of the Opposition can convince the House that he has been personally misrepresented, he may go ahead; but he may not start arguing about who said who was right and who was wrong.

Mr HOWARD—I am indebted to you, Madam Speaker, for an exposition of the situation—

Mr Griffiths—Groveling will not get you anywhere.

Mr HOWARD—The honourable member is wasting the time that could be devoted to the matter of public importance put forward by the honourable member for Melbourne (Mr Hand).

I am indebted to you, Madam Speaker, for what you have said about the guidelines for personal explanations and I totally support them. I say with all due respect that the reason this circumstance is a little different from other circumstances is that in his answer to a question, the Treasurer specifically referred to me as distinct from the general policies of the Fraser Government.

Madam SPEAKER—In that case the honourable member may proceed. Please be succinct.

Mr HOWARD—Having established that, I claim to have been personally misrepresented in that the figure used by the Treasurer as allegedly indicting the former Government for responsibility for our current account deficit was a dishonestly selective figure. He did not mention the fact that the average current account deficit under the—

Madam SPEAKER—Order! The Leader of the Opposition may not introduce argument or debatable matter. He will state where he has been misrepresented.

Mr HOWARD—Which word do I have to withdraw?

Madam SPEAKER—I am not asking for a withdrawal; I am just giving some advice.

Mr HOWARD—I point out that to rely, as he did, on a figure of 6 per cent was quite dishonest.

Mr Cunningham—Madam Speaker, on a point of order—

Mr HOWARD—The average of the Fraser years was 3.7 per cent and the average of the—

Madam SPEAKER—Order! A point of order is before the Chair. I call the honourable member for McMillan on a point of order.

Mr Cunningham—I rise on a point of order. A personal explanation should relate to a personal explanation. The former Treasurer cannot take the position in a personal explanation that he was not responsible for the actions of his Government.

Madam SPEAKER—I have told the Leader of the Opposition that I will hear his personal explanation as he claims that he has been personally misrepresented as Treasurer. However, I hope the House takes note of the fact that we are not going to have a personal explanation turned into a debating point. I ask the Leader of the Opposition please to continue succinctly.

Mr HOWARD—I would, if I were free of the frivolous interruptions of the Deputy Government Whip. The average of the current ac-

count deficit of the Fraser years was 3.7 per cent of gross domestic product and during the Hawke Government 5 per cent. The dishonest and erroneous representation of the Treasurer is absolute nonsense.

Mr KEATING (Blaxland—Treasurer)—Madam Speaker, I wish to make a personal explanation.

Madam SPEAKER—Does the Treasurer claim to have been misrepresented?

Mr KEATING—Of course I claim to have been misrepresented. I proposed no fact dishonestly. The Leader of the Opposition (Mr Howard) is welcome to check the *Hansard* record. I said that the deterioration in external conditions brought about by the former Government's absence of a wage policy and the general cast of policy produced a current account deficit of 6 per cent of gross domestic product in 1981-82, which is the record. I referred to the figure for the following year of 3.9 per cent. I said that, in the context of negative growth, the only reason that it was down from 6 per cent was the recession. I mentioned the two instances and our current account has remained debilitated ever since. The point stands.

Mr SINCLAIR (New England—Leader of the National Party of Australia)—Madam Speaker, I wish to make a personal explanation.

Madam SPEAKER—Does the right honourable gentleman claim to have been misrepresented?

Mr SINCLAIR—Yes.

Madam SPEAKER—Please proceed.

Mr SINCLAIR—Madam Speaker, both last week and again today the Prime Minister (Mr Hawke) has insisted that I sought to declare war on Indonesia. Because that happens to be a matter on which I feel particularly strongly, I take the statement by the Prime Minister as needing refutation. Not only is it totally false but also it is a total misrepresentation of anything that I have said. On 23 April I issued a Press release in which I commented that I believed that the Foreign Minister (Mr Hayden) should seek an urgent meeting with his Indonesian counterpart to bring an early end to increasing tension between Indonesia and Australia. I continued to stress the importance of Indonesian and Australian relationships. I said:

It is far too important for either country to allow it to be damaged by this dispute . . .

That was the dispute over the snap Indonesian decision on visas. On the following day I issued another Press release in which I commented:

The central element of the Government's defence strategy had been 'shot to pieces' by a freeze in relations . . .

'The Government continues to plan the defence of the nation on the basis that no major threat can arise in less than 10 years,' . . .

I continued:

Our relations with Indonesia went from warm to frozen in a matter of days.

'Fortunately, there is no suggestion that Indonesia poses or wishes to pose a military threat to Australia.

At no time have I suggested that Indonesia is a threat to Australia, nor have I gone so far as to do other than endorse the concern that capricious actions by the Indonesian Government could well lead Australia into a position which would not be in the long term interests of continuing friendship between our two countries. Indeed, I would refer the Prime Minister (Mr Hawke)—

Madam SPEAKER—Order! The right honourable member has—

Mr SINCLAIR—There is one further point, Madam Speaker. *Inside Canberra* of 24 April 1986 contains the following comment by its managing editor, Mr R. D. Chalmers, in respect of what I said:

National Party Leader, Ian Sinclair, has on the other hand taken a far more bipartisan approach, has not attempted cheap political points and has reminded Indonesians that there is a free press in Australia.

Madam SPEAKER—Order! The honourable member is now debating the matter. He is not showing how he has been misrepresented.

Mr GRIFFITHS (Maribyrnong)—Madam Speaker, I wish to make a personal explanation.

Madam SPEAKER—I trust the honourable member is not seeking to debate an issue.

Mr GRIFFITHS—Most certainly not, Madam Speaker.

Madam SPEAKER—Please proceed.

Mr GRIFFITHS—In the Melbourne *Sun* of Saturday, 3 May and, I understand, the Adelaide *Advertiser* of the same date there was an article by Mr Gervase Greene touching on the relationship between the Joint Parliamentary Committee on the National Crime Authority and the National Crime Authority. There has been a degree of ambiguity brought about by the article. I make no criticism of the journalist in question but a number of my colleagues—

Mr McGauran—You shouldn't, seeing you talked to him.

Mr GRIFFITHS—I resent that. I hope that in due course the honourable member will be prepared to withdraw it. The article adverts in a rather colourful and, I might say, inaccurate way to a meeting which the Committee had with the Special Minister of State (Mr Young) and the National Crime Authority last week. It has been brought to my attention by a number of my colleagues that they thought I might have spoken to the journalist in question. I wish to dissociate myself from the substance of the report, which is somewhat exaggerated, and to indicate to this House that I most assuredly did not speak to the journalist in question. We are to meet with the National Crime Authority in the next month or so and I hope that our relationships continue as they currently are, and that is in a constructive way.

Mr McGauran—In that case—I withdraw my remarks.

PETITIONS

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

National Flag

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

1. They are completely satisfied with the design of the existing Australian National flag.
2. They are aware it properly reflects the immutable characteristics of Australia, namely:
 - (a) The Union Jack, itself the creation of three Christian Crosses, represents the Nation's historical origin and the source of its language and law;
 - (b) The Southern Cross on an azure blue background signifying its geographical location on this planet Earth;
 - (c) The large star depicting the advent of Federation in 1901.
3. They know the Flag has been a source of inspiration to generations of Australians in peace and war.
4. They recall that millions of native-born Australians and newcomers to these shores from other parts of the world have become united under its proud symbolism.
5. They are certain that any change to the Flag will produce division in the Australian community.

Your petitioners therefore pray that your honourable House will: Propose and pass a motion that 'the existing Australian National Flag be changed only with the approval of the Nation as expressed in a Referendum'.

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

by **Mr Beale, Mr Ewen Cameron, Dr Harry Edwards, Mr Griffiths and Mr McArthur.**

Petitions received.

National Flag

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

That the Australian flag symbolises the continuity between Australia's past, its present and the future;

That the presence of the Union Jack on the flag represents not a subservience to Britain, but a reminder of our inheritance of the fruits of hundreds of years of struggle for individual liberty against the forces of tyranny and oppression;

Nonetheless recognises the rights of Australians should they wish as a people to change the design of their flag.

Your petitioners humbly pray that no change be made to the Australian flag except with the consent of the people in a referendum.

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

by **Mr Ruddock.**

Petition received.

Fuel Prices

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

The petition of the undersigned shows that the Hawke Government should:

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

not increase or extend fuel taxes; and

maintain its tax cut commitments.

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

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

by **Mr Braithwaite, Mr Cadman, Mr Hodges, and Mr Tuckey.**

Petitions received.

Pensions

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

The humble petition of the undersigned citizens respectfully sheweth that your petitioners are gravely concerned at the failure of the Government to honour its election promises to pensioners.

In particular those promises relate to the following commitments:

1. That within three years of its election to office, a Hawke Labor Government would raise the level of the standard pension to 25 per cent of Average Weekly Earnings;

2. That the lag time between the announcement of the Consumer Price Index figures and the subsequent adjustment of pensions would be reduced to one month, and
3. That the disproportionate tax burden borne by low income earners would be lifted.

None of these promises has been honoured to date.

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

by **Mr Beale, Mr Lee and Mr McGauran.**

Petitions received.

Changes to Veterans' Entitlements

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

The petition of the undersigned citizens of Australia respectfully sheweth that persistent rumour suggest that the Hawke Government intends to reduce Government expenditure by contracting or eliminating programs for war veterans and war widows.

Your petitioners humbly pray that the Hawke Government honour its commitment and that of previous Governments to ex-servicemen and women by:

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

Review the previous cut-backs in such areas as the travel allowances, dental scheme and repatriation pharmaceuticals benefit scheme.

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

by **Mr Blunt and Mr Ruddock.**

Petitions received.

Changes to Veterans' Entitlements

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

Persistent rumour suggests that the Hawke Government intends to reduce Government expenditure by contracting or eliminating programs for war veterans and war widows.

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

Honour its commitment and that of previous Governments to ex-servicemen and women by:

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

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

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

And your petitioners as in duty bound will ever pray.

by **Mr Blunt.**

Petition received.

Tamils in Sri Lanka

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

We the undersigned are deeply concerned that under the guise of ceasefire the Government of Sri Lanka has largely militarised Tamil regions and has now resorted to airship attacks in highly populated areas and indiscriminate killings of civilians which is seen even by the Indian Foreign Minister as having genocidal tendencies.

Your petitioners humbly pray that the House of Representatives in Parliament assembled will call upon the Government to:

1. Intercede with the Government of Sri Lanka to desist from airship attacks and seeking a military solution;
2. To offer refuge under humanitarian and compassionate programmes, to Tamils who are fleeing from the violence;
3. Abandon all direct and indirect forms of repatriation of any Tamil who has sought refuge in Australia and grant them meaningful assistance to resettle;
4. As a member of the Commonwealth, persuade the Government of Sri Lanka to pursue a political solution which will allow the Tamils to live in peace and dignity.

Your petitioners, as in duty bound, will ever pray.

by **Mr Hollis and Mr Ruddock.**

Petitions received.

Nuclear Free Zones

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

The humble petition of citizens of Australia shows—

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

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

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

by **Mr Kent and Mr Milton.**

Petitions received.

Rushcutters Bay Mail Centre: Mr Joe Lake

To the Speaker and Honourable Members of the House of Representatives of the Australian Parliament Assembled. The petition of the undersigned residents of Australia respectfully sheweth:

That we are dissatisfied with the actions of the administration of Australia Post:

1. with regard to protecting its staff in the Rushcutters Bay Mail Centre from the physical and verbal violence of Acting Senior Postal Officer Mr Joe Lake
2. in dealing with the duly reported verbal abuse of Mail Officers by A/SPO Mr Joe Lake

in regard to the following incidents:

- (a) Racial abuse of staff by A/SPO Mr Joe Lake on 27 Sept. 1985 (please see attachment one).
- (b) Continuing physical violence of A/SPO Mr Joe Lake against Mail Officers, one case having been the subject of court proceedings with the offence having been found proven.

We urgently request the relevant Minister to take steps to protect us from the continuing intimidations by A/SPO Mr Joe Lake.

And your petitioners as in duty bound will ever pray.

by **Mr Baldwin.**

Petition received.

Prescription Drugs for Pensioners

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

- (1) That we the undersigned are totally opposed to the introduction of a \$2.00 fee on prescription drugs for pensioners;
- (2) That the impact of such a fee will be particularly felt by the chronically ill elderly who will be faced with a \$2.00 burden with the purchase of each Pharmaceutical Benefit Scheme drug;

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

And your petitioners as in duty bound will ever pray.

by **Mr Beale.**

Petition received.

National Flag

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

1. We are completely satisfied with the design of the existing Australian national flag.
2. We are aware it properly reflects the immutable characteristics of Australia, namely:

The Union Jack—itself the creation of 3 Christian crosses—represents the nation's historical origin, and the source of its language and law.

The Southern Cross on an azure blue background signifying its place in space.

The large star depicting the advent of Federation in 1901.

3. We know the flag has been a source of inspiration to generations of Australians in peace and war.
4. We recall that millions of native-born Australians and newcomers to these shores from other parts of the world have become united under its proud symbolism.
5. We are certain that any change to the flag will produce division in the Australian community.

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

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

Petition received.

Australian Bill of Rights Bill

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

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

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

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

by **Mr Cadman.**

Petition received.

Australian Bill of Rights and Human Rights and Equal Opportunities Commission Bills

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

The Petition of the undersigned sheweth that there is widespread public concern about the provisions of the Bill of Rights, and especially the dangerous powers to be vested in the Human Rights and Equal Opportunities Commission, and the failure to protect vital rights such as the right to own private property.

Your petitioners therefore humbly pray:

- (i) that the Hawke Labor Government not proceed with the Bills enacting the Bill of Rights and the Human Rights and Equal Opportunities Commission; and
- (ii) that we the people be given the opportunity to express our opinion on the Bill of Rights in a referendum.

And your petitioners as in duty bound will ever pray.

by **Mr Donald Cameron.**

Petition received.

Interest Rates

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

The humble petition of the undersigned citizens of Australia, respectfully sheweth:

- (a) that Australia's record high interest rates, currently at levels up to four times higher than competitor O.E.C.D. member countries, are causing severe hardship and damage to this nation's small business and farm sectors.
- (b) unless immediately reduced these artificially boosted interest levels will inflict irreparable harm to the national economy.
- (c) the individual initiative and job creation potential of the small business sector is in danger of being permanently crippled.

Your petitioners therefore humbly pray that:

- (1) The Government will immediately reverse its interventionist policy which is artificially boosting interest rates in Australia to their highest level in 50 years.
- (2) The Prime Minister, Mr Hawke, and the Treasurer, Mr Keating, will honour their 1983 election pledge to bring interest rates down from their then level of 12.5%.
- (3) The Australian dollar will be allowed to float to find its own level in accordance with the Government's stated de-regulation objectives.

And your petitioners as in duty bound will ever pray.

by **Mr Fife.**

Petition received.

Proposed Medicare Office, Wyong, New South Wales

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

The petition of certain citizens of Australia draws the attention of the House to the fact that the lack of a Medicare Office in Wyong is seriously inconveniencing the residents of Wyong Shire.

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

And your petitioners as in duty bound will ever pray.

by **Mr Lee.**

Petition received.

Australian Bill of Rights Bill

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

The humble petition of certain electors of Australia respectfully sheweth:

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

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

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

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

by **Mr Nehl.**

Petition received.

Australian Bill of Rights Bill

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

The humble Petition of certain electors of the Division of Cowper respectively sheweth:

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

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

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

by **Mr Nehl.**

Petition received.

Proposed Western Sydney State University

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

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

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

by **Mr Free, Mr Grace, Mr Gorman and Mr Price.**

Petitions received.

Australian Bill of Rights Bill

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

The humble Petition of the undersigned citizens of Richmond electorate respectfully sheweth that:

The Hawke Labor Government's Bill of Rights seeks to make changes in the constitutional balance

in Australia by intruding into the affairs of individuals and of State and Local Governments.

Your petitioners humbly pray that the House of Representatives, in Parliament assembled, urges the Government to: Repeal the Bill of Rights legislation and not restrict the individual freedoms of Australians and its present justice system, nor in any underhand way centralise power in our three tier system of Government.

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

by **Mr Blunt.**

Petition received.

Australian Bill of Rights Bill

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

The Hawke Labor Government's Bill of Rights seeks to make changes in the constitutional balance in Australia by intruding into the affairs of individuals and of State and Local Governments.

Your petitioners humbly pray that the House of Representatives, in Parliament assembled, urge the Government to: Repeal the Bill of Rights, legislation and not restrict the individual freedoms of Australians and its present justice system, nor in any underhand way centralise power in our three tier system of Government.

And your petitioners as in duty bound will ever pray.

by **Mr Ian Robinson.**

Petition received.

Nuclear Disarmament

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

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

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

And your petitioners as in duty bound will ever pray.

by **Mr Blunt.**

Petition received.

Television Services: Northern Territory

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

The humble petition of the undersigned citizens of the Northern Territory respectfully sheweth their concern that the introduction of a third television channel namely the special broadcasting service or 0/28 network will not be introduced to the Northern Territory in March 1986 as previously planned.

Your petitioners therefore humbly pray that the Government supports the introduction of this media service as previously planned and in so doing affords us the same service as every other State and Territory of Australia.

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

Petition received.

Proposed Additional Nuclear Reactor at Lucas Heights, New South Wales

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

That they oppose the construction of any additional nuclear reactor at the Australian Atomic Energy Establishment at Lucas Heights in New South Wales. Your petitioners therefore pray that the Government of Australia will not construct another nuclear reactor at Lucas Heights or within Australia.

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

by **Ms McHugh.**

Petition received.

Superannuation

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

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

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

Reject the superannuation claim of the trade union movement, and allow superannuation to develop without trade union domination.

by **Mr Nehl.**

Petition received.

National Flag

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The humble petition of certain citizens of Queensland, Australia, respectfully sheweth that we are totally opposed to any change in the Australian National Flag as declared in the Flags Act (1953).

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

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

by **Dr Watson.**

Petition received.

TRADE PRACTICES (TRANSFER OF MARKET DOMINANCE) AMENDMENT BILL 1986

Assent reported.

WAR CRIMINALS

Discussion of Matter of Public Importance

Madam SPEAKER—I have received letters from the honourable member for Melbourne (Mr Hand) and the honourable member for Goldstein (Mr Macphee) proposing that definite matters of public importance be submitted to the House for discussion today. As required by standing order 107, I have selected the matter which in my opinion is the most urgent and important, that is, that proposed by the honourable member for Melbourne, namely:

The urgent need for clarification of claims that war criminals have been allowed sanctuary in Australia.

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 HAND (Melbourne) (3.07)—I rise on a matter of deep concern to the Australian community; that is, the probability that the Menzies Government allowed into this country after the Second World War large numbers of persons wanted for crimes and collaboration during the nazi occupation of Europe. Documentation in my possession indicates that a large number of persons wanted in the 1940s for war crimes were, through a process of British and American sanitisation, allowed into this country. This was despite numerous public statements by the then Ministers that the screening processes implemented by the Australian Government to prevent nazi criminals entering Australia were foolproof. It must be remembered that 29,000 Australian lives were lost during the Second World War. The Australian people would have felt comfortable that no war criminals would enter this country. However, evidence that I have before me from the Australian Security Intelligence Organisation, the United States National Archives and the British Archives clearly indicates that, when Ministers were making those statements, the reality was that Australian screening processes were inadequate. Further, through complicity with American and British officials, numbers of individuals who were clearly ineligible under the existing passage scheme were

allowed to settle in this country. In fact, large numbers of nazis entered Australia.

In a document from ASIO archives dated 5 May 1944, a Mr W. B. Simpson, Director of Security, wrote to the Chairman of the Inter-departmental Committee on Immigration in relation to the proposals to establish screening systems for post-war reconstruction migration programs. He stated:

Nevertheless, it would seem to be physically impossible for these officials to impose in respect of large groups desiring to enter Australia the comprehensive check which I personally consider necessary in the case of every alien applicant who wishes to come to Australia.

The fact that there were problems in relation to the so-called foolproof screening provisions is highlighted in another document in ASIO files—a letter written by Mr G. V. Greenhalgh to a Mr Heyes, Secretary to the Department of Immigration, on 8 February 1951, which outlines these problems. He stated:

It would be silly to pretend that the security screening has ever been foolproof or ever would be.

He was then attached to the Australian Military Office, Department of Immigration, at Cologne. ASIO documents in my possession indicate that there was considerable evidence of nazi war criminals and collaborationists active in Australia at the time. These documents clearly contradict the Liberal-Country Party ministerial statements. For instance, I refer to the comments of the Minister for Immigration, Mr H. E. Holt, to a Mrs R. Cohen in May 1951:

You may be assured that any person who has been actively associated with the Nazi Party will not be selected for settlement in Australia.

Holt and Menzies made similar statements throughout the early 1950s. Mr Deputy Speaker, I seek leave to table that document.

Leave granted.

Mr HAND—Let us look at the record. The first case I deal with is that of Dr Victor Padanyi. ASIO documents in my possession show that he was extensively investigated in the mid-1950s. Dr Padanyi formed the Arrow Head Cross Society which took as its inspiration the collaborationists government of Szalasi in Hungary in the period 1944-45. Immediately after the war their surviving leader, Henney, issued a memorandum to all Arrowcross members throughout the world reminding them of the Arrowcross principles of 1944, and again I quote from the ASIO documents dated 28 July 1953:

Instructions that Arrowcross members would penetrate every Hungarian club and society and to take the initiative in this whilst ostensibly leaving the thinking to

moderate thinking members, to take in hand Hungarian newspapers and to indoctrinate Hungarians outside the party with the correct principles to keep alive the memory of Szalasi and to spread the principles of the Arrowcross movement.

ASIO also makes it clear:

A fair number of Arrowcross members have migrated to Australia since the war.

The ASIO document goes on to say:

When the presidency of the new Australians Liberal and Country Party Movement (Hungarian branch) fell vacant in 1952, Arrowcross members decided to place a man of their own persuasion in this position. In July 1952, by packing the annual general meeting of the above organisation, they got Doctor Victor Padanyi elected to the presidency.

The ASIO document also makes it clear the Padanyi joined the Arrowcross Party on 14 April 1944 just prior to its taking effective quisling power in Hungary and commencing the slaughter of over 700,000 Jews. The ASIO document makes it clear that Padanyi was a member of the Victorian Liberal Party. Mr Deputy Speaker, I ask for leave to table the ASIO documents.

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Is leave granted?

Mr Ruddock—No. In relation to this, let me make it very clear. I have not seen it and I understand that my colleagues have not seen it. I want to see a document before I consent to its being tabled.

Mr HAND—I withdraw the offer to table it. I was wanting to table documents from the Military Intelligence Division, WDGS, from the American National Archives dated 6 February 1945, to confirm the slaughter of Jews in Hungary. I would have thought that that would be a document, but as honourable members opposite have rejected it, I have no objection—

Mr DEPUTY SPEAKER—Order! The honourable member for Dundas indicated that if the documents were shown to him leave might be granted. While the honourable member is making his speech the attendant might show the documents to the honourable member for Dundas.

Mr Ruddock—On a point of order: I make my point very strongly, Mr Deputy Speaker. No inference should be drawn from the fact that I refuse leave.

Mr DEPUTY SPEAKER—That is not a point of order.

Mr HAND—So, whilst Mr Holt and Mr Menzies were saying that no nazis had entered Australia, the ASIO documents dealing with the

Arrowcross Society clearly indicated to the contrary.

In the United States there are currently a number of investigations into a large number of nazi war criminals and collaborationists. One of those on trial and facing deportation is Conrades Kalejs. Kalejs is alleged by United States officials to have headed the SS execution squad which was involved in mass murder in several Latvian villages in 1942. Two aspects of this case are significant. Firstly, from 1950 to 1953 Kalejs worked as a documentation and processing clerk with the Commonwealth Government at the Bonegilla migrant camp. ASIO documents in my possession also indicate that at this period of time there was considerable investigation of allegations and pro-nazi organisations in the Bonegilla camp itself. On 7 November 1951 Mr Hayley asked the Minister for Immigration why 'six thousand photographs of Hitler's statue, which were seized at the Bonegilla camp for immigrants, are now circulating amongst those nazis who remain in Australia?' Secondly, if Kalejs is deported from the United States, it is possible that he could be returned to Australia. This would place Australia in a situation not too dissimilar from the Erwin Viks case dealt with in the Parliament by the Liberal Attorney-General, Sir Garfield Barwick, on 22 March 1961. Barwick refused to extradite mass murderer Viks and, in effect, gave him political asylum.

The next case I wish to deal with is well known. Those familiar with Lyenko Urbanchich will recall that he is a leading member of the New South Wales Liberal Party's so-called uglies which, on the admission of the Leader of the Opposition in that State, controls 25 per cent of the Liberal Party. Because of this large bloc of votes at the State conference, the Liberal Party uglies are able to affect national leadership of the national party. I believe the uglies had much to do with the pressure and the move to the right of policies and in the installation of the current Leader of the Opposition, the honourable member for Bennelong (Mr Howard).

I do not wish to deal with Mr Urbanchich in great deal except to say that his numerous writings as editor for a quisling newspaper during the Second World War were clearly racist and anti-Allied. Even the honourable member for North Sydney (Mr Spender) in February 1980 found Urbanchich to be anti-Semitic, yet he did not recommend his expulsion from the Liberal Party. I wonder why? What a cop-out! Members of the Liberal Party found him guilty and their words in that report were quite interesting. Ar-

ticle 18 in the report is signed by D. L. Patton and J. M. Spender. It states:

To expel Urbanchich would not be justified. We do not, however believe that members of the community, particularly those of the Jewish faith, are entitled to feel affronted that the author of such an article holds a position of seniority in the Party. In our view, therefore, it is inappropriate that Mr Urbanchich should, in the future, without the consent of the State Executive hold or seek election to office within the Party. We recommend accordingly.

Members of the Liberal Party said he was not fit to hold a position, but they did not have the guts to throw him out. I was going to table—but I will not now—new documentation from the United States of America and British governments relating to Lyenko Urbanchich and the operation of the Domobranci. Urbanchich states in his defence to the Spender whitewash:

'Meanart and I, both over six feet, were at the head of the column. Little did I think at that time that two years later on October 10, 1943, we two would be again at the head of another column when we were forming the Slovene Domobranstuo.

Urbanchich here claims credit along with fellow New South Wales Liberal Party member Vladimir Meanart for forming the fascist collaboration organisation in Slovenia. It is quite clear from these documents—I stress they are not documents from the Yugoslav Government as was the claim in 1979, but are documents from the United States Office of Strategic Services—that the Domobranci was a cruel anti-Jew collaborationist organisation in Slovenia during the Second World War. In one United States document dated 30 October 1947, Urbanchich is listed amongst 44 quislings. There were 4,000 to begin with, but it was wheedled down to 44. Here is a man who says that he was never involved. Members of the Liberal Party leave him in their Party. What an outrage.

The claim by Urbanchich that it is just a communist plot against him is threadbare on the analysis of American and British documentation. I was going to table copies of the atrocious fascist anti-semitic writings of Urbanchich during the war which Mr Spender referred to and acknowledged were anti-semitic. The fact is that the honourable member for Mackellar (Mr Carlton), who is sitting at the table, was Secretary of the New South Wales branch of the Liberal Party from 1971 to 1977. Senator Sir John Carrick in another place was Secretary of the Party from 1948 to 1971. The fact is that based on a vote taken of the State Council of that Party when the Party tried to get rid of Urbanchich, members of the group now control 45 per cent of the Party. The Liberal Party

could not throw him out because of the grip these people have on the Party. They can deny and move around like they tried to in the State House in New South Wales last week, but they cannot get out of the fact that the Leader of the Opposition in this place is governed by the Urbanchich right wing uglies push in the State council, and they know it. The New South Wales Leader of the Opposition is in the same position, as is Pickering, the upper House member who was at a Ustashi function on 10 April recorded on *Four Corners*. But the general secretaries of the branch let these people in and encouraged them to come into the Party. Members of the New South Wales State Liberal Party in the State House are terrified to speak out against these people.

The situation is that like the Americans and the Canadians they have attempted to come to grips with this matter. I have a document that shows that in 1948 there was collaboration between countries in the dominion. It is recorded here. I have the document here. Perhaps Opposition members will let me table it. It shows quite clearly that Canada, Australia, New Zealand, South Africa, India, Pakistan and Ceylon conspired not to have any more war trials, but the only problem was that when this document was circulated Australia had not signed it. Who was in government in those days? Chifley was in power. By God, when the parties opposite came to power the floodgates opened and in they marched, column after column of them. After talking to people from the Jewish community, how the hell can the Party opposite tolerate a group of people who slaughtered hundreds and thousands of people and not do anything about it? How the hell can members opposite go to the Returned Services League functions that they all trot out to? How can they go to war memorials on Anzac Day after 29,000 people of this country lost their lives fighting what these people stand for? Yet I suppose they will have the gall to try to say in here, as they did in the New South Wales Parliament: 'It has nothing to do with us'. It has plenty to do with them. They cannot be trusted to run this country. Why do they not bring back somebody with principle to run their Party? Valder and the New South Wales clique got rid of Peacock because he would not cop the nonsense of the Urbanchiches and those people from New South Wales.

Mr Donald Cameron—How do you sit with the Hungarians, you big fat hypocrite? He is a communist as well.

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Order! The honourable member for Moreton will withdraw that remark.

Mr Donald Cameron—I withdraw that he is a hypocrite.

Mr HAND—I am not a hypocrite, brother. Those opposite are the ones with the problems. The honourable member for Moreton sits behind the honourable member who gave a whitewash to Urbanchich and encouraged him to come in, and he sits behind a leader who is propped up with them.

Mr DEPUTY SPEAKER—Order! I think the honourable member for Moreton made an imputation other than that the honourable member for Melbourne was a hypocrite. If the Chair heard him right, I think he should withdraw.

Mr Donald Cameron—Is that unparliamentary?

Mr HAND—The member for Moreton does not have the guts to say it to my face.

Mr Donald Cameron—I will say it to your face: I called you a communist, okay?

Mr DEPUTY SPEAKER—Order! The honourable member for Moreton will withdraw that remark.

Mr Donald Cameron—He did not ask for it to be withdrawn.

Mr HAND—On a point of order, Mr Deputy Speaker: The term that he used does not worry me at all, because I am not one. The fact is that they have nazis and nazi collaborators in their Party and he knows it. So, I have a clear conscience.

Mr DEPUTY SPEAKER—Order! The honourable member for Melbourne might not be offended by the term. The Chair has asked that it be withdrawn.

Mr Cobb—What about these nazi accusations?

Mr DEPUTY SPEAKER—Order! The honourable member for Melbourne never made a direct allegation against any member of this House.

Mr Donald Cameron—He called us nazis.

Mr DEPUTY SPEAKER—Well, the Chair did not hear other people say that; the Chair heard the honourable member for Moreton make an allegation against the honourable member for Melbourne. If it had been made against me, I would have been most offended by it.

Mr Donald Cameron—That is you, Mr Deputy Speaker. With great respect, they have made

an imputation. You have already got yourself into this kind of trouble—

Mr DEPUTY SPEAKER—Order! I think the honourable member for Moreton has made his point and now he might withdraw.

Mr Donald Cameron—The only point I make is this: You, Mr Deputy Speaker, find the term offensive. I find offensive the suggestion that we are nazi sympathisers. If it is good enough for them, why do you not make him withdraw that? This is the trouble you got yourself into the other night, with great respect.

Mr DEPUTY SPEAKER—Order! If the honourable member for Moreton has finished and if other honourable members have ceased trying to help the Chair: If the honourable member for Melbourne does not feel offended by the matter, I suppose there is no matter for the Chair to consider. I call the honourable member for Warringah.

Mr Hand—Mr Deputy Speaker—

Mr DEPUTY SPEAKER—Order! The honourable member for Melbourne's time is up.

Mr Hand—On a point of clarification, Mr Deputy Speaker: I offered during my address to table a number of documents. I seek your guidance as to what to do with them. I was refused permission to table them, and I accept the explanation given by the honourable member that he wanted to have a look at them, as I did on Thursday regarding another matter from the other side. I accept that. I have a large number of documents here. In my room I have some thousands of documents. I seek your guidance, Mr Deputy Speaker, as to whether or not I can table the lot here in Parliament.

Mr DEPUTY SPEAKER—We may have difficulty with the *Notice Paper* if the honourable member tables thousands of documents. I might seek some advice from the Clerk about a large number of documents. While the honourable member for Warringah (Mr MacKellar) is making his contribution, the honourable member for Melbourne might show the documentation he has with him to the honourable member for Dundas or to the honourable member for Warringah and then seek leave at the end of the contribution by the honourable member for Warringah. I shall seek some advice about 'thousands of documents'.

Mr Tim Fischer—Mr Deputy Speaker, I raise a point of order. In the brouhaha immediately preceding the last point of order by the honourable member for Melbourne seeking clarification on the tabling of papers, I heard the honourable

member for Jagajaga say words to the effect that the National Party is full of nazis. I find that particularly offensive and I ask that it be withdrawn.

Mr Staples—Mr Deputy Speaker, I think the honourable member for Farrer is incorrect. I did not say that.

Mr Cobb—You did say it.

Mr Staples—I did not say that at all.

Mr Cobb—Hollis said it just now.

Mr DEPUTY SPEAKER—As the honourable member has assured the House that he never made the remarks, there is no point of order.

Mr Staples—I said: 'What are you worried about? We are not talking about the National Party'.

Mr DEPUTY SPEAKER—Order! As the honourable member for Jagajaga has pointed out to the House that he did not make the remark, that is the end of the matter.

Mr Tim Fischer—Mr Deputy Speaker, I raise a further point of order. The honourable member for Charlton has just said repeatedly that the National Party is full of nazis. I submit that that is offensive and that he should withdraw.

Mr Robert Brown—On the point of order, Mr Deputy Speaker: You and all other members of this Parliament will know that there has never been a requirement that general imputations of that kind be withdrawn. Imputations are required to be withdrawn only if they are directed at a particular member. I said before that the National Party is full of nazis, and I stand by that statement.

Mr DEPUTY SPEAKER—Order! Honourable members will recall that some time ago Speaker Snedden made a ruling that imputations made against a party can be objected to by an individual. If the honourable member for Charlton made that imputation against a party, the honourable member for Farrer has every right to ask for it to be withdrawn. I ask the honourable member for Charlton to withdraw.

Mr Robert Brown—I withdraw the compliment I paid them, Mr Deputy Speaker.

Mr DEPUTY SPEAKER—Order! The honourable member for Charlton knows the rules. He will withdraw unreservedly.

Mr Robert Brown—I withdraw it unqualifiedly.

Mr Kerin—If we are going to take points of order on this topic, I point out that I clearly

heard the honourable member for Moreton call the honourable member for Melbourne a communist. Regardless of your ruling, Mr Deputy Speaker, I find that unparliamentary and offensive and I require that he withdraw that description.

Mr Donald Cameron—For the sake of peace, Mr Deputy Speaker, I withdraw it.

Mr Hollis—Mr Deputy Speaker, just before the honourable member for Charlton gave his explanation the honourable member for Parkes said: 'Hollis just said it'. My name happens to be Hollis. I have been sitting here for the last five minutes with my mouth closed.

Mr DEPUTY SPEAKER—Order! There is no point of order. The honourable member for Throsby will resume his seat.

Mr MacKELLAR (Warringah) (3.29)—I remind the House of the terms of the matter of public importance, namely:

The urgent need for clarification of claims that war criminals have been allowed sanctuary in Australia.

I read that out because, if one were to listen to the contribution of the honourable member for Melbourne (Mr Hand) to this debate this afternoon, one would be forgiven for thinking that it was about some members of the Liberal Party and not about the subject of which he had given notice to this House. Obviously, everybody in this House would be concerned about claims that war criminals have been allowed sanctuary in Australia. It is a most serious allegation to make and honourable members on both sides of the House would be anxious to ensure that such claims could not be substantiated or that, if they were substantiated, appropriate action was taken.

Mr Griffiths—What are your views?

Mr MacKELLAR—If the honourable member will just listen he will find out what my views are. Honourable members will recall that the honourable member for Melbourne, in the early stages of his speech, said that these alleged war criminals had come in under the Menzies Government. I remind the House that the Government of this country following the Second World War was a Labor government under the Prime Ministership of Ben Chifley and with a very well known—in fact, revered—Minister for Immigration, Arthur Calwell, the first Minister for Immigration of the Federal Parliament.

Mr Peter Fisher—A previous member for Melbourne, too.

Mr MacKELLAR—And a preceding member for Melbourne. If anybody were to suggest to

me—I am sure that the present honourable member for Melbourne will not suggest it—that one of the honourable member's most famous predecessors was likely knowingly and willingly to allow war criminals to come into Australia—

Mr Hand—That is not what I said.

Mr MacKELLAR—Of course that is not what the honourable member said. The point of the matter is that the input of people from Europe, following the Second World War, was under the control and administration of a Labor government. I am not suggesting for a moment that that Labor Government, with Arthur Calwell as the Minister for Immigration, would allow knowingly, willingly or in any other way, war criminals to come into Australia. It would not. Neither has any successive government been in the same position.

Why has this matter arisen? It is not new. It just happens to coincide with an exercise in the New South Wales Parliament, led by the leading left winger of that Parliament, Mr Frank Walker. It is not without some congruence that this matter of public importance has been raised at this stage in the Federal Parliament by the honourable member for Melbourne, who is known for his left wing views and who does not object, as he said in this House this afternoon, to being called a communist. He is quite happy about being called a communist.

Mr Hand—Mr Deputy Speaker, I take a point of order. I did not refer to any member in this place as a nazi or a fascist.

Mr Cadman—That is not a point of order.

Mr Hand—I ask the honourable member to let me explain.

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Order! There is no point of order.

Mr Hand—I ask that the remarks that the honourable member for Warringah has just made be withdrawn because I find them offensive. I did not hear what the honourable member for Moreton (Mr Donald Cameron) originally said, and I made that clear to him, Mr Deputy Speaker, when you were engaged in debate with him. I did hear what the honourable member for Warringah said, and I take offence at it. I am not a communist. I never have been. I am a member of the Australian Labor Party. If this slanging match that the honourable member is now engaged in is his way of defending nazis, it will be on his conscience.

Mr DEPUTY SPEAKER—Order! The honourable member for Melbourne has asked that

the honourable member for Warringah withdraw. The honourable member will withdraw.

Mr MacKELLAR—Mr Deputy Speaker, I heard the honourable member for Melbourne say that he did not mind that, when the honourable member for Moreton reminded him of what he said.

Mr Hand—Mr Deputy Speaker, I take a point of order. I made a statement. I said that I had no objection to being called a communist, because I am not one. The way the honourable member for Warringah has put it, he has said that I accept the fact that I am and I am not, no more than he is a member of the nazi party.

Mr DEPUTY SPEAKER—Order! The honourable member for Melbourne has outlined his point of order. The honourable member for Warringah is withdrawing.

Mr MacKELLAR—I withdraw. The simple fact remains that the debate on this matter of public importance has arisen this afternoon because the left wing of the Labor Party and its communist colleagues in the media have decided to draw together the shattered remnants of their party affiliations by conducting insidious social campaigns. Many people will have noted that over the years the Communist Party of Australia felt it was better to infiltrate its views into susceptible areas of the media and left-wing bodies such as the left wing factions of the Labor Party and, of course, the well-known leftist soft spots in the Australian Broadcasting Corporation. Let no one think for a moment that the urgency referred to in the terms of the matter of public importance derives from any aroused community feelings; it simply does not. It arises because the issue was brought forward a couple of weeks ago by the leaders of the Left in the New South Wales Parliament, and their lackeys in the Federal Parliament have run it on again today. The honourable member for Melbourne is doing what all traditional left wing Labor members do. He is following orders and following the Party line. It is not a Labor Party line; quite simply it is a Communist Party line. It is perfectly proper that the Department of Immigration and Ethnic Affairs be asked to address concerns that could arise from behaviour after entry into Australia.

Dr Theophanous—What did you do when you were Minister?

Mr MacKELLAR—We have a very clear public policy which sets itself against Australia being used as a base for the export of revolutionary activity, and if the honourable member

were to listen, I think he would agree with this statement. There is a clear onus on all Australian governments to create the conditions where people who have honourably gained entry into Australia are encouraged not to bring in and sustain hatreds alien to Australia's way of life. That is why Federal governments have to take very strong action to discourage the old from misleading the young in ways of partisan hatred. It is the course of public policy which all Australians, and all honourable members, no matter on which side of the House they sit, wholeheartedly support. I return to the fact that the Government, on this of all days, has proposed this matter of public importance. I remind the House that on Wednesday last, in reply to a Dorothy Dixer from the honourable member for Hotham (Mr Kent), the Acting Minister for Immigration and Ethnic Affairs, the Minister for Aboriginal Affairs (Mr Holding), made a statement in relation to matters that the Government has brought forward today.

Mr Cadman—He is a member of the Left, too.

Mr MacKELLAR—He is a member of the Left as well. The Minister started:

I thank the honourable member for his question.

That gave him time to think. The Minister continued:

I am aware of the allegations that have been made recently on an ABC program and that have been summarised by the honourable gentleman. Both myself and the Minister for Immigration and Ethnic Affairs, before he went overseas, have asked the Department of Immigration and Ethnic Affairs to conduct a review of the relevant files to see what the basis was for testing immigrants at that time. The honourable member will appreciate that this involves an examination which goes back many years. The investigation that is being conducted is directed to the question of process; it is not dealing with the rights of any particular individuals. As soon as I have that information I will make it available to the honourable gentleman and to the House.

That was a very poor answer, a reasonable and adequate answer, given the time that the Minister had to make it. On the next day, the Acting Minister returned to the matter by way of an additional explanation. He gave additional information to the honourable member confirming the nature of the inquiry. He said:

An examination by officers of the Department of Immigration and Ethnic Affairs of available records has failed to disclose evidence of involvement of those named in war crimes. However, a search of archival material is continuing.

Honourable members interjecting—

Mr DEPUTY SPEAKER—Order! There is far too much noise in the chamber. The honour-

able member for Melbourne was heard in relative silence. The honourable member for Warringah will also be heard in silence. His colleagues on his side of the House should assist him as well.

Mr MacKELLAR—Mr Deputy Speaker, I continue with the answer that a Labor Party Minister gave in this House very recently, because I think it is quite appropriate that the House should hear what he had to say. He went on to say:

The DIEA has been in contact with other government agencies seeking information which they may hold in their records. These inquiries will necessarily take some time to complete.

It is entirely appropriate to contact other governments and to find out what evidence there was, if any. The Minister continued by pointing out that prior to 1955 membership of the Nazi party was a disqualification for entry. After that date it was no longer a reason in itself for exclusion. He acknowledged that the possibility of the entry of war criminals could not be ruled out, but he said it was not possible to speculate about individuals until investigations were completed. That seems to me to be a very fair way of approaching the problem. In spite of all that, the Government is supporting the proposal in the matter of public importance. I repeat what the Acting Minister stated recently in this House by way of conclusion to his additional points. He said:

Honourable members should note that while allegations about firm evidence of involvement of individuals in war crimes is, at this stage, lacking.

I say to honourable members opposite that that is what their Minister said in this House within the last couple of weeks. The honourable member for Melbourne came into this House and threw allegations about individuals around the place. The issue was raised in the New South Wales Parliament in the last couple of weeks. It was raised by one of the members of the Left in this Parliament in the last couple of weeks. The Minister, having been given notice of the question before he was asked it, said:

... firm evidence of involvement of individuals in war crimes is, at this stage, lacking.

It is a most extraordinary thing that in this country today we have quite a degree of debate about whether a person should reassume his position on the High Court of Australia. Members of the Left, arrayed before us in this Parliament, have said: 'The evidence has been tested. We should not go on hearsay evidence and we should not take any notice of that. The man should be allowed to continue'. The honourable

member for Melbourne made allegations in this Parliament which he could have raised with the Minister. He could have tested them with his Government before he brought them to this Parliament. Would it not have been much more meaningful and would it not have had much more impact if his allegations had been tested?

Mr Hand—Why don't you throw him out of the Liberal Party?

Mr DEPUTY SPEAKER—Order! The honourable member for Melbourne will cease interjecting. The honourable member proposed this matter of public importance. One would think that he would be willing to listen to the rebuttal.

Mr MacKELLAR—Would it not have been more reasonable and more honest if the honourable member had raised these allegations with his own Ministers? He could have raised it with the Minister for Immigration and Ethnic Affairs (Mr Hurford) or the Attorney-General (Mr Lionel Bowen). It would have been more honest to do that rather than spray allegations around this House as he has in the debate today. Why has this matter come on? Because the Left within the Labor Party is an utterly shattered faction. It has no weight within the Labor Party. The honourable member for Melbourne, the nominal leader of the Left, is desperately trying to raise some issue which will give his faction some force within the Party organisation. He has failed miserably. He has come here on the coat tails of his colleagues in the New South Wales Parliament.

The honourable member has not talked about war criminals at all. He has been trying to introduce matter which he hopes will embarrass the Liberal Party. Why was he not honest about that? Why did he use the subterfuge of these words? There was no reason other than subterfuge for his words. He has not embarrassed the Liberal Party. He has not made allegations in this chamber today which have not been made before. However, he has revealed himself as a person who does not have the capacity or the character to go to members of his own Government and test the allegations as they should be tested by the responsible Ministers. The honourable member is a character assassinator—and that goes for all the members of the Left.

Mr Ruddock—On a point of order, Mr Deputy Speaker: I was asked before for leave for the tabling of certain documents. No documents have been delivered to me within the time that you were to consider this matter.

Mr DEPUTY SPEAKER—Order! Has the honourable member for Melbourne provided the documents?

Mr Hand—No. I thought that you, Mr Deputy Speaker, would talk to the Clerk and then I would speak to you.

Mr DEPUTY SPEAKER—I think the honourable member for Melbourne could make available the documents that he has there. I do not think it would help the House to table some thousands of documents that he may have in his room. If the honourable member for Melbourne makes those papers available and if there is no objection, those papers can be tabled.

Mr STAPLES (Jagajaga) (3.43)—How interesting that the honourable member for Warringah (Mr MacKellar) should be leading the debate for the Opposition on this matter of public importance because Urbanchich and his neo-nazi mates rolled Mr St John, the former member for Warringah, in his preselection. The whole contribution of the honourable member for Warringah to this debate is basically centred on 'reds in the chamber'. That is a very weak but predictable response and defence. What about the Canadian Government? Look what it is doing, look at its terms of reference in its handling of this very dirty matter, and it is a very dirty matter. I do not want to talk about that too much because there is more to it than that.

One would think that more than 40 years after the end of the Second World War there would be little left to uncover about the roles of major individuals and governments in that war. We know that truth is always the first casualty in war; it would seem that it is also the last. The Liberal Government during the 1950s was part of a conspiracy against justice. Declassified evidence recently obtained from the United States and the British governments supports earlier Yugoslav evidence which was denigrated at the time because it came from Yugoslavia. Evidence collected by the Australian Security Intelligence Organisation has also been produced. After World War II millions of displaced persons, refugees and other migrants came to Australia from nations which were the remnants of Europe. The vast majority of these people were to all intents and purposes faultless in their behaviour during the war. Probably they have been the single greatest human factor in Australia's post-war development. More specifically, there were many who came from the area that is now known as Yugoslavia. Many of these were Serbians, many were Croatians and again, the vast majority of both these groups were either victims of the

nazis and their occupation or active anti-nazi fighters. These people were welcomed in Australia and their subsequent contribution to this country is highly valued.

However it is also obvious that there were also a number of people from various wartime occupied countries who took part in premeditated atrocities against their fellow human beings. These people are obviously a minority and through their wartime activities and continuing activities in Australia—and that is the most important point; they continue these activities—they bring discredit to the remainder of the peace-loving and blameless members of their own ethnic community. Let there be no claim or insinuation throughout this debate or subsequently that this matter implies in any way a collective guilt of these ethnic communities. This matter is aimed solely at the individuals responsible.

It is of deep concern to me that evidence now being made public strongly suggests that there was a massive conspiracy by successive Liberal governments throughout the 1950s and 1960s to allow war criminals entry into Australia, to protect them once they arrived and to give them political asylum in this country for as long as they wished to remain. The Liberal Party, particularly in New South Wales, has given succour and support to a number of war criminals purely on the basis that they were useful for mobilising voting power among their ethnic communities in Australia. Right at the time when Liberal Ministers were denying in the Parliament and to the Australian people that war criminals and collaborators had entered Australia, ASIO, British and American documents prove that this was a blatant lie.

The Liberal Party today continues to protect a number of persons who have nazi collaborationist backgrounds. The example of Lyenko Urbanchich is well known, but this is just the tip of the iceberg. The case of Srecko Rover, a resident of Melbourne, is a glaring example of how the Australian Government not only allowed the entry of nazi war criminals and collaborators but also, through ASIO, monitored their continued and often criminal political activities without moving to stop them. This was despite repeated assurances inside and outside Parliament that immigration screening procedures were, according to the then Immigration Minister, Mr Holt: 'In every instance . . . thorough and efficient'. Documents gained from British and United States military and intelligence sources indicate that

during the three years after the war those governments had embarked upon what they cynically called 'Operation Doublecross'. This plan to subvert Yugoslavian aims of bringing quisling collaborators and war criminals to trial was a most extraordinary denial of justice. It is clear, from Australian security documents that the honourable member for Melbourne (Mr Hand) has sought to table, that the Australian Government did likewise by allowing the entry of a number of well-known war criminals.

Srecko Rover, alias Josip Kovacevic, was one such person. Born in 1920 in Sarajevo, Rover showed a predilection for fascist nationalism at an early age when he joined the notorious Ustashi movement while still at school. Immediately after the independent state of Croatia was formed in 1941, Rover became a member of the Ustashi police force whose speciality was persecution of members of opposition parties. According to the official newspaper *Narodni Novine*, dated 14 July 1941, he was then appointed to the notorious murderous mobile court martial in Sarajevo. The mobile court martial is widely documented as a roving court that quickly sentenced and executed thousands of innocent Jews, Serbs and gypsies. Shortly after, Rover was sent to Stochenau in Germany to attend a nazi officers school. He must have learned well because two years later he returned to Zagreb to become a commander of a unit in the Poglavnik's bodyguard, the elite unit of Ante Pavelic. United States documents make clear that any member of this organisation was ineligible for refugee status and faced a prima facie case for a war crimes trial. The utter brutality of Pavelic's Ustashi is well documented. I have documents dating back to 1946 from the archives of the British Foreign Office.

In 1944 Rover was decorated with the Silver Medal of the Poglavnik Ante Pavelic for courage. Later that year he was promoted to the rank of reserve Ustashi standard bearer in the armoured troops of the Poglavnik bodyguard. Without doubt Rover was a senior figure in the military wing of the Pavelic Government. Brigadier General Fitzroy Maclean, chief of Britain's military mission in Yugoslavia, described this quisling army in this way:

Bands of Ustashi roamed the countryside with knives, bludgeons and machine guns slaying men, women and little children, desecrating Serbian churches . . . killing became a cult, an obsession . . . even their German and Italian allies were dismayed at their excesses.

Upon fleeing Yugoslavia in 1946, Rover and another former Ustashi officer, Jilk Drago, joined with others to organise terrorist groups in Italy

and Austria. During that year two terrorist attempts from Austria failed following discovery of the plans by allied forces. Rover subsequently continued his activities forming Ustashi terrorist concerns up to 1948 from Italy.

In 1950 Srecko Rover came to Australia despite his name being recorded on a list of wanted war criminals prepared by a Joseph Greene, Acting United States Political Adviser stationed in Italy. Greene submitted the list to the United States Secretary of State on 16 September 1947. Greene, in his correspondence, stated:

The lists are being compiled by General Headquarters, Central Mediterranean Forces in consultation with the War Office Special Refugee Screening Commission.

From the time of Rover's arrival in Australia until 1972 he continued his Ustashi activities, closely monitored by the Australian Security Intelligence Organisation. In 1972 items seized during a raid on Rover's house included a map of a route to be followed by incursionists into Yugoslavia, a seal bearing the insignia of the Supreme Headquarters of the Croatian National Resistance, ammunition, and documents relating to the instigation of guerrilla activity in Yugoslavia. The most significant document seized was a report from the Supreme Advisory Council of the Troika dated 15 July 1972 indicating that an organisation had been set up in Australia on the basis of small terrorist cells. At that time Rover was named as an organiser of a terrorist incursion into Bosnia in 1972. In a subsequent interview with Superintendent Milte of the Commonwealth Police in 1970, Rover stated that he would use any means possible to achieve an independent Croatia but that he advocated armed confrontation. He said:

We can get men from all over the world and bring them in through Germany.

I might add that while Rover was an active world leader in Croatian nationalist extremist organisations the then Attorney-General, Senator Greenwood, denied the existence of the Ustashi movement in Australia despite close and constant monitoring by ASIO. This cover-up by Greenwood is typical of Liberal Party attitudes through the 1950s and 1960s. Other nazis, including Megay, Chairman of the New South Wales Liberal Party Migrant Council, were allegedly cleared by then Minister for Immigration Townley in 1957. Townley's answer to a question on notice was a clear case of misleading the House. Evidence against Megay's fascist activity in Hungary was overwhelming, but because Megay, Urbanchich, Lovokovic and others were useful members of the Liberal Party they

were given protection by successive Liberal governments.

I do not have time to go much further except to quote from a Croatian newspaper—the self-proclaimed best selling Croatian newspaper in Australia. It states:

Put against the fence with the knife on its throat, the Croatian nation has to defend itself against the attacker without scruples.

The article continues. I seek leave to table that article. I call for an investigation by the Government of this situation.

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Order! The honourable member's time has expired. Does the honourable member seek leave to table documents?

Mr Staples—Yes.

Mr DEPUTY SPEAKER—Is leave granted?

Mr Carlton—It is not granted without inspection.

Mr DEPUTY SPEAKER—Leave is not granted. Is leave granted to table the documents that the honourable member for Melbourne sought leave to table?

Mr Ruddock—With your indulgence, Mr Deputy Speaker, they are still being examined.

Mr Robert Brown—I thought he was going to defend all his mates.

Mr Ruddock—Mr Deputy Speaker, if there is some suggestion that I am defending my mates, as was interjected a moment ago, I want that withdrawn. I heard a very clear reference.

Mr Robert Brown—Not you. I said Peter Duncan was defending his mates: He is going to get up and defend his mates.

Mr DEPUTY SPEAKER—Order! The Chair is unable to determine this matter.

Mr Ruddock—If it is quite clear that there is no reference to me, I do not persist.

Mr COLEMAN (Wentworth) (3.54)—The carefully worded matter of public importance before the House calls for 'clarification'. However, the honourable member for Melbourne (Mr Hand) and the honourable member for Jagajaga (Mr Staples) referred to different matters. The honourable member for Melbourne alleged that hordes of nazis were entering Australia protected by the Liberal Party of Australia. He debased and degraded a very important issue for petty party purposes, repeated matters which have been well publicised elsewhere and added nothing new. There can and should be no misunderstanding of this matter. War crimes, which

involved the slaughter of innocent people on a vast or even on a small scale, remain a crime whether committed yesterday or 40 years ago. At the same time we should have no truck with any attempt to libel individuals or whole ethnic groups under parliamentary privilege or with the debasing of the issue for crude political advantage. It is an issue, or a set of issues, which does not lend itself to cheap demagoguery and stunts like this 'matter of public importance'.

I would like to quote from a media release put out by Mr Mark Leibler of the Zionist Federation of Australia, based in Sydney and Melbourne, which seems to me to strike the right note:

The Zionist Federation of Australia believes it is never too late to bring Nazi war criminals to justice, but cautions against using the issue as a political football.

Mr Leibler said the brutality of the Holocaust must never be forgotten to prevent such events happening again.

He supported Mr Hurford's view that investigations in Australia ought to be carried out sensitively so as not to hurt innocent people.

This is a matter to which the speakers from the other side are completely indifferent. The release continued:

Mr Leibler also strongly cautioned against misuse of this issue as a political football, saying the possibility that Nazis found refuge in Australia was too important to be debased by any political party seeking to score points against another party.

This is precisely what honourable members on the other side have been doing. Mr Leibler's statement is plainly directed, without saying so, at the sorts of speeches that we have heard from the other side. His point was taken up by Mr Michael Danby, recently a member of the staff of the Minister for Arts, Heritage and Environment (Mr Cohen) who, speaking as editor of the *Australia-Israel Review*, said:

We take the issue of Nazis very seriously and we do not like it becoming a political football.

As the member in this chamber for what I suppose is the largest Jewish electorate in Australia, I can only say that that clearly expresses the views of my constituents in this matter. Those statements strike the right note. The honourable member for Melbourne says that he wants 'clarification'. Yet, two Ministers in this Parliament have already pointed out that the matter that has been raised is already being investigated. The Minister for Immigration and Ethnic Affairs (Mr Hurford), in outlining the facts, said:

Immediately following World War II membership of the Nazi Party was sufficient grounds for rejection from entry to Australia.

He went on:

I have read . . . of the claim made that Mr Ernest Bevin in 1948 wrote to a number of Commonwealth countries suggesting that nazi membership should no longer be a bar to entry to those countries. I have no evidence at all that that letter was received, let alone any evidence that the policy of this country was changed at that time. However, in 1955 the policy changed and membership of the Nazi Party was no longer a reason . . . for rejection. However, membership of other organisations that were under the umbrella of the Nazi Party, such as the SS and the Gestapo, and certain concentration camp staff as well as those who were convicted of war crimes, remained and still remains a reason for rejection. The 1955 change was made public . . . at the time.

Following that, the Acting Minister for Immigration and Ethnic Affairs, the Minister for Aboriginal Affairs (Mr Holding), repeated the same sort of point. As the honourable member for Warringah (Mr MacKellar) quoted what he said, I do not need to do so again. So what the matter of public importance is calling for is in fact being done. The adoption of the terms of the matter of public importance can contribute nothing. It is therefore a stunt and is not serious.

Let us look at the history of group libels. Although one of the Government speakers said that he was referring to individuals and not groups, it is clear from the whole tenor of his speech that he was also referring to groups, to nationalities, to Croats, Ukrainians, the Baltic peoples and so on. I repeat that there is no statute of limitations for war crimes. But what is the test of the honourable member for Melbourne for a war crime? Is it one of any co-operation with the nazis during the war years? If that is the case, every member of the Communist Party throughout the world, from Australia to the Soviet Union, is a war criminal because during the nazi-Stalin pact the communists worked for Hitler's victory over the capitalist imperialist democracies. I presume that the honourable member does not apply that test. Quite apart from that, all over Western Europe ordinary people for the sake of survival were what can be called collaborators. The more seriously involved ones paid for that after the war. But many who did not would prefer not to have their records closely examined. Alternatively does the honourable member mean that all the Finns in Australia, whose government supported Hitler throughout the war against the invader Stalin, should be treated as war criminals? The position is starker still in Eastern and Central Europe. It is sometimes hard for Australians, who have

never experienced invasion, conquest, civil war, revolution or atrocities, to understand the history of these countries. However, the effort should be made.

The Ukrainians are often mentioned in this context. Has the honourable member considered the history of the Ukrainians who, for the 20 or so years before German invasion, experienced invasions from the White Guards, the Bolsheviks and the Poles, civil wars, Russification and Stalin's planned genocidal famine to crush resistance to collectivisation? Is it so terribly surprising that at first some Ukrainians foolishly welcomed Hitler, only to find that the nazis treated them like dogs? Some joined the Organisation of Ukrainian Nationalists, the OUN, and fought both Hitler and Stalin. The OUN then split and in the welter of atrocities few emerged with white hands. It is a tragic story and a horrible one. However, we should understand it if we are to distinguish as we must, between nationalists who fought both Hitler and Stalin, those who were bayoneted into the nazi war effort and those who actively co-operated with nazi atrocities. It is interesting that the Australian Federation of Ukrainian Organisations in a statement on this matter stated:

War crimes, wherever and whenever they were committed . . . are reprehensible acts which must be publicly condemned and their perpetrators brought to justice.

All war criminals in Australia should be brought to justice.

Of course, there is a similar catalogue of horrors in Yugoslavia. For generations ethnic passions have been terrible. Before the war three leaders of the Croatian Peasant Party were assassinated in the Parliament itself. Many Croats opposed the Ustasha but, fearing subjugation by Hungary, Italy or Germany, supported the unhappy Independent State of Croatia. Many of them would have preferred some government other than Ante Pavelic's. There were terrible atrocities by the Ustasha, as there were by Tito's partisans and Mihailovic's Chetniks. Djilas, the famous former Titoist, has written movingly of the Partisans' war crimes. We will never have Tito's war criminals brought to justice, but that is no reason for adopting the methods of the people's courts and condemning people without trial.

The case of Lyenko Urbanchich has been mentioned. The honourable member for Melbourne has called for an inquiry. This is for the Government to decide. I believe Mr Urbanchich

has said that he would welcome an inquiry. Meanwhile, I believe it is outrageous that the New South Wales Minister for Housing can go on libelling him and calling him an evil war criminal and many other things under parliamentary privilege, and do it every few months, as has the honourable member for Melbourne today. Let this Government put up or shut up and let the New South Wales Minister for Housing show some elementary sense of the rule of law meanwhile. I do not think, however, that we will see that happening.

The issue of war criminals must be examined in a lawful way. As every member on this side would insist, where there are war criminals involved, the matter should be dealt with in a proper and lawful way. However, the way to deal with it is not by ranting, not by demagoguery, not by ignorant generalisations about history of the kind we have heard recently on the Australian Broadcasting Corporation. It is not helped by group and ethnic libels, by stunts such as this matter of public importance and the debasing of the issue for petty party political purposes. What the honourable member is seeking is already happening, as two Ministers have assured him. That is why his matter of public importance is such a sordid stunt.

Mr Carlton—Mr Deputy Speaker, with regard to the request by the honourable member for Melbourne for leave to table documents, we have tried to examine the documents in the time available but, as they are quite voluminous and contain the names of a number of individuals, we are not of a mind to grant that privilege. We suggest that the documents be given to the Minister who is investigating this matter and who answered the question in this regard the other day.

Mr DEPUTY SPEAKER (Mr Leo McLeay)—The only matter the House has before it at present is the request by the honourable member for Melbourne for leave to table the documents. If leave is not granted at this stage, that is where the matter stands.

Mr Carlton—Mr Deputy Speaker, under those circumstances we do not grant leave. However, we suggest to the honourable member that he pass those documents on to the Minister conducting the investigation.

Mr DEPUTY SPEAKER—Leave is not granted. The discussion is concluded.

PROTECTION OF MOVABLE CULTURAL HERITAGE BILL 1986

Consideration resumed from 2 May.

In Committee

Consideration of Senate's amendment.

Senate's amendment—

Page 11, sub-clause 24 (1), lines 6 to 8, leave out all words after "writing," insert "delegate to—

- (a) the person holding or performing the duties of the office of Secretary to the Department; or
- (b) a person holding or performing the duties of a Senior Executive Service office within the meaning of the Public Service Act 1922, being an office in the Department,

all or any of the Ministers' powers under this Act, other than this power of delegation or a power conferred by section 17 or 18, sub-section 28 (3), (4) or (5) or section 38 or 47."

Mr COHEN (Robertson—Minister for Arts, Heritage and Environment) (4.05)—I move:

That the amendment be agreed to.

In response to concern of the Senate Standing Committee for the Scrutiny of Bills, the Government has agreed to amend clause 24 of the Bill relating to the Minister's power of delegation. The original clause was drafted in conformity with the current drafting practice concerning ministerial delegation but the Government subsequently recognised that the clause would have wide application and conceded the merits of the argument by the Senate Committee that it might be better for such a power to be restricted. The Senate has now passed the Government's amendment which will restrict the Minister's discretion in this matter. It provides for the Minister to delegate his powers to certain persons only, namely, the Secretary to the Department or specified senior executive officers in the Department. The amendment also identifies certain powers of the Minister which cannot be delegated, such as appointment and dismissal of members of the Advisory Committee, disposal of a forfeited object and annual report requirements. This is basically a technical matter.

Mr CONNOLLY (Bradfield) (4.07)—The Opposition does not object in any sense to the proposed amendment of the Government. We support the view expressed in the report tabled in the Senate, I think there has been a growing tendency in recent years to try to be more specific about the persons to whom a Minister may authorise or delegate powers in his name. We believe that the proposed amendment is consistent with that general intention.

Question resolved in the affirmative.

Resolution reported; report adopted.

DEPARTURE TAX COLLECTION AMENDMENT BILL 1986

Second Reading

Debate resumed from 16 April, on motion by **Mr Peter Morris**:

That the Bill be now read a second time.

(*Quorum formed*)

Mr LLOYD (Murray) (4.10)—The Departure Tax Collection Amendment Bill 1986 will transfer the responsibility for the collection of the \$20 airport departure tax from the Department of Immigration and Ethnic Affairs to the international airlines from 1 July. Departure tax is estimated to generate \$48.5m in this financial year at a direct cost of about \$1m and an additional indirect cost of up to half a million dollars. This \$48.5m will be considered attributable revenue for the purpose of cost recovery against the cost of running the Department of Aviation. I will refer again to cost recovery in this context.

The current situation is that the departure tax stamps are sold from booths and elsewhere—I refer particularly to those sold from booths—on behalf of the Department of Immigration and Ethnic Affairs. On 31 May last year, I received a reply from the Minister for Immigration and Ethnic Affairs (Mr Hurford) concerning the provision of departure tax stamps. He stated:

32 staff are employed by my Department in the collection of departure tax. They sell about 87% of stamps at airport booths. Stamps are also sold from all offices of my Department, passport offices (Department of Foreign Affairs), by Australia Post (Pt Hedland) and by some customs officers in remote localities.

Annual salary and overtime costs are about \$813,000. In addition, the following items of expenditure are associated with the collection of departure tax:

payments to Australia Post for storage of bulk stocks of departure tax and exempt stamps around Australia—\$27,000 in 1984-85,

payments of commission to Australia Post for sale issue of departure tax and exempt stamps at Cairns (until 1 March 1985) and Pt Hedland—\$37,000 in 1984-85,

printing of stamps and freight to Australia Post distribution outlets—\$22,000 in 1984-85,

payments to credit card companies for commission. This arrangement was introduced in December 1984 and is expected to cost \$100,000 in a full year.

Departure tax raised—\$46.9m in 1984-85.

In answer to a further question that I put to the Minister, he replied that over 100 countries levy some form of tax at the point of departure and the most comparable taxes are collected in Hong

Kong, New Zealand, the Philippines and Singapore. In answer to another question, he replied:

Enquiries made of 11 countries (whose airlines operate in and out of Australia and which comprise 46.6% of market traffic) revealed that, of those countries, 5 of them have departure tax collected by government employees (Hong Kong, Singapore, Japan, Indonesia and Thailand) and in 5 by airlines employees, (United Kingdom, United States of America, Canada, New Zealand and Malaysia). In one country (Philippines) the tax is collected by both government and airline employees.

That was the situation as at 31 May last year. Of course, it is still the situation until 1 July. It raises two points in passing that are of considerable interest. One is the fact of Australia Post's involvement under the current arrangements. This will become more significant later in the debate. The second matter of interest is the credit card arrangements and what will be the position regarding any new arrangements. In regard to the Budget statements of the Treasurer (Mr Keating) issued on 20 August last year, statement No. 4 of Budget Paper No. 1 reads:

The Government has decided to discontinue the current method of collecting the \$20 flat rate of Departure Tax in favour of a ticket tax falling on passengers ticketing in Australia only. A range of options is currently being examined. The new proposal is predicated on maintaining existing revenue levels (estimated to be \$48.5m in 1985-86) and produce administrative savings.

That, of course, was to commence on 1 January. The Government subsequently decided that it was unworkable or that it was not a growth tax and announced in November that it would revert to the \$20 tax and transfer the responsibility for collection to the airlines. This abrupt turnaround from the Budget announcement caused confusion and consternation in both the travel industry and the airline industry. Four operators complained that total cost contractual arrangements for overseas visitors excluded a tax as from 1 January. They claimed that this would cost them thousands of dollars. The Australian Tourism Industry Association justifiably attacked the Government over the sudden reversal of policy and also questioned whether the \$20 was to be indexed. My colleague the shadow Minister for Sport, Recreation and Tourism, the honourable member for McPherson (Mr White), will talk further about this.

The airlines were even more unhappy with this sudden and equally off-the-cuff example of government decision making. The international airlines and their agents, to their credit, although naturally unhappy with the government proposal, agreed to the procedure from 1 July, provided they were allowed to use the existing collection booths at the terminals; they were

assisted in transferring as much of the sale of the stamps as possible to off-airport venues, particularly the post office; the Government retained control of the provision of exemption stamps; and accounts system was established so that payment would be made within a 60-day period after the sale of the stamps; and, generally, the airlines be allowed to collect the tax in the most efficient manner as they determined. Unfortunately, few, if any, of these points have been resolved at this stage. This reaffirms the unplanned nature of the whole government operation. Further discussions will be held, I understand, next week. Time is running out to have the arrangements and the regulations in place by 1 July. The result is evident in this incomplete Bill, relying almost completely on regulations for implementation and administration.

The Minister for Aviation (Mr Peter Morris) has stated that the airlines will only have their special booths at the international terminals until 1 October. These booths, as I said earlier, are used at present by Department of Immigration and Ethnic Affairs personnel. The Minister has also claimed that these booths cause congestion in the terminals. The airlines deny that the booths have ever caused congestion in the terminals and point to the other reasons for congestion in terminals, particularly the international terminal at Sydney (Kingsford-Smith) Airport. It is the congestion at the Kingsford-Smith terminal which at present is giving us such a bad name internationally. That is caused by problems with the overall design of the departure floor and the number and allocation of check-in counters at that terminal. The Minister's intransigence on this issue will only increase congestion in the all-important check-in counter area, because the requirement that he is forcing or appears to be forcing at this stage on the airlines will add to the congestion in that already congested area.

The airlines estimate that up to \$30,000 per hour is collected at the Kingsford-Smith terminal in peak times. This will require secure booths at strategic points when they have the responsibility of collecting that amount of money. This will present both logistical and personnel problems. The Kingsford-Smith congestion problem will be further compounded by the renovation program at the international terminal while these works are in progress. It will be up to three years before this renovation program is completed. Until then, I believe the Minister should allow the airlines to use the present booths; otherwise we will have congestion on congestion and confusion on confusion at critical times in that departure area.

Approximately 54 per cent of airline tickets to and from Australia are now sold outside Australia and this will increase as the weak Australian dollar makes this country a more attractive destination and overseas trips a less attractive option for Australians. The fear of terrorism and general airport security in Europe and the Mediterranean will add to our desirability as a destination for foreign tourists. The realisation of this trend in the balance of our departures and arrivals was no doubt an important aspect of the Government's removal of the \$40 tax of Australians only, because Government revenue must be maintained and increased at all costs. That is very much the order of the day for this Government.

This percentage—the 54 per cent—is also important in relation to the efficient sale of departure tax stamps and congestion at the terminals. As the majority of tickets are purchased by foreigners overseas, they will not be familiar with the Australian situation and will naturally use the departure terminal to purchase the stamps and, in some cases, to even learn of its existence. The significance of the airlines request for the use already made of the post office to be made universal for the sale of such stamps become apparent and sensible. The post office is a land mark in every community—it is expert in the provision of all kinds of stamps—the ones to put on envelopes, for tax and also for departure. However, for this to be successful, incoming tourists should be alerted by the Government to the need for a departure stamp and the ease of obtaining such a stamp at a post office. I also support the request of the airlines for the Department to deal direct with the post office and not require the airlines to do this.

Two types of exemptions to the departure tax stamps requirement are relevant to this legislation. The first has been mentioned by the Minister in his second reading speech, namely, small charter operators, private flights and aerial work, et cetera, and that the existing arrangement using Customs offices will continue, which certainly is acceptable to the Opposition. The second concerns exempt categories of passengers departing through the major terminals. The existing regulation would exempt royalty or their representatives, heads of State and government other than Australia, guests of the Commonwealth, defence personnel required to travel overseas or defence personnel of another country required to visit Australia, crews of vessels just visiting Australia, and Department of Aviation employees required on an aircraft going overseas in

relation to their duties and, finally, repatriated migrants.

As I understand the legislation—I am quite happy to be corrected by the Minister if I am wrong—the Minister is also attempting to force airline employees at the counters and booths to determine this latter form of exemption eligibility. I believe that that is an unfair imposition on those employees. My only personal experience in this matter has been at Hong Kong where there is a special booth determining exemption eligibility. The same should be followed here and I believe it should be staffed by people who do represent the Government because it is the Government that determines what are the exemption categories. The Government will be using the airlines as tax collectors and saving up to \$1.5m collection costs, which raises several important principles, the first being that, because it will be indirect revenue to the Government, it should also be included in aviation cost recovery. I ask the Minister to seriously consider that.

The Minister has already stated that the revenue collected from the departure tax stamps, that is, the \$48.5m estimated for this year, will be part of attributable cost recovery. I acknowledge and commend the Minister for that. However, I believe that the \$1.5m the Government saves by making the airlines tax collectors on its behalf should also become part of attributable cost recovery and I ask the Minister, both in sincerity and from a common sense viewpoint, to consider that point. Secondly, the airlines should not be required to pay for the tax stamps on receipt of such stamps from the Government but by an account arrangement which, in general terms, would mean payment up to 60 days after the sale of those stamps for the money to be transferred to the Government. The third point is that to be helpful and flexible in the requirements for the collection; that is, for the Government to be helpful and flexible in the requirements for the collection, so that the airlines can do it economically and efficiently with as little disruption as possible to the departing passengers.

The recent delays and confusion by the strike of the Department of Immigration employees who sell the stamps has been firmly and rightly condemned by the Minister for Immigration and Ethnic Affairs, Mr Hurford. He pointed out the damage that this selfish action was doing to our international image. The best way to reduce the likelihood of further strikes and the impact of any further strike action and to repair our overseas image is for the Minister to state clearly

and firmly now that if such action occurs again departing passengers will be automatically exempted from the requirements to obtain a stamp. That is not a fanciful suggestion because, in simply looking at some of the newspapers of late last week, there are still hints and threats of further industrial action by those Department of Immigration employees. By one clear statement the Minister can resolve that issue for the future by saying: 'If you go on strike you will not achieve anything because the departing passengers will have automatic right to leave Australia without the requirement of a stamp'. I believe that that is the sort of statement and action that is needed to ensure that our international image is not further damaged by such stupid action and also, of course, it will reduce the likelihood of such action occurring.

The departure tax was last increased in 1981 to \$20. It was \$10 from the time of introduction in 1978 until 1981 and it can be claimed that its real cost has been subsequently reduced by inflation. However, it remains one of the highest, if not the highest, departure tax in the world and the Minister has stated in reply to a question from me in the Parliament earlier this year that it will not be indexed. In a 15 December media release he also stated:

The Government has no intention of escalating the amount they would have to pay in departure tax.

It was referring to departing Australians. Those two statements are encouraging as it would appear that the Government is either not going to index or increase by some other means the cost of the departure tax stamps. However, it does not prevent the Government from increasing the tax in the Budget to, say, \$30 and, in fact, there are rumours circulating that this will be done. If that does happen, in light of earlier comments by the Minister, any increase would be seen as the Minister breaking his word. I am sure that the Minister would not like that to be said.

Furthermore, I believe it would be absurd and would cause considerable confusion on top of the problems there already will be in the implementation of the tax from 1 July if any increase were to happen so soon after those new administrative arrangements had commenced and were still being implemented. So, I suggest to the Minister, if he is able to say today in closing the debate quite firmly and clearly that the \$20 level will not be increased for either the rest of this financial year and next financial year, that will allow the implementation to be far smoother than the confusion that could occur with an increase occurring and all the new stamps and that sort of thing required so soon after its

commencement, and also would assist our tourist image overseas because, as I said earlier, we already have if not the highest one of the highest departure taxes in the world.

Mr Cohen—Our image overseas could not be better.

Mr LLOYD—Has the Minister thought of Indonesia lately?

Mr Cohen—What about their image here?

Mr LLOYD—I am responding to the Minister's comment and he would be wise not to make any more comments in response to that answer. I call on the Minister to unequivocally state—I am going to do this now simply because of the interjection so that we can see what the position is after the Budget—that there will not be any increase in the Budget or anything that will mean an increase in the cost of the stamp until at least the end of the next financial year. I ask the Minister to indicate when these departure tax regulations will be issued and also the cost recovery regulations for the aviation industry. These latter regulations are relevant to the tax and are of great concern to the whole aviation industry, particularly general aviation. I also ask the Minister to reveal a greater flexibility and degree of co-operation than has hitherto been shown in his negotiations with the airlines and agree to their major requests.

The Opposition does not oppose the legislation, because of the generous co-operation of the international airlines and assures them that on return to government we will be prepared to review the administrative arrangements. We will also closely inspect the regulations and discuss their impact with the airline representatives. Finally, I congratulate the airlines on their most constructive and co-operative response to this Government imposition.

Mr GEAR (Canning) (4.31)—The legislation before us today, like all of the legislation brought forward by this Government, deals with common sense. In essence we are taking away the responsibility for collecting this departure tax from the Department of Immigration and Ethnic Affairs and handing it over in such a way that it can be easily identifiable with the airline industry. It enhances the Government's policy of cost recovery within the industry. Further measures to be brought in by the Minister for Aviation (Mr Peter Morris) will give more effect to that policy.

The Opposition spokesman on aviation, the honourable member for Murray (Mr Lloyd), spoke about the way in which airlines may col-

lect this tax, but that certainly is a decision that is up to the airlines themselves. The Government really would not want to interfere in that any more than it had to. The Opposition spokesman also spoke about practices in other countries. I can remember last year when I was invited to the United States of America by the United States Government. I was given my ticket in Australia. The United States departure tax was paid and collected in Australia on behalf of the airline here to be handed over to the United States Government. I cannot see any reason why airlines in other countries cannot reciprocate by collecting tax in their countries to be paid over to the Australian Government in exactly the same way as I have just detailed.

One of the better parts of this legislation is that upon arriving at the airport there will be one less obstacle for departing passengers. Many of us in the House know from personal experience that when a person gets to an international airport and is going overseas the last thing he should be doing is running around trying to get a stamp to put on the front of the ticket. A long queue can lead to frustration. Those passengers who are unaware of departure tax regulations in Australia get to the Customs barrier only to be turned back. That must be very daunting. Not only that, many of our overseas visitors have already cashed in all their Australian currency. They then find that they have to cash in another traveller's cheque if they can in order to get Australian currency to get the tax stamp to put on their ticket. So from a convenience point of view I believe that the departure of international travellers will be enhanced by this legislation.

The Opposition spokesman also read out some of the exempt passengers. In the list I have here there are 20 different categories. In reading the categories I think there is very little scope for any confusion as to which categories someone would fit in. The list includes passengers under the age of 12 years who are detailed on passports; crew members; diplomatic and consular representatives travelling on diplomatic passports—they would be quite easy to identify; persons who do not disembark in Australia; United States and Papua New Guinea military personnel; persons being extradited or deported—they would be known by the handcuff on their left wrist; members of the British royal family, most of whom are well known from Press clippings; the Governor-General and spouse, State governors and spouses—we extend every other privilege to them, so why not this one; heads of state and governments; persons visiting Australia at Commonwealth invitation; migrants being repa-

triated or immigrating elsewhere at Commonwealth expense; persons departing Australia within 24 hours of arrival; and, finally, the Australian Aborigines and Papua New Guinea citizens moving across the Torres Straits. There is more than something a little symbolic in the fact that they are No. 20. Certainly, apart from the categories listed, I do not think that there is any reason why anybody could claim that he would not have to pay the departure tax, but in the unlikely event that there may be some dispute, I reject—

Mr White—There have been disputes—3,000 people have been held up.

Mr GEAR—There may be a few disputes around the place, but certainly having someone at a special booth 24 hours a day at our eight different international terminals should be something that the Waste Watch Committee, set up by the members of the Opposition, should look at. Here they are advocating it. What a silly thing to advocate. Opposition members want somebody sitting in a booth to hear somebody's complaint. Can honourable members imagine a stack of departing passengers at that special booth trying to get out of Australia and the poor old harassed public servant has to decide on the spot whether the \$20 should be paid. I put it to honourable members that it would be a much better way to handle it in the way the Minister has said it should be handled.

Mr Charlesworth—What about the bureaucrats?

Mr GEAR—As the honourable member for Perth points out, it is absolutely amazing that the members of the Opposition are saying that they want more bureaucrats. I think that matter should be referred to the Opposition's Waste Watch Committee. If any shadow Minister ever refers it to the Committee he will be thrown off the front bench for ever advocating such a policy. What the Minister says is quite right, passengers should pay the tax. They can then write us a letter. We will have a look at their case and, if they are right, we will refund it.

The Opposition spokesman also spoke about the cost in comparison with other countries. Two of the prime destinations for Australians are New Zealand and Hong Kong. In both cases the departure tax exceeds ours. It is \$40 in New Zealand, which at the time, amounted to \$A31.50. In Hong Kong a person pays \$HK120, which is around \$A21.24. Honourable members can see that our departure tax, even though it may be high in comparison with some countries,

is quite reasonable in comparison with other countries.

I turn now to some departure tax statistics. I will just dwell on the number of passengers because as the Opposition spokesman has pointed out, not only has the cost of the departure tax increased from \$10 to \$20, but there was also a move to bring the age of children down from 18 to 12 years. So just looking at the revenue does not always tell the full picture. The number of passengers coming into this country was 2,068,000 in 1981-82. The following year we did not do much better—there was an increase of only 0.4 per cent from that figure to 2,075,000.

Dr Charlesworth—Members of the Opposition didn't know anything about tourism.

Mr GEAR—They didn't know anything about tourism, as the honourable member for Perth has pointed out. They had a goldmine as the Minister for Sport, Recreation and Tourism (Mr John Brown) points out, and they did not know what to do with it. That is reflected in the figures. Between 1981-82 and 1982-83 there was an increase of 0.4 of a per cent. What a miserable percentage. The rest of the world must have laughed at us for not taking tourism seriously. Between 1982-83 and 1983-84 tourism started to pick up because of the influence this Government had on tourism, and there was a staggering 5.3 per cent increase compared to 0.4 per cent the year before. So in percentage terms it went up by approximately—what is my maths like?—1200 per cent.

Mr Lloyd—Pretty poor so far.

Mr GEAR—It was a lot better than the mathematics of those opposite. They could increase tourism by only 0.4 per cent in their last year and we increased it by 5.3 per cent, which is over 1200 per cent in one year. In 1983-84 there were 2,186,000 passengers. But the following year, 1984-85—by this time the Paul Hogan advertisements had started taking effect in America—there was a staggering increase of 10.9 per cent. This Government actually doubled the figure from the year before. So tourism increased by 1200 per cent and a further 200 per cent on top of that. The Minister for Arts, Heritage and Environment (Mr Cohen), who is at the table, showed us an excellent movie last Wednesday night—*Crocodile Dundee*. I am sure that when that hits the studios in America we will not be able to hold the Americans back. Even though we have estimated only a modest 7 per cent increase, once the Americans see Paul Hogan in *Crocodile Dundee* we will not have enough planes to bring them in. Honourable senators

talked about increasing the tax on departure stamps from \$20 to \$30. That is what the Opposition might have done if it wanted to raise revenue. The only way to increase something is to put the cost up. This Government is bringing more people into the country. That is another way of collecting tax. That is what we have been doing. In 1985-86, we have estimated we will exceed 2,500,000 passenger departures from Australia. That is up 7 per cent projected. For 1986-87 we have again projected a modest 7 per cent increase. Wait until *Crocodile Dundee* hits the theatres in the United States—we will not be able to keep the Americans away.

I have spoken on the Bill long enough, and I know that the honourable member for Perth (Dr Charlesworth) has many worthwhile things to say about the Bill. I notice the Opposition spokesman on tourism coming to the dispatch box. This Government has done everything that it can not only to promote tourism overseas but, by the legislation we are debating today, to look after the tourists when they come here and to make sure that they will not be fumbling in their pockets for their last \$20 to get out of the country. We hope that the airlines will take into account the Government's wishes and build the cost of this tax into their tickets, as is done in the United States of America.

Finally, I congratulate the Minister for Aviation on the excellent way he has handled this portfolio. I am sure that we have seen the start of many worthwhile reforms. There are two Ministers at the table, and I have said something nice about both of them. There is no worry about me getting into favour with these two Ministers. Certainly the Minister for Aviation has done everything right to ensure that everything that can be done within the airline industry is done to make visits by our overseas visitors most enjoyable. Getting rid of these tax collection booths and ensuring that we do not have appeal booths, which were advocated by the Opposition, will make the stay of tourists in Australia that much more pleasurable.

Mr WHITE (McPherson) (4.44)—I applaud the new-found enthusiasm for tourism of the honourable member for Canning (Mr Gear) and his support of the Minister for Aviation (Mr Peter Morris), who is at the table. I can only say that I hope that, whatever other abilities the Minister brings to his portfolio, it is not the same lack of ability that he brings to the messy affair of departure tax in this country. It is interesting that the Government now supports the proposition that the departure tax should be

collected by the airlines themselves, because in 1981 the Labor Party was vehemently opposed to such a move. I note with some interest also that the Minister for Sport, Recreation and Tourism, (Mr John Brown), who was then the shadow Minister, was most outstanding in his opposition to this move. I quote from *Hansard* of 26 August 1981 when the honourable member was on his feet speaking:

What is the point in Australians leaving Australia having to pay this tax? No one can convince me that a Japanese tourist who comes to Australia and finds he has to pay another \$10 to go home will consider that a great attraction. The Government can in no way justify the imposition of this tax.

Mr Lloyd—Who said this?

Mr WHITE—Mr John Brown said this, the Minister for Sport, Recreation and Tourism. In 1981 he was in full flight. I repeat what he said:

The Government—

that was us at the time, of course—

can in no way justify the imposition of this tax. We will oppose it vehemently.

Mr Cohen—That is not what I said when I was shadow Minister.

Mr WHITE—I am not sure what the Minister for Arts, Heritage and Environment said at that time. He might like to tell us during the debate. I presume that what the Minister is saying now is that he is opposed to what the now Minister for Sport, Recreation and Tourism said in 1981. The wheel has now turned full circle—and that is a good thing—but it is interesting to look back to see what the present Minister for Sport, Recreation and Tourism said at that time. I might say that he is the same Minister who has been under some criticism in the last week. He is the Minister who hires consultants at government expense and lets them wander round the country for months on end. At one stage the Minister said that the consultant was lost for a month and he did not know where he was. I presume they could find him to give him his pay cheque during that month, and I presume that when he came back he was grilled about what he had actually been doing during that time.

Mr Lloyd—Who was this consultant?

Mr WHITE—Mr Groux, consultant to the Minister for Sport, Recreation and Tourism. Mr Groux went absent without leave for a month. No one knew where he was and what he was supposed to be doing.

Mr Peter Morris—On a point of order, Mr Deputy Speaker: I am a very reasonable Minis-

ter, as you heard early this afternoon. These debates are usually of a reasonably wide-ranging nature, but on this occasion I think the shadow Minister for Sport, Recreation and Tourism should be directed to address the Bill, which is a fairly narrow and mechanical Bill dealing simply with the mechanics of the collection of a tax which does have pertinence for tourism. Mr Deputy Speaker, I would be grateful if you would direct the honourable member to direct his remarks to the contents of the Bill.

Mr WHITE—Mr Deputy Speaker, I acknowledge the point the Minister is making.

Mr DEPUTY SPEAKER (Mr Rocher)—I think the honourable member for McPherson should be allowed time to round off his remarks, which will enable him to get back to the Bill while he has established the link.

Mr WHITE—The point I make is that we are talking here about departure tax. Departure tax is very important in the creation of a tourist industry in this country. The last real contact tourists have with Australia is when they go and pay their \$20. How they pay it and how they are relieved of it is a very important part of the tourist industry because, as I will come to a bit later, the other day in Sydney 3,000 visitors were hammering on doors trying to pay their departure tax. Probably half of those people, on average, would have been tourists in this country. If half of them were tourists, that is 1,500 people. I think it is very doubtful whether those 1,500 tourists will ever come back to Australia again, seeing they were subjected to that. That is a direct reflection on the tourist industry and a reflection on the Minister for Sport, Recreation and Tourism because I have not heard him say a word about this important issue. It is because of the conduct of his portfolio and his lack of attention to this matter that I raise a couple of other matters in connection with the administration of the Minister's portfolio.

I can see by the look on your face, Mr Deputy Speaker, that you are not convinced that that tenuous argument has any bearing on what I have just been saying, so I will not persist except to say in conclusion on this section of the debate that if the Minister for Sport, Recreation and Tourism took a bit more interest in the departure tax problem that has been raised in this country perhaps our tourism industry would continue to grow and prosper at a greater rate than it has. I would also say that, if that is indicative of the attention the Minister pays to his portfolio, it is backed up by the sorts of people he hires as consultants in his portfolio

who are allowed to wander at will around this country on the government payroll. The Minister said: 'Well, he was adrift for a month. No one knew where he was'. Of course, we will hear more about Mr Groux because if the Minister will not tell us what Mr Groux was doing for that month, where he was paid and how much he was paid—

Mr Cohen—On a point of order, Mr Deputy Speaker: I think you are fairly tolerant with the shadow Minister. He is now getting right off the track and I suggest that you draw him back to the Bill.

Mr DEPUTY SPEAKER—The honourable member for McPherson has made a connection and I think he made it validly. The honourable member has also made the point that he will move on, and I will allow him to continue.

Mr WHITE—Thank you for your indulgence and patience, Mr Deputy Speaker. I believe it was an important point to make about the conduct of that particular portfolio. I turn now to the narrow aspects of this Bill, the departure tax. We are not opposed to the outline and the general objectives which the Minister has indicated, but the handling of this transfer has been going on for a long time and it has been an extremely messy affair. I refer to the initial lack of consultation with the airlines. Then we had a proposal, at one stage floated through the Press, that the departure tax was to be put up to \$40. That was denied. Then the tax was to be a percentage of the air fare. God knows how much that was going to cost us. Then the tax was back to \$20. Then we were going to maintain the booths in the airports, then we were going to abolish the booths. Then the starting date was to be 1 January 1986; then it was to be 1 July 1986. I am interested to know—I presume that the Minister will tell us—whether that is still the starting date. We want to know what the situation is because the next Budget will come around before we actually get on to collecting this tax. I believe that the Minister should be letting the airlines get on with it without constantly arguing about how they will do it.

The other question I wish to raise in connection with the departure tax—a tax which amounts to some \$50m a year; it is not peanuts—is why some of it is not used to improve facilities at our airports. If that were done the Government would get more support from the Opposition and certainly from the airlines. In Brisbane we have no international terminal in sight, although we are to have an international airport as such. Sydney (Kingsford-Smith) Air-

port, as the Minister must realise, is becoming notorious not only in Australia but also throughout the world for its bad facilities and its congestion.

Mr Cohen—The best city in the world.

Mr WHITE—I am talking about Sydney Airport. I went to Sydney the other day to look at the airport and I must say that I was appalled. It is the main gateway to Australia. As I understand it, the Government is to spend \$20m on Sydney Airport, but the program has not yet been approved. It will be spread over three years. It is obvious that by the time that \$20m is spent it will be too little, too late. A total of \$20m for what is required at Sydney Airport is a relatively small amount. The reception arrangements for overseas visitors at Sydney Airport are abysmal. Incoming visitors have to wait for hours at peak periods. I am told that it is doubtful whether the improvements that are proposed will achieve the objective. Again, this situation reflects on the only growth industry that we have in this country, that is, the tourist industry. The tourist industry is going to grow and grow.

Mr Cohen—Thanks to the best promotional campaign in Australia's history.

Mr WHITE—It is not due to the efforts of the Government. It is due basically, as the Minister well knows, to the devaluation of the dollar and the uncertainties in other places in the world because of terrorism. They are the two issues that are increasing tourism.

Mr Cohen—That is part of it.

Mr WHITE—Whatever the Minister says, the fact is that tourism in this country will grow enormously. What we should be doing in a bipartisan way is making sure that visitors are received and dispatched in some degree of comfort. That is what we are talking about.

Mr Cohen—Be gracious and give the Minister some credit for a brilliant campaign.

Mr WHITE—I have said many times that the Minister deserves a lot of credit for what he has done, but the fact is that tourism in this country will grow, basically because of devaluation and the uncertainties in other countries. If we agree that tourism will grow, should we not be looking at making sure that the facilities for the reception and dispatch of our tourists are adequate? If we treat the tourists as we treated those 1,500 tourists who were hammering on the door to get out, they will not come back. Tourism is the only growth industry we have; and it is the industry that we should be looking after partic-

ularly. We should not, as the Government has done, allow a few ticket collectors at the Sydney office to make up their own minds as to whether they will sell tickets to people going out of this country. What sort of a government is it that lets a few public servants dictate to it as to whether they are going to sell tickets? The matter is not over yet.

Mr Cohen—What would you have done?

Mr WHITE—No work, no pay; that is the first thing that would be done. Secondly, Sydney Airport and all other airports are the best possible example of the need for flexibility in industrial relations in order to have people at the airports in the peak periods. Permanent part time work is what is required, Customs officers and health and immigration officials should be at the airports at the time they are required and we should not have a lot of people standing around when they are not required. The ticket collectors will not tell us whether they will take industrial action. Pending a meeting with the Federal Government, a spokesman for the ticket collectors said:

We do not plan to give any warning of further industrial actions, it is not for public knowledge nor do we want management to know our plans so that they can fill in our job.

The Government puts up with that sort of rubbish from public servants over whom it should have reasonable control and who are doing great damage to tourists who are leaving this country. Obviously, those tourists will not come back. I suggest that one of the things the Government should do, apart from implementing the physical improvements that are required to the airport structures, is look very closely at introducing permanent part time work at the airports so that our very important visitors and returning Australians are not held up for hours at our airports waiting for public services.

Dr CHARLESWORTH (Perth) (4.56)—My colleague the honourable member for Canning (Mr Gear) has canvassed the vast majority of issues involved in respect of the Departure Tax Collection Amendment Bill, but there are some things that I would like to say. While the honourable member for Murray (Mr Lloyd) gave what I think was a fair exposition of how the tax operates and its history, he mentioned that he believed that Australia Post should play a part in the distribution of departure tax stamps. I must say that I find that a rather bizarre prospect. Indeed, he said that he would give us some information on credit card facilities, yet he never got to that exposition. He suggested that

this change to the departure tax arrangements would increase congestion at terminals and that logistics and personnel problems would increase as a result. Further, the honourable member for McPherson (Mr White) said that the recent problem at Sydney Airport, where 3,000 people were unable to obtain departure tax stamps, would be exacerbated by this legislation. I find it very difficult to follow the logic of that. Surely, if tickets and stamps are made available at the airline check-in counters and if planes are flying, one would be able to get departure tax stamps. Certainly that runs contrary to the logic espoused by the Opposition in suggesting that that problem would become worse if the booths were removed.

Another point raised by the honourable member for McPherson related to airport expenditure and the congestion and difficulties that exist at various airports. That is something to which I would like to come back later. Anybody who has travelled overseas—the vast majority of members in this place have had the opportunity to do so—will realise that it can be an inconvenience to have to check in at an airport and then hurry around to find where one can obtain a stamp for the \$20 departure tax. If the check-in and departure stamps were available at the same place, I believe that that would improve the efficiency of our airports rather than have the other effect. I recently had to backtrack in Perth for exactly this reason, whereas in Singapore and Bangkok it was possible to buy the departure tax stamp as one checked in. Certainly, that was more convenient.

This measure will also save money. I would have thought that that would be something that would bring delight to the hearts of members of the Opposition, yet they seem to want to employ more bureaucrats and are suggesting that privatisation of this procedure is something to which they would be opposed. As my colleague the honourable member for Canning, suggested, United States airlines are already collecting tax for the United States Government here in Australia. It seems a much more efficient way to collect tax in these circumstances. Of course, the airlines bear the cost of collection, just as the banks bear the costs of collecting the bank account debits tax and the costs of sales tax collection are the responsibility not of government but of those who are liable for it.

Another point that has been made by the Opposition related to its concern that this tax may in fact be indexed. It is interesting to note that in 1981 when it was last increased from \$10

to \$20 it was regarded as a much more significant tax than it is now. It has stayed at that level since 1981. I suppose its present value could be regarded as being about half of its value when it was introduced in 1981. So the Opposition with its concern that the tax would be indexed, seems to be shedding crocodile tears, because surely, if the tax is increased by indexation, its value will still be much lower than it was when it was introduced by the Opposition.

Members of the Opposition also talked about difficulties that exist with exemptions. I point out that more than 70 per cent of the exemptions are for passengers who are under 12. I imagine that there would be no difficulty at an airline counter in ascertaining the age of a likely traveller, particularly a young traveller, who would have a passport. So some of the concerns that members of the Opposition have expressed do not bear consideration.

This change in the collection of departure tax will certainly increase the efficiency with which airlines are able to function and with which passengers can be passed through our airports. I wish to finish on this point because it is of some concern to the constituents of Perth that our existing airport was designed 25 years ago for the Commonwealth Games held in 1962, and it was then a new and modern building. Since then there has been a significant increase of about 20 per cent annually in overseas travel and of 10 per cent annually in domestic travel. Clearly, in that 24 years the airport has become far from sufficient and unable to handle the volume of traffic that goes through there now.

It is this Government that has embarked on building a new terminal. It is this Government that has spent over \$60m to improve the facilities at the airport and to provide Western Australians with an efficient processing and handling passenger facility for the future. Although this legislation is only a small measure, I believe it will provide an improvement in the efficiency with which passengers are handled. We in Western Australia are glad that finally, after a long time, our airport facilities have been improved. This is only a small measure but it will increase the efficiency of passenger flow. It will save the Government money and it is consistent with the sort of tax that is levied in a large number of other countries. I cannot see any reason for not supporting this legislation.

Mr SMITH (Bass) (5.03)—It is indeed a pleasure to follow the honourable member for Perth (Dr Charlesworth) in the debate on the Departure Tax Collection Amendment Bill, be-

cause this will probably be one of the few times that we will agree on anything. We certainly agree on this Bill as it enjoys the support of the Opposition. Other speakers have spoken about the dramatic increase in the number of tourists coming into Australia. There is no doubt about that. If one looks at the latest aviation outlook paper, one can see that the graph showing departures and arrivals relating to international travel continues to go up. The figure this financial year is over 8 per cent.

The figures that I have been able to find show that tourism is now worth somewhere over 5 per cent of gross domestic product, which is in excess of \$8 billion, and that means over 340,000 jobs are involved. Also in 1982-83—these are rather old figures—expenditure by overseas visitors exceeded \$1 billion, which then equalled 66 per cent of wool exports and 84 per cent of wheat exports. There has been quite a dramatic growth since then so it is a major industry. Obviously great development is going on at the moment. That is particularly so in north Queensland and in the Northern Territory.

This tax does have some drawbacks, which the honourable member for Murray (Mr Lloyd) has outlined. There are a few alternatives which could be considered and which I hope the Minister for Aviation (Mr Peter Morris) will take on board as having been genuinely made. This proposal is a further imposition of government on the airlines, but, in total, I agree that it is a sensible change. The tax take is quite interesting. When this measure was first started in 1978-79, \$12m was collected in that year. Last year, 1984-85 it had grown to \$47m. The estimate for this year, 1985-86, is \$49m. This tax, once collected, goes to Consolidated Revenue. Looking at the growth in tourism and at the need for continued growth, one could ask the question: Why cannot some of those funds be directed towards assisting the tourism industry?

Interestingly, in the marketing section of a recent edition of the *Australian*, there was an article headed 'No funds left to exploit tourism opportunity'. The article went on to say that the funds that were used by the Australian Tourist Commission had been expended and that there were no more funds left to continue promotion. We heard a lot today about *Crocodile Dundee*, Koala Brown and all the other promotional activities but it seems to me that we have a unique chance in Australia to pursue the very new opportunities which, unfortunately, have arisen due to the Libyan crisis. The point needs to be made that the Tourist Commission is short of

funds, and detailed consideration ought to be given towards directing some of this massive amount of money—\$49m in this financial year—towards tourism.

It is also interesting that on the same page as the article about the problems of marketing in the tourist industry we can go to the next article which was concerned over labour costs. This article has some significance with regard to some of the remarks I want to make later about the collection of the departure tax. The head of the International Hotels Corporation made an interesting observation about Australian tourism. He said:

You have one of the finest holiday destinations in the world but labour costs are making the industry outrageously expensive for operators and travellers . . .

Labour costs represent 45 per cent of our total revenue in Australia, but with most of our 99 other hotels across the world, the figure is 35 per cent—the difference representing gross profit, which I'm afraid has to be passed on to the traveller.

There we have it. I think the honourable member for McPherson (Mr White), the Opposition spokesman for tourism, talked about the need for some flexibility in the labour markets and I certainly concur with those remarks. It is also interesting to go back over the debates on this issue. I noticed that one speaker referred to the comments made by the honourable member for Robertson, the Minister for Arts, Heritage and Environment (Mr Cohen). It would be interesting to hear him elucidate those points further, if he is able to. I do not know whether he is on the speakers list.

When this issue was debated back in September 1978 a former member in this place—I refer to the then member for Bowman, who has now reappeared as the honourable member for Fadden (Mr Jull), and who will be speaking later in this debate—made the very point then that some of those funds ought to be directed to tourism. I hope that he will have the opportunity to expand further on that point today. The history of this tax is well known. It is interesting to go back to the report of the Bosch Committee on Aviation Cost Recovery. The Committee was set up by the Minister. Whilst the Committee made the point that this proposal was a general revenue measure, it also said:

The Committee considers, however, that because it is collected from aircraft passengers it should be considered attributable revenue for cost recovery purposes. The Committee noted that in both the U.S.A. and Canada the proceeds of taxes on departing international passengers are used for aviation cost recovery purposes. If the Government agrees to attribute departure tax

collections for recovery cost purposes, the Committee recommends—

this is the important part—

that international passengers should be exempt at arrival and departure from Australia from any domestic passenger service charges which the Government—

being the Federal Government—

might also decide to introduce.

I think that the Minister deserves to be congratulated for following the first part of the Committee's recommendation, that is that those funds be seen as part of the attributable revenue for cost recovery purposes. I hope that he will keep in mind the second point made by the Committee that if any further charges are imposed, international travellers should be exempted from them. As I have said, we do not oppose this measure, but it is an impost on the airlines and it will be a cost to them. They have worked well with the Minister to bring this change about.

It is also interesting to note some of the other taxes that are being imposed on the airlines at the moment. One that has not received perhaps as much attention as it ought—although it may do so in the next few days—is the imposition of the fringe benefits tax. As I understand it, Qantas Airways Limited will have to pay somewhere in the vicinity of \$8m as a result of that tax; Trans Australia Airlines, \$4m; Ansett Airlines of Australia, \$4m; and East-West Airlines Ltd, \$500,000-odd. I wonder whether the Minister was involved in the discussions with the Treasurer (Mr Keating) on those taxes, because it seems to me that two bodies under his jurisdiction will be hit with rather large sums. Perhaps he ought to have been seeking some exemptions under that fringe benefits tax at the time it was being discussed.

Mr Jull—The passengers will pay more, too.

Mr SMITH—The passengers will pay for it, of course. Another point that I think was made by the honourable member for Murray related to the question of security at Sydney (Kingsford-Smith) Airport, where \$30,000 an hour is collected. That is a large amount. Recently, I went to Darwin to have a look at its airport. Obviously, it has severe security problems, and I am sure there are tax collection problems also. A further point that has to be made is that the terminal is totally inadequate. Late last week, the Minister, in answer to a question in the House, said that on his next visit to Darwin, which I think might be later this week or early next week, no decision would be made on Darwin Airport. I hope that the Minister will give that matter a high priority. All the people to

whom I spoke in Darwin said that that airport was totally inadequate. Yet Darwin Airport is growing in importance. Qantas wants to put more flights through Darwin; the airport needs urgent attention. I hope that the Minister, together with the Minister for Defence (Mr Beazley), will find an early solution to that problem. I am sure that tourists who come into Australia through Darwin must wonder what has hit them when they see that old building with its totally inadequate facilities.

Another thing that this Government crows about continually is the level of consultation with the unions. It talks about reaching consensus decisions. I find that rather amusing. There was an interesting article in the *Australian* on 25 April. It was headlined 'Union threatens wildcat strikes in widening of departure tax dispute'. Four members of the Australian Public Service Association were arrested on 22 April for picketing departure tax booths in a restricted area at Sydney Airport. One wonders why the union was upset. Mr Raymond Harty of APSA claimed that it was a move by the Federal Government to 'privatise a government function and cut overtime payments for 40 departure tax employees'. He then attacked the Government and went on to say:

Federal Cabinet's decision was taken unilaterally without consulting the union. The Minister for Immigration, Mr Hurford, . . . had breached the Government's policy of industrial democracy by 'consistently refusing' to meet the APSA.

It was only today that the Minister for Employment and Industrial Relations (Mr Willis) stood up in this place and crowed about how important industrial democracy would be. He said he hoped that when the Green Paper came down people on this side of the House would treat it well and support him. I suggest to the Minister that the first thing he should do is make sure that his fellow Cabinet Ministers support industrial democracy before he comes to us and asks us for support.

Mr Harty went on to say that immigration officials had broken the law by selling tax stamps after the booths were black-banned. All I can say is that we should thank those immigration officials for breaking the law and ensuring that there were at least some sensible people in that airport to process the tourists who were waiting. It certainly left a sour taste in many people's mouths. I think that the honourable member for Murray also suggested a solution in that area, and I hope that the Minister will respond to that. It is that type of mindless union activity that concerns us on this side of the House. It

was a mindless exercise of irresponsible power and that is the sort of thing that we want to see changed. That is what we have been pursuing with our industrial relations policy, about which I am sure the Government will hear more. I hope that the introduction of part time work, as suggested by the shadow Minister for Sport, Recreation and Tourism (Mr White), into the airport system might also alleviate those problems.

Mr IAN CAMERON (Maranoa) (5.13)—I have pleasure in speaking on the second reading of the Departure Tax Collection Amendment Bill. The Opposition supports this Bill with some reservations. Personally I feel that it is a great pity that we have to tax our tourists in any way. I could never understand why we found it necessary. The Minister for Transport and Minister for Aviation (Mr Peter Morris) said, in his second reading speech, that other countries tax tourists, and that is a good reason why we should do so. Obviously Australia is now well placed, as other members have mentioned, because we are in a stable part of the world and we are in a position to attract many tourists. We do not have a lot going for us in industry. We have just seen the Prime Minister (Mr Hawke) doing a few flips around the globe in order to try to sell a bit more primary production but he has not had any success. However, there will continue to be an enormous growth in tourism. It creates a lot of jobs and I think it is absurd that we should tax tourists when they are leaving the country. We encourage them to come here with all sorts of advertising, to travel around the country and have a look at it and then we kick them in the backside as they are leaving. I do not see anything wrong with charging our own people some sort of tax because one might argue that it is a privilege and a luxury to travel overseas, but I think that it is absurd that we should tax tourists as they are leaving our country. In effect we say to them: 'Hooray mate; you have had a good time but now we need \$20 from you before you can leave Australia'.

There have been some suggestions that the amount should be increased to \$40. I believe that the Government, in its last Budget, expressed a desire to increase this amount to \$40. The trouble with these taxes is that once they are in place they are there for keeps. They are never reduced; they continually increase. It is a great pity that this should be suggested at this stage of expansion in the tourist industry. It is not that long since the departure tax was introduced. It was one of the many things that the Fraser Government did with which we do not

agree too much these days. It is a great pity that this tax was ever introduced at all. Apparently in the days of the Fraser Government it was decided that there should be cost recovery in the aviation industry, and it is quite unbelievable how many public servants are now employed in that industry. I would say that there are 10 for every plane that is flying around, and that includes light aircraft.

I turn to the question of light aircraft. My electorate of Maranoa is vast—about two and a half times the size of Victoria—and light aircraft are continually needed in this part of the world. I fly around my electorate a lot. The Remuneration Tribunal has had a very detailed submission from me again this year in order to try to get unlimited charter for members who have big electorates. The Australian Labor Party believes in one vote, one value but it does not believe in allowing us to service our electorate as we should. Although the size of the electorate of Maranoa has been increased by 110,000 square kilometres, the Government has only slightly increased the air charter allowance. It is also worth noting that the cost of airline tickets has not decreased despite the sudden slump in the price of Avgas. I hope that the Minister will make a representation to Ansett Airlines of Australia and Trans Australia Airlines—to Sir Peter Abeles and his mates—

Mr Peter Morris—They don't use Avgas.

Mr IAN CAMERON—Well, a tribunal was set up during the time of the Fraser Government to look at the cost of airline tickets. Crude oil prices have dropped substantially and although the excise has been transferred to Avgas, there has still been a slight drop in the cost of aviation fuel. It is not much, nevertheless that saving should be passed on to the travelling public. As I was saying, I believe that as parliamentarians we should be allowed unlimited charter. It is amazing that we have a credit card in our pockets, valid for both Ansett and TAA, to enable us to travel round and round this country until we get giddy, yet we cannot go to our electorates and charter aircraft in order to service those electorates properly. I point out that it is as far from my home to the western end of my electorate, which is at the Northern Territory-Birdsville corner, as it is from my home to Melbourne. That is how big my electorate is—2,000 kilometres across. The Minister is shaking his head, but I must point out that he has a Newcastle electorate. He could spit across it or walk across it before breakfast. I think he should use his influence with some of his departmental people

and his Cabinet colleagues in order to see whether we cannot get more charter flights to service these large electorates.

This Bill asks the airline industry to collect the departure tax. This is another trend in government. It is just like the excise tax that farmers are now being asked to collect. I pointed this out to the House last week. Only half the farmers are receiving the excise rebate because the rest probably do not have the time to do all the paper work. Because the airline industry is collecting the tax it will cost the Government only \$1.5m to collect \$50m in a year. That is not bad business. The great trend in government today is that it is moving all its tax collecting responsibilities and costs across to private industry. That is a great cost to private industry and just another added burden. Not only does industry have to collect the tax, but it is also paying more tax to this Government in all sorts of areas.

I wish to emphasise that it is important that we should continue to service inland Australia. There has been a contraction of services. I also wish to mention the fact that apparently international airlines can carry passengers within Australia. To start with, there are too many international airports. The Chairman of Qantas Airways Ltd was in Parliament House talking to us the other day and he made a valid point. For example, Port Hedland is an international airport. When one sets up an international airport one must supply all the personnel involved in quarantine and passport control. Quite a staff is involved. That area should be looked at because I am sure these large numbers of staff could be cut down. As I was saying, international carriers can carry passengers from Cairns to Brisbane, for instance, but the domestic carriers cannot. Therefore, we are losing a lot of revenue. Australia is losing a lot of overseas income and the domestic carriers are losing revenue. If Singapore Airlines, or any other airline that flies into Cairns, is then allowed to carry passengers to Brisbane or Sydney, revenue is going back to Singapore or whichever country owns the airline. This practice was pointed out to me the other day and until then I did not know it was happening. I believe that the Minister should be looking at this matter. I give my very limited support to the Bill. I think it is a great pity that the Government cannot totally withdraw this tax.

Mr JULL (Fadden) (5.21)—I am afraid that I am going to upset my colleague the honourable member for Maranoa (Mr Ian Cameron) when I say that in October of 1978 the House of Representatives Select Committee on Tourism,

of which I was the Chairman, recommended the introduction of a departure tax on people leaving Australia. It is interesting to look at that recommendation some eight years down the track. We recommended the introduction of a \$10 departure tax. We also recommended that that tax should be used to promote international tourism to Australia. I wonder how far really we have come in the last eight years? I must say to the Minister for Aviation (Mr Peter Morris), who is at the table, that at least some of this money is now going back into airport cost recovery programs; and, in that respect, I suppose we ought to be grateful.

One of the very real difficulties I had with the establishment of the departure tax was the setting up at airports around Australia of little cages containing bureaucrats who took \$10 off people as they left Australia. If one looks at that initial recommendation of the Select Committee one finds that we also said that the responsibility for the collection of the departure tax should rest with the airlines. I wonder today just why we are going through some of the drama that is contained in the Departure Tax Collection Amendment Bill 1986 when it would seem to me to be an entirely simple procedure to have the departure tax written into the cost of the fare, as it is in most countries. In fact, something like 111 nations impose some sort of tax on departing passengers. It does not really matter whether it is called a departure tax, a sales tax on a ticket or an airport users tax.

According to my latest research, 29 countries impose a departure tax along the lines adopted by Australia inasmuch as a bureaucrat puts a little ticket on the front of departing passengers' tickets and another little bureaucrat stamps the tickets to confirm that the departure tax has been paid. This seems to me to be absolutely crazy. People may say: 'Well, it is going to be very hard to introduce a different system in Australia'. I also remind honourable members and the Minister at the table that a departure tax of sorts is already levied at one of our airports. That tax happens to be included in the price of the ticket and appears in a separate box on the ticket. I refer to the procedure adopted at Cairns Airport where in fact a passenger charge is levied on everybody who uses that airport. If one happens to be going through Cairns one will see provision for an additional cost of \$2 in the bottom corner of one's ticket. If we are to continue to levy a departure tax it would seem to me eminently sensible that this is the way we should do it. We should do what something like 81 other countries around the

world do—make sure that the cost of the departure tax is included in the fare. It would then be a relatively easy process to have that amount of money settled with the Government.

We have heard all sorts of dramas in this debate about the very real problems that the airlines themselves are facing in collecting this tax. I suppose that when we speak about departure tax we are speaking primarily about international air travellers. I acknowledge that some additional facilities are available for collecting departure tax from people using ships and other means of transport. However, most of the ticket collection that is done in Australia is in fact done by our own national airline, Qantas Airways Ltd. The staff of Qantas pull the tickets for most of the 20 international airlines which are operating in Australia. While it may be an imposition on Qantas to come around to this particular means of accounting, it would seem to me that to do it that way would be a much cleaner operation. If Qantas collected virtually all those ticket butts, it would then be relatively easy to calculate what would be required to settle government charges.

Mr Millar—What about the tickets which are sold overseas?

Mr JULL—That is a relatively simple situation too; it could be handled quite easily. If we really wanted to we probably could take this whole operation out of the hands of the airlines and arrange for one of the international settling bodies, which distribute the amount of money that is owed to various airlines on multistage tickets, to collect that tax for us. It would seem to be much more sensible to go down that path and have a very clean operation. We would be able to do away with the extra staff required; we would do away with the security problems; and, most importantly, we would do away with that bad bit of public relations at airports that arises when people who have had a good time in Australia find all of a sudden that they have to come up with another \$20 before they can leave the country.

It is quite interesting to look back over some of the evidence that the Select Committee on Tourism took in regard to the whole area of departure tax. The duty free shop operations are one of the organisations that in fact lose money because of the imposition of a departure tax. Two things happen: Either people have to pay their last \$20 rather than spend it at a duty free shop or they get such a bad taste in their mouth that they say: 'Well, we will wait till the next

stop and buy a bottle of whisky in Singapore or elsewhere'. That very real problem was raised.

The honourable member for Bass (Mr Smith) mentioned in his very excellent contribution today that perhaps we should be looking at spending more money overseas on international promotions for tourism. This would be particularly advisable at the moment when we consider exactly what is happening in terms of overseas tourism. I saw some figures just this morning to the effect that the American travel operators have reported a 75 per cent cancellation rate for Americans taking holidays to Europe this summer. They are looking for somewhere else to go. There has also been a dramatic drop off in the number of people from the northern areas of Europe, such as the Scandinavian countries, and the Federal Republic of Germany who have traditionally spent their summer holidays in the Greek Islands, Italy, the south of France, Spain and Portugal. Hundreds of thousands of these people will not be taking their holidays in those areas. Also, even tourists who go through to places like the Maldives and Sri Lanka, which is fairly current in today's climate, and indeed to East Africa, are starting to cancel their trips because they usually have to go through either a Middle Eastern port or Athens Airport to get there.

Never before in our history has Australia had such an ideal opportunity to promote the concept of inbound tourism. The Minister for Sport, Recreation and Tourism (Mr John Brown) keeps telling us that we do not have the infrastructure to handle such an increase in tourism. We have plenty of infrastructure. I appeal to the Government to do the quickest job we can to get out and start doing some more promotion in the North American market. There is no doubt that the promotion that has been undertaken so far has worked very well. The increase of 80 per cent in the number of visas issued to Americans to come to Australia is to be applauded. There is no reason why that 80 per cent cannot be tripled if we can convince some of the Americans who traditionally have gone to Europe that Australia is a good and safe place to visit and that they will get excellent value for money because of the devaluation of our dollar. If that is not possible, if the Government cannot see its way clear to divert some of these considerable funds, which amount to \$48m to \$50m this year, into some instant promotion in North America, Northern Europe and Japan in an effort to increase the tourism numbers from those countries, perhaps we should look at the proposition that the Minister has given in the Bill now before us

and make sure that some of the funds go back into the airport cost recovery program.

On that point I would like to take issue with the Minister in regard to a statement he made in the last week or so when he visited the new development of the Brisbane International Airport. There is no doubt, as the Minister rightly said, that it is going to be the most magnificent airport in Australia. I am sure that we will soon see Brisbane become the No. 2 airport behind Sydney in terms of international traffic using the facility. One thing that worries me is the statement by the Minister about the Brisbane international air terminal. Honourable members of this House would know that, although we have this magnificent development at Brisbane Airport, we are in fact keeping the old airport terminal which was designed as a storage shed during the time Mr Charles Jones was Minister for Transport, as part of the new international airport program. This storage shed has been converted to handle international traffic. The visit by the Minister on a Wednesday afternoon was probably not terribly well timed because, quite frankly, at that time one could probably fire a cannon down the international airport and not hit anyone.

May I suggest that at some time in the near future the Minister go to the Brisbane International Airport terminal on a Saturday morning, when something like 12 to 14 international flights are handled, or on a Friday afternoon when there are 9 or 10 international flights being handled and the place is in absolute chaos. I know that the Minister can argue that the Public Works Committee recommended to this place some years ago that the new international airport terminal not go ahead at that particular time. However, that decision was made prior to Brisbane being granted the Commonwealth Games and Expo 88. We all know that Brisbane has an excellent chance of being the host city for the 1992 Olympics. All those things indicate to me that we will have absolute chaos in that terminal if we do not get our new facility up and running.

I make a special appeal to the Minister that he look at every possibility of proceeding as soon as possible with that new Brisbane International Airport complex. The situation is that we expect something like 700,000 international visitors to Queensland for Expo 88. Admittedly, not all of those people will come through Brisbane International Airport but a great proportion of them will fly into Brisbane for Expo 88. The use of that terminal by an additional 700,000 passengers will cause some real problems. I sincerely

hope that the Minister will look at the proposition of upgrading that airport facility as soon as possible by way of the introduction of a new terminal.

I sincerely hope too that at some time in the not too distant future we will see some rationality in the whole area of the collection of a departure tax. The Opposition is not opposed to the departure tax. We can see the necessity for it and we can see the value of it, whether it be poured into the international tourism or airport cost recovery program. However, we think it is really quite crazy to go through the drama which we are going through at the moment in terms of the collection of the tax when it is a relatively simple operation to have the cost of the departure tax included in the ticket. We could have the cost of the departure tax written into that ticket and the ticket cleared, ensuring the security for the Government of the total amount going back into its coffers.

Mr IAN ROBINSON (Page) (5.32)—I rise briefly to support the call that has been made by honourable members on this side of the House for the Government to make every endeavour to streamline the way in which the departure tax is collected. There is no doubt that currently it is making a contribution to the problem of congestion at our major airports. Along with that, it is causing a great deal of unfortunate reaction from those travellers whom we want to arrive in and depart from this country with a minimum of fuss. I think that 'a minimum of fuss' was one of the sales promotions of British Airways at one stage. Perhaps we can learn from some of our overseas visitors and those countries that operate into and out of this country about ways and means of discerning the prospects of achieving that.

I am sure that there are points of entry and departure around the world where there is a more expeditious processing of a departure tax. My colleagues on this side of the House have referred to what is occurring in some locations. I remind the Minister for Aviation (Mr Peter Morris) that many of the airports which are under local ownership in Australia impose a departure charge, a levy, and that is not seen by the travelling public at all. That cost is contained within the ticket sold by an airline and it has the responsibility to ensure that it returns to the authority involved the amount that is required to be collected. Surely that is an example of a minimum of fuss. I know that because we are dealing with overseas sales of tickets there may be some more difficult factors arising, but

the honourable member for Fadden (Mr Jull) has touched on that in an effective way.

I know that the Minister would be the first to want to see something practical done in this matter. However, I urge him to look a little beyond what is being put to him by his officials on this score: Perhaps the regulations as they are drawn are too stringent and perhaps it is a matter of producing a more practical approach to avoid the difficulties that apparently the airlines have expressed in relation to this matter. If they are reluctant, that is unfortunate. If the process of collection is a simple one, the airlines ought to be given a pretty clear message that they had better not be reluctant from here on because we have too much bureaucracy involved in the handling of passenger departures from most of our major airports. In fact, I suppose it is fair to say that that is so currently for all of them.

I find that that is so every time I go near either the international airport in Sydney or the international airport in Brisbane. That is so likewise for a lot of my constituents who travel through both airports. I hear horrendous accounts of the difficulties they encounter. The collection of the departure tax is part of the problem that contributes to the difficulty of movement, the difficulty of processing and the difficulty of being able to cope with what is required of people from the moment they step on to the kerb in front of the terminal building to the time they end up in the departure lounge and are able to board the aircraft. If we cannot do a little to simplify that, it is a reflection on the contribution that we have made to world aviation over so many years. We have been the first in many fields. Let us be the first to simplify the process of departure tax collection while still getting the result that is essential from the point of view of collecting the tax. I suppose that the word 'tax' suggests that there is something punitive about it, but there need not be.

I want to say a quick word on another aspect. Now that part of this revenue is being used for cost recovery, I hope that the Minister will review some of the immediate problems confronting travellers who want to reach the international airport to start with. I refer to the moves currently under way. Let me instance Brisbane. I came through Brisbane this afternoon. I flew from my home city of Grafton to Brisbane on an East-West Airlines Ltd flight to join a Trans-Australia Airlines flight to Canberra this afternoon. The turnaround time at Brisbane Airport was 30 minutes. As from next week East-West

will be obliged to use another point of arrival at the Brisbane Airport. It is a kilometre away from the other domestic terminals. That means that people travelling from my constituency who want to get an international flight in Sydney and whose time scales are such that they would like to use the East-West scheduled movement could find once East-West is obliged to be a kilometre away from the other domestic terminals that there is no way that they could make a connection.

Why is it that there cannot be an adequate arrangement for airlines to use the facilities provided at the airports? I know that there are leases and I know that there are contractual arrangements. Surely within the framework of those contractual arrangements, if we are to have an effective system of internal services to link with our international services, there must be at least the scope for adequate provision for the travelling public—not a circumstance which seems to be arising now of a war between all the domestic airlines, with the travelling public being the losers. To my mind that is something that the Government should address, and address fairly firmly.

The report issued today by the committee reviewing air services in New South Wales suggests further competition between the airlines. Does that spell out to us a further circumstance in which the competition will result in such a fierce attitude between the domestic airlines that they will not let people walk through their terminal buildings to catch other services? If that is what we are coming to in this country, we had better learn fast that we will not be able to do anything to impress, to attract or to handle international tourists. What is the use of having international tourist traffic coming into this country if it is not then able to use our domestic services in an easy, comfortable and effective way.

In conclusion, I appeal to the Minister to look very closely at this very great challenge that is confronting us at the moment. It is one that very soon will overtake all of the interests in aviation, to the detriment of the travelling public, unless a firm line is taken, unless a firm stand is taken, by the Government in respect of the use of our airports. I refer to domestic, international and locally owned airports.

Mr PETER MORRIS (Shortland—Minister for Transport and Minister for Aviation) (5.40)—in reply—I thank those honourable members who have participated in the debate—from the Opposition, the honourable member for

Murray (Mr Lloyd), the honourable member for McPherson (Mr White), the honourable member for Bass (Mr Smith), the honourable member for Maranoa (Mr Ian Cameron), the honourable member for Fadden (Mr Jull) and the honourable member for Page (Mr Ian Robinson), and the Government members, the honourable member for Canning (Mr Gear) and the honourable member for Perth (Dr Charlesworth). It has been a wide-ranging discussion, with most of it being outside the confines of the legislation. But I think it has been of interest and much of it has been constructive and put forward in a positive manner. One sour note came from the honourable member for McPherson. I will come back to that.

The honourable member for Murray referred to congestion at check-in desks. We do have under way arrangements and moves to improve the allocation of check-in desks in the international terminal of the Sydney (Kingsford-Smith) Airport to overcome that problem. It is a long-standing problem which should not have been allowed to carry on for year after year. Currently, about 65 per cent of outgoing passengers are required to move through about 32 per cent of the desks that are available. That is not satisfactory and it will not be allowed to continue. But it takes a little time to make the arrangements to change the situation.

The honourable member wanted departure tax expenses incurred by airlines to be attributable for cost recovery purposes. Indirectly, that will happen because any reduced expense in the collection of the tax—in the way the cost recovery system and the attribution of the departure tax are treated—will mean that there will be a net improvement in cost recovery arising from that change. The honourable member suggested that stamps be provided to airlines on a 60-day basis. The actual credit period is a matter that is under discussion. There are other higher departure taxes in the world. The tax in New Zealand, for instance, is \$A31.50, compared with the \$20 tax in Australia. In the case of Hong Kong it is \$A21.24. I will not go into detail on this point because it has been covered in other speeches that have been made.

The honourable member says that there should be more co-operation. Certainly there has been the utmost co-operation from me and I think that has been recognised, particularly by Opposition speakers. The honourable member for Fadden made that point very clearly. But, as the honourable member for Page rightly referred to, there comes a point when co-operation on the

part of the other party becomes reluctance. How far does one go when there is reluctance? There comes a point at which the change must be made and one must be a little firmer. I thank the honourable member for Page for his encouragement in that regard. In regard to the encouragement he gave to international airlines, and the guarantee of co-operation, I can understand that point. They have co-operation. But, as I said, there comes a point when there must be some balance and reality about what we can do.

The simple fact is that international airlines—both those that are not based in this country and our own—are major transport businesses. They are not here because they like us or because they love to fly to the south of the globe; they are here to make money. We expect them, like any other business, to operate in a way that respects conditions in this country. They must make their fair and reasonable contribution to the costs incurred in providing the services, and do that as efficiently as possible. We have tried to treat everybody on a similar basis. But let us not think for a moment that they are here to provide some sort of special benefit to Australia. They are here—and many more are banging on the door, wanting to get in—because they want to grab some of the Australian market.

The honourable member for Canning, in his thoughtful and constructive way, expressed a number of views on the changes being made. I am grateful for that. Similarly, I am grateful to the honourable member for Perth. The only sour note in the debate was the attitude of the honourable member for McPherson. I think it is regrettable that, during what has otherwise been a very positive and constructive debate, he chose to indulge in a personal attack on a Minister. The Standing Orders provide ways and means, if he wants to pursue that course, for him to move a substantive motion and go down that track. I think it was unfortunate, and I say no more about it.

Let me say that some of the problems he mentioned about airports are not of our creation; they are a legacy, as was rightly referred to by the honourable member for Maranoa. This is one of a number of things we are finding the Fraser Government did that we do not think are right today. The honourable member said it all for me, and that summarises it. I suggest that the honourable member for McPherson should talk more with the honourable member for Maranoa. Their electorates are almost next door to one another; I think the electorate of the honourable member for Fadden is one that separates

them. As I recall, the Liberal-National Party members of the Public Works Committee in 1979 recommended that the Brisbane Airport development should not go ahead and that the air strip site should not be changed. It is no good coming to me seven years later and saying: 'Why haven't you done this or that?' Opposition members' predecessors—some of them are still here—did not want that done.

Reference was made by the honourable member for Murray to sales of departure tax stamps at post offices and exemptions. That is a matter that can be discussed by the airlines. What I have said to the airlines is in line with the comments made by the honourable member for Fadden. The present arrangements represent an impediment to the handling of people through international airports. As he correctly says, they leave a sour taste in the mouths of those who are confronted at the last moment by these arrangements. Many times there is a degree of embarrassment because people have exhausted all of their Australian currency. Australians leaving to go abroad find at the very last moment that they are called upon to produce Australian currency. It is not so much a money problem because the \$20 represents a very small percentage of the cost of the journey. It is more the embarrassment, I believe, that causes the offence. We would like to see as many of those tax stamps as possible sold off-airport.

During discussions the airlines ultimately said that the stamps could not be incorporated in the actual ticket, as the honourable member for Fadden suggested. They could not do that for one reason or another. So we came to this arrangement: 'All you have to do is to make sure that each outgoing passenger has a departure tax stamp affixed to the ticket. I am not very much concerned about how it gets there, so long as we collect the revenue for it and you ensure that each of your passengers has one of those stamps affixed to his or her ticket'.

The sensible and logical thing to do would be to encourage as much as possible the sale of those stamps off-airport, whether it be through travel agents, the airline offices or, at the point of last resort, on-airport. That would certainly streamline the facilities. The problem is that the airport terminals that we have were not built to handle the numbers that they are required to handle today and they cannot be quickly expanded to take increased numbers. So we must make the best possible use we can of the space we have and the facilities we have. We can certainly, in my view, make better use of the

facilities than has been the case. We should remove this impediment of having to line up in yet one more queueing operation in the airport to collect departure tax stamps. I am confident, having come to this current arrangement with the airlines, that they will be able to find a better way than applies under the existing system.

I will very quickly mention the other matters that have been raised by honourable members. The honourable member for McPherson commented about the strike at the departure tax booths in Sydney a few weeks ago. No one could disagree that that caused this country lamentable embarrassment; but I do not think there is any point in constantly reminding everybody, in case they had forgotten, that it happened. The more important thing is to get on with finding a positive answer and getting over to the new arrangements as quickly as possible. That matter was not my responsibility; but it was dealt with as quickly as possible, given the circumstances at the time.

The suggestions regarding the use of the proceeds of the tax from the airlines and the sale of the stamps are various options that can be looked at. The airlines have suggested to me that the stamps could be sold in post offices. I am prepared to discuss that and to listen to them in a reasonable way as we go along. The honourable member for Bass said that more money should be spent on tourism and that labour costs at hotels were too high. The first point was made by a number of speakers, but it does not have anything to do with this debate. We are spending a record amount on tourism. We are getting record results. If we look at the figures, we see that there has been an increase of about 520,000 in the number of persons going out through international airports. The projected figure for 1985-86 is 2.595 million, compared with 2.075 million in 1982-83—a massive increase. That is producing results.

I say simply, on a political point, that that was not the view taken by the Fraser Government. As the honourable member for Fadden rightly pointed out, he recommended, as Chairman of the House of Representatives Select Committee on Tourism at the time, that the money should go to tourism. But the then Government said: 'Thanks for the money. We will use it for something else'. Because it is now cost-attributable—a decision of this Government—an amount of it is being spent indirectly on the improvement of airports and airport facilities.

As to Darwin Airport wanting a decision, I made it clear the other day that we will not be

in a position at the end of this week to make an announcement on that. Due to a number of factors, it may be the best part of two months. The problem there is that, again, we were talking about a very large amount of money—\$100m to \$108m worth of expenditure—which cannot possibly be borne by the number of people going through that airport. The fact remains that the problem at Darwin, putting aside the equality of facilities—nobody disputes their inadequacy, we are very much aware of that, and let us not have any discussion or difference about that—in management terms is that 64 per cent of Darwin airport movements are within about two hours. For the other 22 hours not much is happening and the other 36 per cent is spread over 22 hours with two thirds of the activities being crammed into two hours.

One could ask whether scheduling could not be changed. It comes back to making the best and proper use of public money and investment and ultimately it comes back to management, which is one of the problems that must be looked at. Certainly the airlines themselves could take a stronger look at how they are scheduling. We understand that it is the end of the line for them, but there is always a better way if it is looked at hard enough.

Mr Millar—Curfews.

Mr PETER MORRIS—The honourable member for Wide Bay mentions curfews. I do not know whether he means Darwin or elsewhere such as the ports of origin or intermediate points. However, the point is that when two-thirds of the movement are within two hours out of 24, one has to look very hard at how much money can be spent. Whatever money is spent has to be spent on the basis that the industry itself has to pick it up later. Any over investment in airports pushes up the levels of air fares and we are looking at that relationship.

The honourable member for Maranoa mentioned that one of the many things that the Fraser Government did was to bring in the departure tax. It is one of the things, like others, with which we do not agree these days, he said: I will not mention his comment about the Department of Aviation. It was a silly comparison made on the number of Department of Aviation employees per general aviation aircraft registered. It ignores completely the fact that about 80 per cent of our nation is down in one corner and that we have to provide services right across Australia. I just make one point: It is no good people coming to me complaining about the cost of aviation service, which we are moving to

reduce and whose efficiency we are improving when, at the same time, those movements to improve our efficiency are then combated or opposed by the very people who complain that it costs too much. They cannot have it both ways—they cannot complain that the cost is too great and that expenditure is too high and, when we move to reduce expenditure to improve efficiency, they then scream, 'Heh, you can't take that away'. Again, it comes back to value for money for the taxpayer.

I have mentioned the points made by the honourable member for Fadden. There was a positive and constructive strain in what he was saying and certainly our thinking to an extent is going in a similar direction. It is a matter of getting the best possible service in those terminals. We have been looking very hard at that. What we are going to do in the Sydney international terminal, I am confident will streamline the handling of people. We can get people through that terminal much better than we are doing now, but honourable members must recognise that the other areas involved in processing are not under the Department of Aviation and are not part of this ministry. It is a matter of co-ordinating, looking at immigration and looking at Customs. We have set up a special task force in Sydney chaired by the Department of Aviation to bring together for the first time all those people involved to try to get better arrangements for the staffing of those booths and the handling of people concerned. We have one major problem, namely, that the luggage conveyor facilities at Sydney were built to handle groups of 150 to 180 people. The carousels simply cannot handle luggage in quantities for 400 people. That is a straight physical problem and they have to be replaced with conveyors. None of those task is easy, but the other aspect of people processing is a top priority and we will be moving to try to improve them as quickly as possible.

The comments made by the member for Page were similarly put in a positive and constructive way that we should try to be flexible and streamlined in the handling of people and their luggage through airports. Airports are people places. People going through airports generally, particularly international terminals, are under stress. They are arriving after a long journey to this country, they are tired, fatigued or stressed in having travelled or, alternatively, they are departing on a long journey and the same things apply. Through the Federal Airports Corporation we will give very great emphasis to passenger convenience and handling efficiency. Those

things will be done and we are very much aware of them. I appreciate the remarks that have been put forward to simplify procedures and to help people as the honourable member for Page says, and to get them straight into the departure lounge. That is also a factor related to airport security. One of the great difficulties in airports abroad is not the departure lounges but rather the public areas. The point made by the honourable member for Page I accept in that spirit as it has some meaning.

In my last few words I thank the Opposition for its support and thank my colleagues on this side of the House for their contributions and support. The Government is making a priority of improving efficiency and convenience within the airports. The new arrangements for departure tax sales will assist that. We will overall, I believe, get a much better result for the taxpayer than with the existing arrangement. I commend the Bill.

Question resolved in the affirmative.

Bill read a second time.

Third Reading

Leave granted for third reading to be moved forthwith.

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

AUSTRALIAN MEAT AND LIVE-STOCK CORPORATION AMENDMENT BILL 1986

[COGNATE BILL:

WHEAT MARKETING AMENDMENT BILL 1986]

Second Reading

Debate resumed from 16 April, on motion by Mr Kerin:

That the Bill be now read a second time.

Mr HUNT (Gwydir) (5.56)—I have proposed a cognate debate for the two Bills as they make a number of parallel reforms to the administration of the wheat and meat marketing authorities. The Opposition supports these desirable changes to the operation of the Wheat Board and the Meat and Livestock Corporation. The changes reduce the day-to-day involvement of the Government in the operation of these two marketing authorities. These Bills are the first in a sequence of legislation which will implement reforms affecting the statutory marketing authorities of 10 farm industries.

The process for change was set in train during the term of the previous Government when ac-

tions were commenced to enable government business undertakings, especially transport business undertakings, to operate in a more commercial manner, but with proper accountability. A White Paper was produced in the late 1970s, but it was clear that statutory authorities in primary industry area warranted consideration separate to other types of authorities such as Trans Australia Airlines which did not serve a specific industry base. The four largest farm industries affected by these changes are wool, wheat, meat and dairying. I understand that the Dairy Corporation reforms will be introduced into the Parliament shortly.

I note with pleasure that the Australian Wool Corporation, which already enjoys some of the flexibilities introduced by these Bills, has achieved great prominence in the world market scene. The Wool Corporation is a shining example of what can be achieved by government marketing authorities for thousands of producers. Under the Chairmanship of Mr David Asimus, the Wool Corporation has brought the Australian wool industry into a position of leadership on the world export markets, despite the general downturn in farm commodity prices. The most important changes in these wheat and meat Bills relate to finance, staffing and the replacement of some day-to-day ministerial approval requirements with annual operational and longer-term corporate plans.

Quite clearly it is sensible and intelligent to provide that flexibility to these corporations and to these boards when particular effort is being made to attract people of high calibre with managerial experience, commercial experience and financial experience to operate these corporations on behalf of their industries. It is vital that our authorities have greater flexibility in their commercial transactions, for several reasons. There have been rapid developments in the world monetary system. With more than 70 per cent of Australian farm produce sold overseas, we simply cannot afford to lag behind these developments.

To its credit, the Hawke Government carried on the moves towards deregulation of the Australian financial system which were set in train by the Liberal-National Party Government and the establishment of the Campbell Committee of Inquiry into the Australian Financial System. Against this backdrop it would be illogical to maintain controls which slow down the financial decision-making process within our marketing authorities in a day and age where time means money and delays can be very costly. For ex-

ample, the Australian Wheat Board will now be equipped to trade in a wider range of futures or currency contracts and in interest and currency swaps under clause 7 of the Wheat Marketing Amendment Bill. The Board will also be able to take up an equity interest in subsidiary companies if this would improve its financial and administrative performance. Such equity interest actions will remain the subject of ministerial control and will need to be spelt out in the annual and corporate plans.

The Australian Meat and Live-stock Corporation will no longer need ministerial approval for borrowings unless the amount totals \$5m or more in one financial year. The Corporation will also enjoy more autonomy in the lending of its reserves. Accountability to the Minister for Primary Industry will be maintained through the annual plans and the three to five year corporate plans—and to the industry through the annual general meeting. On this point, I raise one concern: There is a case for a review of the procedure under which the Meat and Livestock Corporation and the associated Meat and Live-stock Research and Development Corporation hold their annual meetings. Great play has been made by the Government on the annual meeting serving as the ultimate means of accountability to the industry. Yet I detect rather widespread concern over a motion to increase levies which was put to the last meeting. The increased charges per beast slaughtered were lumped into a motion covering both cattle and sheep when, in fact, the new fees should have been dealt with separately. Delegates did not have the option of splitting the motion for voting purposes and a vote of 75 per cent against the motion was required for it to be vetoed. It was not simply 75 per cent of those at the meeting, but rather 75 per cent of all registered producers and 75 per cent of all processors, simultaneously, at the meeting. Therefore, in practical terms, a veto was impossible. So I do think that some action needs to be taken to overcome that problem. I am not critical of the Minister in this respect because I think there are always a few growing pains. A few problems and anomalies occur in the early stages of a changed regime, but I understand that he has also had this matter brought to his attention. I hope some action is taken to overcome what is obviously rather a silly situation.

There is also growing concern amongst producers at the high costs of these annual meetings and the difficulty being experienced in organising the two meetings back to back to minimise expenses. These are matters to which the Minister

must turn his attention. I would be grateful at the end of the debate if he would give some indication as to whether he has some plan in mind to overcome that problem. It is no good proclaiming the annual meetings as the ultimate in accountability to the industry if the delegates are hamstrung. However, the Opposition maintains its support in principle for accountability to the industry and to Parliament. We will continue to monitor the feedback from the producers and the industry for that matter to ensure the best interests of the producers are protected.

Another change to the commercial dealings of the statutory marketing authorities will be their ability to appoint outside auditors instead of the Auditor-General. We support the safeguards written into these Bills, which include the option for the Auditor-General to intervene if necessary, but at government expense. The Auditor-General will draw up a list of potential commercial auditors from which the authority will make its selection if it decides to make the switch. Appointment of staff will become a more direct responsibility of the authority with all bodies enjoying the powers now exercised by the Wool Corporation.

A range of less important changes are also introduced by these Bills. They have been studied by the Opposition and attract no criticism. Both the wheat and meat authorities will be subject to a reserve power of direction from the Minister. Given that the farm industries are characterised by the existence of many thousands of producers, it is imperative that the Federal Government maintain a reserve power of intervention where their corporate interest is at stake. In each case the exercise of that power will have to be notified to the Chief Executive and will need to be gazetted. These notifications will be laid before the Parliament for 15 days and will be subject to disallowance. Interestingly these requirements bear a close similarity to the rules which applied over the Minister's recent attempt to amend the export control orders following the Mudginberri dispute. I hope that he would not attempt to sneak through the Parliament any exercise of his reserve powers under the provisions of this legislation in the same manner as his attempt to obtain a cop-out clause should a Mudginberri-type situation recur.

The Parliament has disallowed those orders. Let us be clear about the parallel. The export orders were gazetted in late February and introduced quietly into the Parliament in March without a statement. The only public announcement was a Press release about six weeks before

they were quietly slipped into the Parliament. I think there is something wrong with the Standing Orders when that sort of thing can be done. I think the Standing Orders should be changed somewhat.

Mr Scholes—You want all the regulations laid on the table. You don't read the ones that are given to you.

Mr HUNT—It is the way these orders are handed in. They are handed in to the Clerk of the House and then they do not appear again until we see a note of them in *Hansard*. In this case, had the Opposition and the meat industry not been vigilant, the 15 sitting days might well have expired before anyone recognised what had been done. There is an obligation on the Minister to clearly advise the industries and the public at large should the Government intend to exercise a general reserve power over a marketing authority. This is not an obligation written into these Bills, but it should be considered as a moral obligation.

Mr McGauran—Hear, hear!

Mr HUNT—I thank the honourable member. That support was necessary. These Bills are a move towards decentralisation of powers away from the Government. That is to be commended even if the powers relate only to some day to day commercial and administrative actions. It is too much to hope that the same zeal will be extended to the more critical economic policy areas such as wage fixation, health care, et cetera. It is my responsibility as the shadow spokesman, to place these Bills in their right perspective. Any change which gives the Meat and Live-stock Corporation and the Wheat Board greater flexibility on world markets deserves the support of members on both sides of the House, but the stark truth is that any savings to producers from these changes will be quite small, if any, when compared with the effects of other actions by the Government. This is not to say that greater flexibility and more commercial orientation will not benefit producers in the longer term because of the application of better market wisdom and better judgment in respect to actions that are taken and the administration of the activities of these authorities.

Let us look at that against the background of some of the actions that the Government has taken which have belted primary producers over the last three years forestalling what should have been a total recovery from the devastating drought in 1983. I know marketing is very important, but what is most important to the producers generally is the bottom line at the end of

the financial year where the farmers are able to make a profit. Two factors are involved in profit: There is the price for the product on the one hand—if it is wheat, the Wheat Board is the authority for selling that product—and on the other the costs of production that are incurred in that product. In more recent times the difficulty has been that, with high interests rates, high costs of delivery, high costs of transport, and high input costs, the margins have become smaller and smaller so that in this financial year we are going to see farmers receive the lowest returns in real terms since records have been kept. The only other time when they were low, of course, was right in the depths of the 1982-83 drought. The rural statement which the Minister for Primary Industry handed down a week or two ago hands back less than a quarter of the \$442m.

Mr Cobb—How much?

Mr HUNT—Less than one-quarter of the \$442m of resources that have been cut away from the Primary Industry Department in the various budgetary decisions taken and announced in this Parliament since 1983. Even the rural statement of a couple of weeks ago slipped in a few more nasties. We still do not know whether the farm loss quarantining measure has been reversed. The Minister for Finance (Senator Walsh) stands by his claim that it has not been reversed; he claims that it has been modified. The Minister for Primary Industry says that it has been reversed. I do not suppose we will know until we see the colour of the legislation in this Parliament. As I said earlier, it is one thing to be freeing up markets and freeing up the operations of these boards or marketing operations and another thing not to take actions to take the load of costs off the farmers' backs at a time when world commodity prices are obviously in great difficulty.

Honourable members will be interested to dig a little deeper so far as this quarantining issue is concerned, I am sure. There is no doubt that the Treasurer (Mr Keating) probably knows what he is on about, but he is not saying, and nor is the Prime Minister (Mr Hawke). At page 59 of the booklet issued on 15 April in half a dozen very loose sentences we are told that breeders of stud livestock will face a new \$10m tax slug. This is going to be particularly serious to the meat and livestock industries. That is what this legislation is all about. One of these Bills is about the meat and livestock industries and the selling of products from those animals. Of course, lying in the background are the studs which provide

the genetic material necessary to ensure that we have a quality product. I do not think it is good enough that the details are extremely unclear.

What we can glean is that the natural increase in livestock will be subject to a percentage increase of thousands in tax valuation for the year of birth. The livestock declaration will have to include costs of progeny development, including stud servicing fees and costs associated with ovum fertilisation and implantation, gestation and birth. Accountants to whom I have spoken are quite unclear as to whether this measure introduces new costs into the tax bill, or whether it is bringing forward a liability which would have been payable further down the track. Either way, it will be a burden at a time when many farm producers are in big financial trouble. As I said earlier, whilst it is very important to make sure that these corporations are operating in a commercial sense and that the Minister and the Government are not meddling in the day to day operations of these organisations, it is still of vital importance to ensure that those who are having their products sold are not being hamstrung by burdens that could well be relieved from the industry. What justification is there for taking a tax liability out of the year when a profit is realised forward to a time when the new asset is capable of nil profit? Further, the measures will add \$10m to government revenue in 1988-89 but, we are told, negligible amounts in other years.

Mr McGauran—Is there no end to it?

Mr HUNT—I hope that there is an end to it and I hope that this Government realises that it has gone too far. The new tax rule will apply, we are told, from July this year. That in itself gives producers little or no time to plan ahead. Given a cattle gestation period of nine months, or five months for sheep, how does the Government calculate that the changes that I have been taking about will not take effect for two years? I call for a full and immediate explanation of these changes by way of ministerial statement to Parliament, either by the Treasurer or by the Minister responsible for this legislation. Clearly accountants and stud stock owners have a right to know and, as we are nearing the end of the financial year, need to know whether or not they will be up for more tax this year and, if so, to what extent.

Mr McGauran—They are supposed to be helping farmers.

Mr HUNT—That is exactly right. The odd piece of good news from the Government, such as these Bills, tends only to mask far more

significant measures which are pulling down our rural trade performance and the living standards of people in the country towns and cities. Last week the Minister attempted twice in Parliament to defend his inaction on the positive and effective measures outlined in my 14-point plan tabled in this House in February.

Mr Peter Fisher—The best and fairest plan I have ever seen.

Mr HUNT—That is so right, and I am very pleased that the honourable member is well aware of that plan. The Minister has done his best to make sure that everybody is aware of the plan, because he has discussed it in this Parliament. But the Minister tripped himself up badly because, in costing the plan, he suggested that Government revenue would be reduced by \$2,766m but admitted that \$2,487m, or 90 per cent of that cost, related to the savage fuel parity rip-offs. The Minister's own words—

Mr Wright—What has this to do with the Bill?

Mr HUNT—It has a lot to do with the Bill because it has a lot to do with the product going on to the market through the Meat and Livestock Corporation and the Wheat Board. The honourable member knows that. There is nothing more important than fuel for the production of wheat. The Minister's own words are that to pass on the full benefit of lower world oil prices to the community—not just to farmers, but to motorists and fuel users generally—would cost the Government \$2,300m. That is the first time that we have heard that figure, and that is the extent of the fuel rip-off. It is there for everyone to see. Add another \$187m for the tricky six-monthly indexation of fuel excise and we see that the fuel rip-off is close to \$2.5 billion per annum to pay for the long awaited tax cuts to satisfy the accord with the Australian Council of Trade Unions.

The Minister for Employment and Industrial Relations (Mr Willis), who is sitting at the table, must be very disturbed because, on the one hand, he is trying to get the people tax cuts but, on the other hand, we have a Treasurer who is nullifying the benefit of the tax cuts by ripping-off the fuel system as the world market price has fallen. That is having a dreadful effect on those producing wheat and those producing beef. It really is quite an outrage that they are being hit in this particular way. To give honourable members an idea, the wheat industry is the biggest user of distillate in the farm industry. Off-road distillate rebates, which were restored after enormous efforts, cost the farmers \$55m when

this Government knocked them off, but we find that petrol used on farms now attracts an excise about three times the level it was when this Government took office and that the excise is costing farmers \$164m per annum. The on-farm petrol excise bill has leapt \$100m a year under this Government, yet those opposite steadfastly refuse to consider giving back to farmers some of their lost competitiveness by rebating that excise. The Wheat Board and the Meat and Livestock Corporation have a very important role to play in selling these products to overseas markets, but how on earth can one sell them profitably when this sort of input cost is being imposed on these industries at this time?

The other measures in the 14-point plan, as costed by the Minister, reveal another thing—that their costs would be minimal but their impact on farm industries and farm returns would be dramatic. Scrapping the capital gains tax would affect revenue by only \$5m a year, but the tax has undermined the value of the land on which these animals are grazing and which farmers are farming. Export inspection charges, which are very important to the livestock industry, have leapt almost as quickly as the fuel excise. They have gone up 200 per cent, and they must be rebated in full.

I fail to see how the Government can claim any credit for its farm policies when it will not even give back the \$442m it has taken from farmers in the three years it has been in office. I repeat my warning that the farm sector will not tolerate these attacks indefinitely. If any honourable member opposite thinks he can relax about the bush crisis, he ought to take a trip to the bush and find out for himself. I am sure honourable members would be shocked by the mood of frustration and anger. I do not like it, and I hate to see our farm industries torn about at a time of extremely difficult world markets. I hate to see the mood that is welling up in country Australia at present. Rural Australians are waiting for meaningful action from this Government, and their patience is all but spent.

Having said that, the Opposition does support this legislation. We wish it a speedy passage, but we also wish that the Government will pay proper regard in the discussions that will be going on between now and when the Budget is brought down to reviewing aspects of the farm package. Clearly, the farm package has not been good enough to meet the crisis that exists at present. Secondly, the Minister himself, three days after having announced his package to this Parliament, admitted that the United States Farm

Bill will have a far more serious effect than he thought. He should go back to the drawing board because of the new-found concern about the effects of the United States Farm Act, as it is now, upon a number of very critical industries, such as the wheat industry, the cotton industry and certainly the rice industry. That legislation will have a critical effect. Of course, the dairy cow slaughter program in the United States of America will also have a critical effect because of the amount of manufacturing meat that will be thrown on to the market. I appeal to the Minister and to his colleagues to give further sympathetic consideration to those important points in that 14-point plan which, I can assure the Minister, I have advanced, in a constructive sense. It is no good criticising governments without putting forward constructive alternative propositions. These proposals were advanced for that purpose well before the Minister's statement was put together. I ask the Minister to go back to the drawing board and take on board most of those points that were outlined in February of this year.

Mr WRIGHT (Capricornia) (6.24)—I listened with interest to the honourable member for Gwydir (Mr Hunt) on the points that he made. I noticed that in the last part of his speech he at least spoke to the legislation. Having spent some years in opposition in the Queensland Parliament, I have always found it interesting how oppositions can talk about what should be done, but in this instance the honourable member had the opportunity over some eight years to do something for the rural sector and did nothing. It is quite surprising that he should talk about what should be done now because it is this Government that has done something about the Australian Meat and Livestock Corporation. It is this Government that has listened to the wishes of the grazing industry and the meat industry generally across this nation and decided to act.

The purpose of the Australian Meat and Livestock Corporation Amendment Bill 1986 is to amend sections of the Australian Meat and Livestock Corporation Act 1977 to give effect to Government policy on the reform of the Commonwealth primary industry statutory marketing authorities, the SMAs. I suggest that this is something that the grazing industry has wanted for a long time, but it has been the Hawke Government that has decided to act. To learn the background to this legislation one has to look back to November 1985 when Cabinet agreed to a range of reforms to primary industry SMAs and the AMLC, in particular to reform the requirement of ministerial approval over

many aspects of the day to day operations of the Corporation. That is something that has been warranted, required and asked for for a long time, but nothing was done by the previous Government.

The proposals and reforms covered by this Bill are designed to increase the flexibility of the AMLC's appointment of auditors and its financial management. Again, this has been warranted and required previously. The legislation is also designed to provide the Minister for Primary Industry with a general reserve power of direction over the Corporation. The Bill provides that ministerial approval will no longer be required for a number of aspects. Firstly, it will not be required for the purchase of property over \$100,000 or for the purchase and sale for export of meat and livestock. It will no longer be required for the terms and conditions of employment of consultants. The AMLC will not have to come back to the Minister to seek approval for these measures. No longer will ministerial approval be required for the terms and conditions of employment of staff. So the list of areas in which we are giving more power to the AMLC goes on. I believe that the Parliament should welcome these changes and I am pleased that the Opposition is supporting the measures contained in this legislation.

I take the opportunity to raise a couple of matters and to reiterate some of the points that I raised in a previous debate when I spoke on the proposed consortium for Queensland and northern New South Wales. I appeal to the AMLC to look very carefully at the consortium or merger that will take place. It was admitted by Geoff Tancred in a recent publication of *Australian Business* and by Bruce Campbell in a report in the *Northern Bulletin* in Queensland and other Queensland papers that Tancred Brothers, Metro Meat, Walkers and Smorgons will come together to form a consortium which I believe will have a monopolistic effect on the beef industry in Queensland, New South Wales and, for that matter, Australia generally. I am told that that group intends to take over Borthwicks and that, in fact, that takeover is under way. We will see the removal or demise of some five major meat companies in this country. We will see instead the development of a monopoly that will have enormous control—control over some 40 to 50 per cent of the beef killed in this country; control over some 400,000 tonnes of beef in Queensland; control over a beef industry worth \$1 billion. Total beef exports were worth \$1.5 billion in the year 1984-85, and my figures

show that these four companies, tying up Borthwicks as well, will control two-thirds of that.

The effect on the meat worker, as I have stated in this House previously, will be the loss of some 2,000 jobs. It surely must be an issue that concerns the AMLC. It must also concern the Corporation's member organisations, the Cattlemen's Union of Australia and the United Graziers Association, for I believe that it will mean a control over the price that will be meted out to the grazier and will thus affect 6,000 to 7,000 graziers in Queensland and Australia generally. It will mean the closure of the Merinda meatworks at Bowen, of the Queerah meatworks near Cairns and the Pentland meatworks near Charters Towers, and it will mean that the Bremer River meatworks near Ipswich shall never open.

It is no wonder that Bob Katter Jr, the Queensland Minister for Northern Development and Community Services, has spoken out against this legislation. It is no wonder that Vince Lester, the National Party Minister for Employment and Industrial Relations in Queensland, has called for an inquiry. I believe that these two Ministers understand the effect of this consortium. I point out that I understand and appreciate the need for rationalising the meat industry in Queensland. I am aware that in the last six years some 50 meatworks have closed in New South Wales. I understand, too, that when we have some 31 licensed meatworks in a State, 28 of which are export meatworks, working at a capacity of between 33 and 58 per cent, quite obviously efficiency is not there and the investment is not giving the return that it ought. But I come back to the point—I appeal to the AMLC to consider this matter—that this is not the way to rationalise the industry. It should not be done under shady covers, in secret, with companies getting together and determining that they will form a consortium.

Sitting suspended from 6.30 to 8 p.m.

Mr WRIGHT—Prior to the suspension of sitting for dinner, I was commenting on the devastating consequences on the Australian meat industry, particularly in Queensland and northern New South Wales, of the proposed consortium of Tancred's, Metro, Walkers, and Smorgons and also the takeover of Borthwicks. I believe that that consortium is well in place. I made the comment that this consortium would mean the loss of some 2,000 jobs for meat workers in Queensland. Particularly in north Queensland it would mean that 6,000 or 7,000 graziers would be locked into a one-price structure. It eventu-

ally would also mean the demise of many of the small meatworks.

I understand that there is a need to rationalise the meat industry in Queensland. We have seen the demise of many of the meatworks in New South Wales. When one considers that we have 31 licensed meatworks in Queensland, and 28 of them are involved in export, it is no wonder that the companies have said that we need to do something about the situation, more so when the beef killing chains are operating at between 33 and 58 per cent of their capacity. At the same time, there is a responsibility on industry not to create the devastating consequences such as those that will occur in this case. It is no wonder that the Trade Practices Commission is looking at this matter.

I just want to make one further comment on this issue, because I have canvassed it on a prior occasion. I refer to the attitude of the graziers to contracts. I heard only today, when I was in Rockhampton, that the graziers are arguing that they ought to transplant, as it were, the Mudginberri proposal to put meat workers on contract. They believe that if the four processors who will become part of the consortium were to do that, they could wear it or bear it. It seems strange that, on the one hand, the graziers do not want contract price arrangements where they go to a sale yard and only one price is offered and they do not want to contact the meatworks and find that only one price is offered—some sort of one-contract price. On the other hand they are saying that whilst they want a competitive market, they want to lock the meat workers into a one-price, one-contract labour situation. I do not believe that will work. If the graziers want the co-operation of the meat unions they ought to rethink that proposition. I only hope that the Mudginberri mentality does not prevail and that the companies will rethink the consequences that they shall cause to come on hundreds upon hundreds of families in north Queensland, on others throughout the rest of Queensland and, eventually, on consumers generally.

In the few remaining minutes, I want to comment on the need for the AMLC to upgrade its consumer marketing. I am well aware of what it is doing. It is deeply involved in its short cut campaign, and that is to be commended. At the same time, I see room to manoeuvre further, particularly in the consumer area. I advocate that the AMLC ought to meet with the Australian Federation of Consumer Organisations to rethink the whole concept of marketing of meat.

I suppose there is no need to start some sort of conflict or competition between the white meats and the red meats, but the facts are that the red meat industry is getting done. In recent time, there has been a fall in the consumption of red meats. On a per capita basis per year it has dropped from 40.8 kilograms per person per year to 40.6 kilograms. While the total consumption has increased, this has occurred only because of the increase in population. There is a need for the AMLC to set in place a rule of consistency and certainty for the consumer. The 43 consumer movements that exist throughout this nation would certainly come to the aid of the AMLC, given that it followed such a policy. It is a policy that ought to prevail not only on the domestic market but also on the international market.

Earlier this year I had the privilege of going to South East Asia. While I was there, I was staying at the Sari Pacific. Amazingly, as I found in other parts of South East Asia, the New Zealanders were at it again. They had a meat display at the hotel where I was staying. They also had a tourist display. They were encouraging the Indonesians to try New Zealand beef. It brought home to me the message that I got in Kuala Lumpur and also in Singapore when talking to people in the Australian Trade Commission, to expatriates and to other Australians who were involved in industry in those two major cities of Kuala Lumpur and Singapore. I talked to them about buying Australian beef. They told me point blank that, whilst it was probably half the price of American beef, they could not depend on its quality. They were prepared to pay double the price for something that had been brought three times the distance because it had certainty and consistency.

There is a need for an aggressive approach in marketing and for the AMLC to rethink its policy, to get to the retailers and the processors and to come down with a firm policy of consistency and certainty. I suggest also that it have another hard look not just at the housewife and the domestic market in terms of the kitchen but also at the fast food industry, because it is being beaten in that industry. One should look at the developments with regard to white meat, and also, I suppose, at the fish industry, particularly with the types of fast seafood outlets that are being opened in the supermarkets. The sale of chicken meats and pork meats seems to be outstripping that of the red meats.

It is time we started looking at promoting red meats. I am parochial about it, I realise that.

The grazing industry is vitally important in my area. We export 80 per cent of Australia's beef. We have a very important industry in central Queensland, and it is also vital to Queensland. So it is important to me that the AMLC continue its plan and its practice of trying to upgrade and improve domestic consumption. It can do this only by getting out in the market-place. There is a need to start selling steak fingers and not so much the shish kebab but kebabs. The Corporation must get down to dealing with those people who are now caught up in the fast food area. We tend nowadays to consume so much fast food, and I believe that the red meat industry could do much in this field.

I think that the reputation of Australia is very much in question when it comes to its meat. That is something that surprised me when I was overseas. I sometimes think that the reputation of Australian meat is in question even in the domestic market. Talking to restaurateurs they will tell one that people do not want to ask for a meat meal. They are not prepared to do that because they are not sure about it. This would surely have to be the message to the beef industry: It is not what it should be in terms of certainty; it is not what it should be in terms of consistency. People expect that. They are paying top dollars and they expect decent meals when they purchase them. The housewife expects decent meat when she purchases it. The person buying fast food expects the same thing.

There is a need for the AMLC to continue its practice and its policy and also to undertake a campaign which would involve the consumer movement. It is not the responsibility of the grazier. The grazier takes a farm-gate mentality. As soon as the cattle have left his property, that is the end of it. He is not involved, and one does not blame him for not being involved. So it comes back to the AMLC. I congratulate it for what it has done in the last three years under the policies of this Government. It has certainly adopted a new marketing approach. It has taken a new attitude which I think is commendable, but it needs to address this problem in the market-place and ensure that the consumption of red meat increases in 1985-86, 1986-87 and in many years to come.

Mr HAWKER (Wannon) (8.08)—In commencing my speech tonight on the Australian Meat and Live-stock Corporation Amendment Bill and the Wheat Marketing Amendment Bill, I wish to reply to a couple of points made earlier by the honourable member for Capricornia (Mr Wright), when he was answering an interjection

from one of my colleagues. He posed this question: What did the former Government do for primary industry and for farmers? I think I will give him a very good, quick answer. I say basically that what the former Government did was to restore the incentives to agriculture that were taken away by the Whitlam Government. In particular, it brought in the investment allowance, accelerated depreciation; it restored the superphosphate bounty, which the Whitlam Government so foolishly took away; it restored fuel freight equalisation; it introduced the income equalisation deposits scheme and improved the averaging provisions; and probably, most importantly of all, it abolished estate duties. I could go on, because there were many other things. I suggest that the honourable member check his facts before he makes such a silly statement.

Mr Coleman—He made a fool of himself.

Mr HAWKER—That is right. In speaking to the Bills before the House, I wish to comment firstly on details of the Bills, particularly the parts that are common to both Bills. I shall then refer to some of their wider implications and to the challenges facing the meat and wheat industries and how those challenges related to the role of the Australian Meat and Livestock Corporation and the Australian Wheat Board. The Minister for Primary Industry (Mr Kerin) has made much of his Government's statement on the reform of Commonwealth primary industry's statutory marketing authorities. Both of these Bills are framed in accordance with that policy. Both, in some ways, reduce the direct involvement of the Minister in the operations of the respective boards and move towards the boards providing the Minister with a five-year corporate plan and an annual operation plan. Both these plans maintain the respective boards' accountability to Parliament. However, as I have said in this place before, we should be mindful that forcing statutory marketing boards to have their annual operating plans approved by the Minister may lead to undue interference by governments. I place on notice that we will watch the Minister closely to see how he uses this power in practice.

The other matter that is cause for concern is the proposal in both Bills to allow the Minister to give general directions to the Corporation or the Board. The question arises as to how the Minister proposes to use this power of general direction. It would appear that the Minister has already used this power. I understand that he wrote to the heads of several statutory marketing boards directing them not to support the National Farmers Federation national agricul-

tural promotion program entitled 'You can't take the country out of our country'. Despite a clear undertaking by the NFF that this program would be absolutely non-political, the Minister not only refused to endorse the program, but also went further and apparently directed agricultural statutory marketing bodies, such as the Australian Meat and Livestock Corporation and the Australian Wheat Board, not to provide any funding for this program. Why did the Minister give such direction? Why, when such a program is likely to improve the understanding of agriculture in the cities, has the Minister refused to allow support for the NFF promotion program from bodies such as the Australian Wheat Board and the Australian Meat and Livestock Corporation? These bodies could demonstrably benefit from their involvement in such a program, which would also assist a better understanding of their role in the community at large. The Minister should table the letter he sent to the boards of these authorities; otherwise doubts will remain as to how he really proposes to use the power of general direction as outlined in these Bills.

There is another matter I wish to raise with the Minister in relation to the operations of the Australian Meat and Livestock Corporation which has already been mentioned by the Deputy Leader of the National Party (Mr Hunt). In my speech on the second reading of the Australian Meat and Live-stock Corporation Bill two years ago I mentioned a potential problem with the annual general meeting of the Corporation. In order to carry a motion not to increase levies, a motion of no confidence in the Chairman or a motion relating to the responsibilities of the Corporation a 75 per cent vote of livestock producers and 75 per cent support of processors is needed. As I said then, this will be almost unworkable in practice. I stand by that statement and again call on the Minister to re-examine this weakness relating to the annual general meetings of the Corporation. If the Government wants livestock producers and processors to be involved in the annual general meeting and take an interest in the Meat and Livestock Corporation, he had better look closely at this point.

Both the wheat and the meat industries are facing very challenging times. The problems facing agriculture in general, and these industries in particular, are well known and have been highlighted in this place on many occasions recently. It is worth reminding honourable members that we are talking about two of Australia's major export industries—wheat exports in the current financial year will total nearly \$3 billion and

meat and livestock exports will be worth \$1.7 billion. When one considers the adverse balance of trade figures that this nation is experiencing right now—our exports are more than \$1 billion behind our imports every month—one realises that the importance of these industries cannot be overstated. Wheat exports alone account for nearly 10 per cent of all exports from Australia, thus it can be seen that these are very important to the well being of our economic health. That is why many honourable members had hoped that the recent overseas mission of the Prime Minister (Mr Hawke) would lead to some success and that is why so many of us were so bitterly disappointed to find that the Prime Minister had headed off to the United States, supposedly to safeguard some of our export markets for wheat, only to find that even before he got to Washington the Americans were negotiating to take part of our market in North Yemen, a market that had until now been exclusively Australian. Then we found that the Americans had moved into Jordan, another market of ours and that they were planning to move into the Egyptian market, again one in which Australia has always traditionally been dominant. As I said in the House last week, it is results that count and the results that the Prime Minister and the Minister for Trade (Mr Dawkins) have achieved in protecting our export markets seem to be very few.

It is worth looking at our meat exports in some detail. In the past month we have seen a dramatic drop in the price of cows. In fact, in one week in some centres cow prices dropped by \$100 a head—something almost unheard of. The reasons for this price drop are threefold: First, there are growing fears of drought in many parts of Australia; secondly, the United States market is being depressed by the decision of the United States Government to have a wholesale buyout of the American dairy herd; and thirdly, the value of the Australian dollar seems to defy gravity by rising against the American dollar. I say 'defies gravity' because, considering that the rate of inflation in Australia is rising to now more than 9 per cent and the rate of inflation in America is falling—last month it was zero—the value of the Australian dollar should logically be falling against the United States dollar. When we look at our second major export market for beef, namely Japan, we find that that country also has zero inflation. Japan has frozen meat prices for at least another year and as our inflation rate rises, costs are rising and that market will also prove less profitable as time goes by. This is despite the fact that the Australian

dollar has fallen against the yen by something approaching 40 per cent in the last year.

The other problem that we face all the time is that, as our dollar depreciates, wages faithfully follow the inflationary effects of that depreciation. Obviously we are in a situation where any benefit that has supposedly accrued from the devaluation of the Australian dollar has automatically been wiped out by increased wage costs. We have pointed out to the Government time and time again that if Australia is to maintain its competitiveness, we need to take action on the domestic scene to contain the costs that are being faced by primary producers, both in the wheat and meat industries. The important message that we must get through to the urban areas of Australia is that they are not insulated from the problems facing the export market. It must be realised that in areas of wage fixing, government costs and manufacturing costs, exporters are bearing the brunt. While these areas are being insulated from the real effects of our chronic balance of payments problems, all three are not feeling the same effects of the lack of competitiveness in world trading markets.

While the Opposition welcomes in principle these two Bills which offer a step in the right direction for the statutory marketing bodies—namely the Australian Meat and Livestock Corporation and the Australian Wheat Board—they are really only of minor importance in dealing with farmers' immediate problems. These problems are twofold. The first is costs—costs that have been imposed by this Government, costs of high interest rates, costs of an inflexible wage system and the cost involved in propping up the dollar above the level to which it would naturally rise. The second is the lack of results in safeguarding our export markets. On the question of meat exports, we should remind ourselves that in the meat industry in particular we are still very heavily exposed in two major markets. Currently 60 per cent of our beef exports go to the United States and 25 per cent to Japan. What is urgently needed—and I call on the Minister to take note of this—is for the Government to look at ways of expanding the number of markets to which we can export. There is no doubt there are many developing countries that would be prepared to take our meat exports, but for various reasons at the moment they are unwilling. The time is now ripe, indeed, the time is now most opportune for the Government to take an aggressive role in these markets and to use our bargaining strength to obtain trade-offs in trade.

These Bills should help consolidate the operations of the AMLC and the AWB. They should encourage the boards to be more commercially oriented, more aggressive in marketing and more successful in meeting the increasingly difficult world trading environment. Naturally, the Opposition supports this.

However, we should not lose sight of the enormous problems facing our rural industries, particularly wheat and meat. We should not lose sight of the fact that so many of these problems have been exacerbated by actions of this Government, actions like forcing up interest rates, forcing an inflexible wages system onto exporters and introducing new taxes and charges that are highly discriminatory against primary producers. Added to this, Australia is seeking the first move by the United States in its trade war with the European Economic Community. Subsidised wheat sales have already been made by the United States to three of our traditional markets. If ever there was a challenge facing the Minister for Trade, it is now. The Prime Minister should direct his Minister to make far more effort to safeguard Australian export markets.

In conclusion, the Opposition will watch closely to see how the amendments to the Wheat Industry Act and the Meat and Live-stock Corporation Act will actually work. We will be monitoring closely in particular how the Minister exercises his power of general direction to the two statutory boards. While these Bills will help in some way, the Government still has many other areas in which it must clean up its act before it and the Minister can say that they are really working for the betterment of these great industries.

Mr SNOW (Eden-Monaro) (8.20)—The Wheat Marketing Amendment Bill 1986 and the Australian Meat and Live-stock Corporation Amendment Bill 1986 address a number of important questions for government. Accountability, the independence of statutory marketing authorities and new technology are involved in the Bills now before the House. I would like to comment on the remarks of the previous speaker, the honourable member for Wannon (Mr Hawker), who strayed slightly from the intent of the Bills. The honourable member assumed that this Government had introduced higher interest rates to hurt primary industry. Not so very long ago this Government was faced with the fact that export receipts were down and domestic demand was still at the same level. This meant that the ratio of imports over exports was too high and there was a tendency for

Australians to live beyond their means. The Opposition's simplistic argument, which was mentioned here tonight, was that the Government could have allowed the exchange rate to float still lower. What would this have brought? The demand would still have been with us, inflation and high wage demands would have increased and we would have got back to the Fraser years of wage-price spiralling and an excessive number of industrial disputes and stoppages. I believe that the revision downwards a few weeks ago of the rediscount rate by about 3 per cent by the Reserve Bank of Australia is beginning to trickle through to the community. Certainly, in view of the \$220m interest rate subsidy announced in the rural package to reduce the repayment costs of farmers and to restructure the capital base of many farmers, the Opposition has no case whatsoever when it talks about interest rates.

I wish to get back to the intent of the legislation. First of all, the Bills relate to accountability. For example, the Australian Wheat Board will be required to meet annually with the executive of the Australian Wheatgrowers Federation. Because it is not appropriate for members of the executive of the Federation to be members of the Wheat Board, the structure of the Wheat Board has to be changed so that the Board can be accountable to the industry. The legislation also relates to independence. Statutory marketing authorities, which have been with us since the 1920s, were set up in response to market conditions at that time. I recall the Minister for Primary Industry (Mr Kerin) saying to me when he was the shadow Minister that statutory marketing authorities should no longer be seen as sacred cows in the rural scene.

I know that a lot of people have mentioned the meat industry. However, I would like to mention the wheat industry very briefly. My first job when I left school in the 1950s was as a wheat tester in a flour mill at St Arnaud in the Wimmera. I am not sure whether that area is in the electorate of the honourable member for Mallee (Mr Peter Fisher) or the honourable member for Bendigo (Mr Brumby). I think it is in the latter electorate. I can recall that there were very big changes in the 1950s. I remember that I did a wheat test on a sample from a place near Sea Lake at Kinnabulla, which I think is in the electorate of the honourable member for Mallee. The quality of that wheat was found to be extremely high. In fact, the manager did not believe that the protein content of the wheat was as I had tested it. He did his own test and found the result to be correct.

You will recall, Madam Speaker, when you and I first met in a chemist shop in the Wimmera in the 1960s. At that time wheat farmers were encouraged by a government which had not recognised Red China. They were encouraged by the Wheat Board—and this showed the true value of the Wheat Board—to go out and sell. They went to Red China, as it was called at that time, and sold. Certainly they created a furore. I remember a local Wheat Board member being investigated by the Australian Security Intelligence Organisation because he was saying nice things about the Board's customers. Of course, this was in the pre-Cultural Revolution days. However, farmers came back and praised the dramatic changes that had taken place in China from the 1940s to the 1960s under that nation's new government. They made some excellent sales in China. So the Wheat Board has a good history.

In the 1980s the Senate Select Committee on Finance and Government Operations made some very important points about statutory marketing authorities—that they were not working as they should be and that they had become bound up, as we all can if we are let go and as has happened in Queensland, which I believe has the highest number of quangos in Australia.

Mr Robert Brown—And drongos.

Mr SNOW—And drongos. That Senate Committee, under Senator Peter Rae, drew attention to the fact that statutory marketing authorities had become politically and possibly economically constipated. The Committee was listened to and the administration and marketing of the Wheat Board at that time were reshaped.

Today the situation has again changed and the European Economic Community has become a net agricultural exporter instead of importer. We are still finding that governments are attempting to say, as France said not so long ago, that it is cheaper to have people on a small farm growing a small amount of wheat or having a dozen cows than it is to have them on the dole wandering the streets of Paris, but gradually governments are changing their point of view because of pressure from the taxpayers. Excellent work is being done by the Minister for Trade (Mr Dawkins), the Minister for Primary Industry and the Prime Minister (Mr Hawke) as a result of their visits to the European Economic Community and the United States of America. We have to fight to maintain, much less increase, our market penetration and our Ministers are doing just that. We need a more aggressive approach; we need a better commercial marketing

approach. I believe we are doing just that through the legislation that we now have before us. The legislation means more flexibility. It means a greater tendency towards expertise within the executives of these statutory marketing authorities. It also means more flexibility in staffing, more flexibility in the acquiring of property and more flexibility to respond to market forces. Farmers certainly should, as a result of this legislation, be able to minimise production costs which eventually will be reflected in lower costs.

We must also minimise costs off the farm. I believe that, through this legislation, statutory marketing authorities will be able to do just that. It is significant that the Minister for Primary Industry, in speaking to the Australian Meat and Live-stock Corporation Amendment Bill, mentioned that the Australian Meat and Livestock Corporation needs to take advantage of computer technology. Primary industry has already taken advantage of the new Viatel system. When developed, in some cases with associated computer software, this system can bring great advantages. Recently the Minister launched Viatel in the fishing industry. It can also do a great job in the meat industry in keeping handling costs down, in establishing a direct relationship between the seller and the buyer and in reducing the level of activity by middle agents so that people can buy from a screen and can have contact with the seller, which must lead to more efficient and less costly marketing.

Farm products represent approximately 40 per cent of our exports. People in the cities and in the country towns are only just starting to realise that they are being squeezed simply because we have had low export prices for our primary products. We need to work for more efficiency. Efficiency is more logical than subsidy to farmers. Flexibility is more logical than the traditional bureaucratic strait-jackets which some of our statutory marketing authorities have become. This is a measure which, I am pleased to see, the whole House will support.

Mr TIM FISCHER (Farrer) (8.31)—In rising to speak to the two Bills before the House, the Australian Meat and Livestock Corporation Amendment Bill and the Wheat Marketing Amendment Bill, I am reminded that my electorate of Farrer is, in fact, named after Australia's most famous wheat breeder, William Farrer. I am reminded that in fact many of the wheat growers of the electorate of Farrer—indeed, many wheat growers across Australia—and those associated with beef, sheep and a range of meat and livestock products are in dire straits at this

time. They suffer from all aspects of a massive rural financial crisis which is gripping so much of Australia. They suffer, in particular, from high interest rates. This is now spilling over to the small business operator in country towns and provincial cities. They are also going into bankruptcy in their hundreds as a consequence of the rural downturn. Therefore, I submit that there is a particular responsibility on this Parliament in considering legislation of this nature to be very conscious of the reality of the situation in rural Australia today. There is a responsibility for members and senators on both sides of the Parliament to utilise those very crowded non-sitting weeks that they have from time to time, especially during the winter recess, to get out and about across rural Australia to see the impact of legislation of this kind before more farmers are forced off the land as a consequence, in part, of the international marketing situation but also very much as a consequence of the policies of the Australian Federal Government.

The Australian Meat and Livestock Corporation Amendment Bill brings in a great deal more flexibility. I will not dwell on that Bill. But I do want to dwell on the Wheat Marketing Amendment Bill. Perhaps it is timely to remind the House of the distribution in terms of tonnage production. It might surprise honourable members to learn who were the largest tonnage producers over the last four years. According to the 1984-85 annual report of the Australian Wheat Board, in 1981-82 New South Wales was the largest wheat producing State in terms of quantity; in 1982-83 that position went to Western Australia; in 1983-84 it came back to New South Wales and it went back to Western Australia in 1984-85. Clearly, New South Wales and Western Australia have a pre-eminent role in terms of the production of the Australian wheat crop, the administrative aspects of which are dealt with by this Bill. Of course, all States produce wheat to some extent. That is why this industry is so vital to the whole of rural Australia and indeed, in terms of export income, vital to the standard of living of people in the cities of Australia, including the Newcastles, Wollongongs and beyond.

I turn to the provisions of the Wheat Marketing Amendment Bill. It provides for the setting up of subsidiary companies under the Australian Wheat Board. I want to sound a note of warning. Those companies need to be able to be effectively monitored by this Parliament and the situation could arise whereby, as a result of the setting up of a multiplicity of companies, in some way the ability of this Parliament and the

Minister for Primary Industry (Mr Kerin), who is sitting at the table, and the Government to monitor the various activities of a whole lot of subsidiary companies in terms of their performance might be in some way lessened. The Australian wheat industry also wants to monitor very closely all the detailed aspects and operations of the Australian Wheat Board. I hope that its actions in proceeding with the adoption and implementation of this legislation will not become a ruse to avoid the effective monitoring of all the activities of the Australian Wheat Board. Of course, related to that is the ability of the Australian Wheat Board, either through subsidiary companies or directly, to have an enhanced forex role in terms of the hedging operation on our foreign exchange markets. I sound a note of warning that the last time the Australian rice industry ventured down that path about two years ago there were some fingers burnt very severely and rice growers, directly and indirectly, have suffered from a series of decisions taken by that industry and certain operators with responsibilities. I do not for one moment suggest that they acted improperly, but as an outcome of their decisions the rice growers were worse off to the extent of an amount of seven figures or more.

I just want to say that in terms of the provision of this Bill there is a need to watch performance because the primary producer in Australia today cannot afford a substandard performance by any company, marketing board or, for that matter, government in dealing with his operations. The times have become so difficult that there is just no fat left in terms of the viability of primary production. That is why there must be this detailed monitoring of the performance of all kangos associated with the primary industries of this country.

I now raise a detailed aspect relating to the Australian Wheat Marketing Amendment Bill. I refer to the annual operational plan which will be set up as a result of this legislation and which, in part, adds to the parent Act, which I understand provides that the Minister for Primary Industry will have ultimate power in approving the plan. In getting to that end stage there are most convoluted provisions in the Wheat Marketing Amendment Bill which go on and on and which provide a lay down procedure formally, in a statutory way, for a disagreement between the Minister and the Board. Given the fact that the ultimate power resides with the Minister anyhow, I put it to the Minister that there may not have been a need to track through the provisions listed on page 12 of the Wheat Mar-

keting Amendment Bill under Division 2. I will just apprise the House of some of the provisions contained therein. Proposed new section 45G (1) provides:

Where a copy of an annual operational plan is given to the Minister, the Minister may, by notice in writing given to the Board—

- (a) approve the plan; or
- (b) if the Minister is of the opinion that the plan is inconsistent with the provisions of the corporate plan that relates, or the intended corporate plan that will relate, to a period that includes; or will include, the period to which the first-mentioned plan will relate—request the Board to revise the first-mentioned plan appropriately.

It is about time that this Parliament looked very closely at some of the drafting wonders visited on it by governments which are probably well-meaning. I hope this Bill will attract the attention of the Senate Standing Committee for the Scrutiny of Bills. That Committee did a lot with certain other legislation last year that caused a lot of heartburn in lots of organisations across Australia. Perhaps it is about time it started to look very seriously at the exact provisions contained in proposed new section 45G of the Wheat Marketing Amendment Bill. In essence, all it is saying is that there should be some consultation with the Minister, but surely it should not have to be said in legislation what should happen if there is a disagreement. Surely there is scope for that to happen informally in the knowledge that if the Minister sustained his objections, he has the right to object to the annual operational plan. In simple terms my question is: Why is it really necessary to track through a most convoluted provision which could be summarised as to what might otherwise have been achieved through informal consultation between the Australian Wheat Board and the Minister. The Minister, in his second reading speech, said:

There will be less direct ministerial involvement in the Australian Wheat Board's operations.

When we get down to the detail of this legislation it is very much in doubt just to what extent there will be less ministerial involvement, especially as the ultimate power rests with the Minister as to whether he approves the annual operational plans. However, in terms of direction there is also scope for Ministers to apply some of the ideology of this Government, whether it relates to affirmative action or to the forthcoming superannuation package, to the wheat industry and to the Australian Wheat Board, again through these powers of direction.

Mr Braithwaite—Social engineering.

Mr TIM FISCHER—The Wheat Board must comply with overall legislation on matters of this kind. But what worries the wheat industry is whether the Minister will try to apply ratios in addition to what is laid down in legislation such as the affirmative action legislation. I revert to what I said at the outset: The need is there for performance. Interfering, interventionist requirements, including additional requirements associated with some of the social engineering legislation, which the honourable member for Dawson (Mr Braithwaite) correctly brings to my attention, are unnecessary. Simply put, we cannot afford them in rural Australia.

I note with interest that there is a pecuniary interests clause in the Wheat Marketing Amendment Bill. Members of the Wheat Board will be exempt so far as their own wheat growing activities are concerned. Again, this points to the difficulty of drafting effective pecuniary interest regulations. This will come up again in regard to members of the House of Representatives in the not too distant future. Compliance dates are rapidly approaching. It points to the very real difficulties, regarding members of the Wheat Board, in arriving at what might be a fundamental conflict of interest associated with their deliberations.

The additional flexibility conferred, on the one hand, by the Australian Meat and Live-stock Corporation Amendment Bill and, on the other, certain of the additional provisions contained in the Wheat Marketing Amendment Bill, are not opposed by the Opposition. I support very strongly the comments made by the shadow Minister for Primary Industry, the honourable member for Gwydir (Mr Hunt), in respect of this legislation. But I remind the Minister, the Government, this House and metropolitan Australia that many primary producers and many small business operators across rural Australia are facing disaster at this time because of the real financial crisis, added to greatly by this Government. I hope that every effort is made to monitor the operation of this legislation closely to ensure that it does not become an added burden to the viability of our primary producers and small business operators in rural Australia.

Mr MILDREN (Ballarat) (8.42)—I have a great deal of pleasure in rising to speak to these two Bills that are being debated cognately—the Australian Meat and Live-Stock Corporation Amendment Bill 1986 and the Wheat Marketing Bill 1986—because I am very much aware of their significance to primary industry. I am very much aware of the fact that their consideration

by the Parliament is probably well overdue. It is not without significance that, in correspondence sent from the Cattle Council of Australia to members of parliament on 30 April 1986, that body indicated its general acceptance of the thrust and the provisions of the Australian Meat and Live-Stock Corporation Amendment Bill 1986. As one of the senior bodies associated with the meat and livestock industry and a commodity council of the National Farmers Federation, the Cattle Council's co-operation during the formulation of this legislation has been of great value. While it is coincidental to the second reading debate, I think it is nevertheless appropriate to draw to the attention of the House the official farewell dinner that is being given by the Cattle Council of Australia for its long time leader, Mr Maurice Binstead. Mr Binstead has been a great leader of the industry, having served it wisely, well and with diligence and great effect over many years. I think I speak for all members in this House in wishing him a long and happy retirement. There is no doubt that his abiding interest in the welfare of the industry will continue. I am sure I speak with the full agreement of the House.

It is also significant that the two Bills before this House are being debated cognately. When the Minister for Primary Industry (Mr Kerin) was the shadow Minister in the early 1980s—

Mr Robert Brown—It seems a long time ago now.

Mr MILDREN—That is true; my word it does. In 1982 and early 1983, he announced that the Australian Labor Party had formulated policy documents and guidelines for a new organisation for meat marketing. He is also, of course, keen to assist the other primary industry statutory marketing authorities to become more effective instruments for the development of their industries. As he indicated at that time, action had to be taken quickly, as the meat and live-stock industry had suffered badly from the meat scandal and also the maladministration of the previous Government, especially under complacency and lack of interest of the then Minister Nixon and, of course, the earlier administration of the man who is the current leader of the National Party of Australia, the right honourable member for New England (Mr Sinclair). It is to the credit of the then shadow Minister, the present Minister for Primary Industry, that the Australian Meat and Livestock Corporation was restructured in 1984 and has worked well since then, as have, of course, the other nine statutory

marketing authorities which are in the process of being restructured.

We are too painfully aware of the harsh trading conditions that are currently being encountered by our primary industry groups. There are other problems, but we recognise that the real seat of the problem lies, of course, in these extremely difficult marketing conditions. We are aware of the problems of reduced returns from export and the expected continuing difficulties that we will encounter, given the restructuring that is taking place in the international community. We recognise that there are markets, that we used to see as considerably appreciative of what we had to offer, that are no longer markets because they are becoming self-sufficient. I refer to markets such as India, which is now a net exporter. Yet I can recall, as a young lad living in Geelong, the number of ships from India that used to take on wheat at the north Geelong silos. In fact, the majority of them seemed to be carting wheat to India. Of course, that does not happen now because, as I said, India is self-sufficient.

We are also concerned, not only with the restructuring that is taking place in that respect internationally, but also the other restructuring of the market-places because of the irresponsible policy of the European Economic Community and the application of aggressive countermeasures—and irresponsible ones—by the United States of America. Among the many measures the Government has undertaken to assist primary industries has been the restructuring of the statutory marketing authorities. Because the statutory marketing authorities concern primary industries that contribute 80 per cent of rural exports, measures to improve their contribution to their respective industry sectors are a matter of great urgency. Of course, that has been recognised by the Minister and the Government. In the White Paper on Reform of Commonwealth Primary Industry Statutory Marketing Authorities of 29 January 1986, the Government adopted a wide range of policies for their restructuring. Of course, these are meeting with the approval of those industry bodies because the industry bodies have been consulted. Of course, the only way in which one can expect these marketing authorities to be able to work for the improvement of the industries is if the industry people are consulted along the way.

Because of the importance of maintaining rural sector profitability and Australia's export performance, the statutory marketing authorities need to operate according to commercial princi-

ples to be effective in their highly competitive markets. It should be stated that these statutory marketing authorities were established at the request of the industry sectors. Certainly, they were not imposed by government. Also, as is the case with the two marketing authorities that are the subject of these Bills, they are funded by the industries; they are not funded by the Government. I think it is fitting, therefore, that they are the ones that have a major responsibility for the functioning of those bodies. So the two corporations concerned—that is, the AMLC and the AWB—will assume more responsibility for their own actions. The Bills remove the sometimes frustrating and inefficient requirement for the Minister to approve many aspects of the day to day operations of the Corporation and the Board. These matters have been dealt with, of course, by other speakers.

So far as the Wheat Board is concerned, it can now expand its activities relating to the hedging of wheat sales. It has been doing this, of course, over time, but it needs to be able to do this far more rapidly. It needs to be able to make decisions which become far more effective and that do not need immediate, day to day oversight by the Minister. The Minister is very much aware of this and it is through his wisdom that it has reached this stage. Hedging, of course, needs to be looked at very closely in a whole range of markets and market situations. This is particularly so in the current adverse climate.

There is a range of changes for the day to day activities that the Australian Wheat Board can carry out but, as with the AMLC, the AWB will now be able to make a greater range of decisions regarding purchases of property and terms and conditions of employment of consultants and, of course, the terms and conditions of employment of staff. It is interesting, because I have been discussing this matter this evening with people from the Australian Wheat Board, from the Cattle Council of Australia and also the Livestock and Grain Producers Association. They are very conscious of the problems that have been associated with tying the salaries of these people who are to be the top management people to the Public Service conditions. I am sure that there are many other statutory authorities that the Commonwealth has within its ambit that in fact are faced with the same kind of problem, that one cannot go out in the market-place and expect people to drop thousands and thousands of dollars to take up a position with a statutory marketing authority, or any other government commission or statutory authority. That is something which some people within the Government

itself ought to recognise as applies to some of the other statutory authorities.

So, the AMLC will also be able to borrow in excess of \$5m in any financial year without having the approval of the Federal Treasurer. This will give it greater flexibility in its operations and greater opportunity to go out there and, of course, borrow and extend the range of its activities in a way that it was not able to do before. The AMLC is now also empowered to choose its own bank according to commercial principles—in other words there has been a freeing up of the commercial aspects of the AMLC and of course, the Australian Wheat Board. Subject to a favourable report from the Auditor-General and the Joint Committee of Public Accounts, the AMLC may select its own auditor. That is a bit different because it would have had it imposed upon it before.

Mr Peter Fisher—This is exciting.

Mr MILDREN—Well, it may not be terribly exciting for the honourable member for Mallee. I am not quite certain what would be exciting to the honourable member for Mallee, but these are realistic issues. These issues come to the core of the whole matter of putting these authorities on a commercial basis. Perhaps, given the history of the laggards of the honourable member's Party, it is no wonder that the honourable member does not see these things as being very important.

While the Government intends the Minister for Primary Industry to have a general power and direction over the activities of all the Commonwealth primary industry statutory marketing authorities, this power is seen to be a reserve power to be used only in exceptional circumstances. Like the AMLC, the Australian Wheat Board will be required to develop a three to five year corporate plan and annual operational plans which are to be approved by the Minister. This will allow him to have an oversight of the Australian Wheat Board's operations but now at a strategic rather than at a detailed level. That is very important. Once again it gives the operation a flexibility which it did not have before. It gives it a degree of autonomy that it did not have before and is something that the industries require.

At the industry level both statutory marketing authorities must recognise their accountability to the industries that are funding sources for them. That is extremely important. They will have to report to an annual general meeting, as in the case of the AMLC or to a representative meeting, as in the case of the Australian Wheat Board. These restructured boards must face the

enormous responsibility of operating according to commercial principles. They have to do this if they are to be effective in the highly competitive market situation we face today. They have been given opportunity to do so and I am quite certain that the goodwill that exists between these bodies and the Government will ensure that determination is there to succeed once they are established. I commend the Bills to the House.

Mr ANDREW (Wakefield) (8.55)—I am very much aware of the time constraints that apply particularly to members of the Opposition in order to allow the Australian Meat and Live-stock Corporation Amendment Bill 1986 and the Wheat Marketing Amendment Bill 1986 to be delivered to the House. Members of the Opposition wish, quite rightly, to express an opinion on the legislation and to have an opportunity to so do. So, I will be brief. I acknowledge that the Bills before the House are good news for Australian wheat growers and Australian meat growers, and it is for that reason, of course, that they have been supported by the Opposition and for that reason also that the honourable member for Gwydir (Mr Hunt) has in his usual gracious manner given credit to the Minister for Primary Industry (Mr Kerin) for his action in introducing these Bills into the House. The Bills affect both the Australian Wheat Board and the Australian Meat and Livestock Corporation. They speed up the opportunity for financial decision making and give greater flexibility in commercial transaction to both organisations. Indeed, the honourable member for Ballarat (Mr Mildren) has given a very apt synopsis of precisely what the Bills are likely to do for industry and I guess that it is both inappropriate and unnecessary for me to repeat precisely what he said.

In a brief time I want to focus on the wheat industry because the Australian wheat industry currently faces a very beleaguered history because of the difficulties we have, as everyone in the House knows, over trading agreements. It is sad, and not intended specifically as a criticism of the Prime Minister (Mr Hawke), that on the day he left Australia with a fanfare of what he was hoping to do for Australia's wheat growers in terms of renegotiating particular trade agreements the Arab Republic of North Yemen in fact had signed up a 50,000 tonne wheat sale with the United States of America in a market that we had exclusively and historically regarded as ours.

Mr Robert Brown—We still get our sales.

Mr ANDREW—I shall come back to this point in a moment. Let us not get unduly excited, Mr Deputy Speaker.

Mr DEPUTY SPEAKER (Mr Leo McLeay)—I am not excited. I think the honourable member for Charlton might be and he might cease interjecting.

Mr ANDREW—I am pleased that I at last succeeded in exciting the honourable member for Charlton. The industry on which we want to focus tonight is 88 per cent export orientated—88 per cent of the wheat grown in Australia has to find a market somewhere overseas and the industry, with that sort of export focus, is an industry that has in the last year increased its rural debt by 21 per cent so that for every dollar held in deposits by Australian wheat growers there is currently \$3 caught up in some borrowing commitment.

The honourable member for Capricornia (Mr Wright) did, in addressing this Bill in his very gregarious and outspoken way, insist that the Government has done something for the Australian primary producers and that it was time the Opposition acknowledged just that point. Let me in the House take up the point of the honourable member for Wannon (Mr Hawker) who, whilst not detracting from what the honourable member for Capricornia said, simply said that all that the wheat growers and meat producers in Australia want is results. It is results that have been previously short in this House, in fact, they have scarcely trickled through. The Bills before the Parliament tonight are an indication, we acknowledge, of that trickling.

A matter of real concern for the Opposition is a speech delivered on social security legislation, of all things, by the honourable member for Melbourne (Mr Hand) in this House on our last sitting day. On that day, the honourable member for Melbourne stated in this House in referring to Opposition promises on primary industry:

No one is disputing—I am certainly not because I come from a rural background originally and that is why I probably understand the lack of mentality of honourable members opposite a little better than most . . .

As if that were not patronising enough towards our farmers, he went on to say:

that there is poverty in the rural areas. We are justified in giving assistance to the poor and to those people who find themselves in hard times due to climatic conditions. I support all that.

These sentiments were later echoed by the honourable member for Jagajaga (Mr Staples). Do honourable members opposite not realise that it

is not a climatic drought, or a meteorological state of affairs, at least not yet, that is causing the farmers of Australia so much heartache; it is a financial drought. Yet we have honourable members opposite assuming that the cookies are complaining simply because it has not rained. Much has been made by the Government of the value to the farmers of its decision to devalue the Australian dollar. No one denies that. No one on this side of the House has denied it. In fact, credit has been given to the Government for that action, but the value of that devaluation to all Australia's primary producers, but particularly to our exporters and, therefore, to our grain growers who are so affected by this legislation, has been more than countered by the increased inflation rate, rising interest rates and the impact of the size of our foreign debt. It is worth remembering that, were it not for the cosy relationship that this Government currently enjoys with the Australian Council of Trade Unions that is called the accord, some of those very devastating moves on Australian agriculture could have been countered.

The honourable member for Capricornia has been anxious to say that the Government is prepared to act, but we have seen no action on the issues of inflation, interest rates or the size of our foreign debt. The wheat growers, the meat growers, the Federal Opposition and primary producers across Australia welcome these Bills, but they do not provide a solution to the fundamental problems that primary producers are facing. I put to the House that in spite of the difficulties wheat growers are facing, in spite of the opportunities the Bills before the House provide and in spite of the bleak outlook that grain in Australia currently faces, most grain growers cannot get out of the cycle of producing grain because they currently have such high levels of capital investment in grain production and there is an absence of viable alternative crops. These people will go on producing grain and will become Australia's new poor.

Much has been made by previous speakers of the competition that Australian farmers currently face from the United States of America as a result of its farm Bill and from the European Economic Community. No one would deny that. In fact, no one has taken any issue with the point made by the honourable member for Ballarat about the harsh trading climate in which Australia's primary producers currently have to survive. Not even the comment of the honourable member for Ballarat about the Minister's wisdom has been challenged by honourable members opposite. But the point that needs to

be borne in mind is that Australian farmers are selling in an already prejudiced market. Subsidies in Europe on primary production average 160 per cent and in the USA 100 per cent; subsidies in Australia average 10 per cent.

We on this side of the House plead not for increased subsidies for Australian farmers but for the Government to take the burden that it has currently placed on the back of primary producers as a result of its policies in the areas of interest rates, inflation rates, its accord with the ACTU and its wage determination direction. No one denies that the difficulties faced in the trading environment are hard and almost intractable in terms of finding an easy solution. But let us see some steps that mean that the Government is genuinely showing its concern for primary production by altering its domestic policies so that the load carried by Australia's primary producers is not so impossibly intense.

I conclude by paying a compliment to the primary producers of Australia. I pick up the comments made by the honourable member for Capricornia who was somewhat critical of the Australian meat industry. He said that quality meat was frequently not available at restaurants and that restaurateurs had indicated that people were reluctant to order particular cuts of meat because they were uncertain about just what result they would have. If honourable members look at *Hansard* they will find that this is vindicated. The honourable member for Capricornia went on to indicate that even takeaway food outlets should be able to guarantee the standard of meat that is available to consumers. I make the point to the honourable member for Capricornia that I would have thought that quality demanded something of a premium. A person would expect to have a slightly better cut of meat in a restaurant than he would pick up in a takeaway food joint. Be that as it may, the truth is that the Australian meat industry specialises in having grass fed cattle and there is no doubt that elsewhere in the world our meat is envied because the fat structure of our meat tends to be on the outside and can be removed, whereas in other parts of the world with grain fed cattle there is the tendency for fat to be marbled through the meat. The emphasis of Australian producers on grass fed cattle has given Australian consumers a better standard of meat to consume than is generally available across the rest of the world. This emphasis on quality does not end in our meat market. I noticed with interest in the *Adelaide Advertiser* earlier this year a statement by rural affairs editor, Jim

McCarter. He had been interviewing some Americans.

Mr Robert Brown—Which *Advertiser*?

Mr ANDREW—I can get that for the honourable member a little later if it is a matter of some concern. But the long and short of the matter is that Mr Jim McCarter was discussing an interview he had had with American grain growers. They were talking about the standard of grain available on the export market under the Australian label, 'Let us hear it from some Americans'. American, Mr Peter Bloom, said:

I spent 1978 in Australia . . . and I met Sir Leslie Price who sells Australian wheat. When we talked, I felt obliged to defend our system—

that is the American system—

and I did.

Sir Leslie Price is reported to have said to Mr Bloom:

'tell me, how is it that the American farmer can harvest exactly 2 p.c. foreign material?'

Mr Bloom said:

Price is telling his buyers there will be no foreign material, and if there is they don't have to pay for it. That is who we are competing with. That's why we store the carry-over from year to year.

I put it to the House that the farmers of Australia are already taking appropriate initiatives to minimise the impact of trade barriers and to ensure that their product does attract markets overseas. What they are looking for is a government prepared not only to introduce this sort of legislation which makes it easier for the farmers to act but also, in addition, to get some of the weight of government administration and domestic administration off the primary producer's back.

Mr FITZGIBBON (Hunter) (9.07)—I came into this chamber tonight prepared to debate the Australian Meat and Live-stock Corporation Amendment Bill and the Wheat Marketing Amendment Bill which are being debated cognately. I certainly would have been able to pay glowing tributes to the Minister for Primary Industry (Mr Kerin) due to the excellence of these Bills. However, all my time will be taken up now answering ridiculous propaganda perpetrated by the Opposition.

I pay a certain tribute to the previous speaker, the honourable member for Wakefield (Mr Andrew), because he was far more subtle than those who preceded him. First of all, he started out by saying that these two Bills being debated cognately were excellent, the high point of the ideal which we normally would expect from the

Minister for Primary Industry, but then very subtly he weaved a very damaging attack on this Government.

Mr Coleman—A very good one.

Mr FITZGIBBON—Yes, it was an improvement on what had gone on beforehand, but we must remember all previous contributions to this debate have been nothing short of ludicrous coming from the Opposition benches. Opposition speakers—playacting, I assume—have sought to use this debate to attack the Government's rural policy. Members of the Opposition, terrified by the present Minister's acceptance by rural producers, have tried desperately to talk ruin into the Australian rural producers' thinking, so much so in fact that they all tend to remind me of those famous lines by John O'Brien:

'We will all be rooned' said Hanrahan.

They want rural Australia to fail. They see the failure of rural producers as the last desperate throw of the dice, their last sleazy hope of sneaking into office. Liberal and National Party members cannot hold the vote of farmers through rational argument, so they try to steer farmers away from the truth by spreading fear and nonsense and even—and I am loath to say this—by telling lies. But their desperate lies are falling on unsympathetic ears. The national Press has rejected their ideas as puerile nonsense.

For a while I was rather troubled by all this vitriolic criticism from the conservatives regarding our handling of the rural economy. Then I started to read such newspapers as the *Sydney Morning Herald*, which has swung to our side. I think it was the day before Anzac Day, 24 April, which was the day of days. Honourable members would not believe which newspaper came out in praise of the Kerin rural package. It is *The Land* newspaper, the epitome of everything high and noble about the Liberal and National parties. What did it say? It said: 'Crawl back into your holes, conservatives, because in the Kerin plan we have a realistic appraisal of the rural crisis and an affirmative attempt to solve that very crisis, whereas all we hear from members opposite is loud blowings and bleatings'. Very shortly I will tell honourable members about the National Party's solution to the problems of rural Australia.

I will discuss the famous name that the Deputy Leader of the National Party, the honourable Member for Gwydir (Mr Hunt), drew from his history book from back in Woodrow Wilson's time at the end of World War I. The Deputy Leader of the National Party has come down

with a famous 14-point plan for rural Australia, but I will discuss that later. At this time I think we should move on to a couple of interesting points to prove that we understand rural problems and that we care. Members opposite are just shedding crocodile tears hoping to squirm their way into office.

Mr Ian Cameron—What about all the ALP members in Queensland?

Mr FITZGIBBON—I will tell the honourable member a very interesting story. This shows how desperate honourable members opposite are. The Leader of the National Party has circulated a pitiful letter throughout my electorate. His cry is: 'Help us save Australia from socialism. Send us money.' The farmers are ringing up and saying: 'How can we send this gentleman money when we are being squeezed dry by the Labor Party?' Ha, ha ha! Twenty-three letters have come to my office. I hope that honourable members opposite would like to hear what these letters say: 'Herein please find enclosed letters circulated to us by the member for New England. Would you please do something to stop these letters being sent to us because we do not wish to receive them. We have had a gutful of this man and his policies'. Farmers know about distortion in the overseas markets. They understand unrealistic subsidies and they understand changes in world conditions.

The simple fact is that honourable members opposite have not come into the 1980s and do not realise that farmers are no longer fools who will believe everything that they bleat and spew forth. Surprise of surprises, do honourable members know that there are farmers who are beginning to appreciate the benefits of the accord to this nation? Do honourable members opposite believe that? Perhaps they should talk more regularly to their farmers instead of enjoying themselves in some of the nightspots around the capital. I know that honourable members opposite are slow to get the message, but let me remind them again of the points made by the Minister for Primary Industry in answering a question I asked in this House only a few days ago. In my naivety I just rose and asked the Minister for Primary Industry: 'Look, Minister, I have been impressed by this letter I received about the 14-point program which is going to solve the problems of rural Australia. Does it have any good points, Mr Minister?' The Minister for Finance (Senator Walsh), the Minister for Primary Industry and other financial experts within the Department had a look at the plan. Do honourable members know what we discov-

ered? We discovered that this Party opposite, which deceitfully left us with a Budget deficit of \$9.6 billion, after we have achieved miracles by bringing the Budget deficit down to \$5 billion, wants to blow it out again by \$10.2 billion. That would be wonderful—a Budget deficit of \$15.2 billion! The Deputy Leader of the National Party sees some merit in his 14-point plan, even though it has only one slight flaw: It increases the budgetary deficit by \$6.33 billion.

Mr Robert Brown—By how much?

Mr FITZGIBBON—By \$6.33 billion. It has been widely referred to as economic madness. I can see the gloom on the face of the honourable member for Maranoa (Mr Ian Cameron) as he realises that his Party is failing to win this fight against the Labor Government. I have been reminded from various quarters that my time has almost expired, but I make one final point: Probably the best and most heartwarming message that I have received today came from a rural producer from my electorate of Hunter: 'Fitz'—he calls me Fitz because I am pretty well regarded by and pretty close to my farmers—'you know, you are not perfect, mate, but we will have Kerin sanity ahead of rubbish'.

Mr McVEIGH (Groom) (9.19)—I rise to give my support to the Minister for Primary Industry (Mr Kerin) for the Wheat Marketing Amendment Bill and the Australian Meat and Live-stock Corporation Amendment Bill and to be honest and to lament that, while in government, the coalition did not enact such legislation. The Minister and his Government have taken a more realistic approach to primary industry statutory marketing authorities by recognising the need to make them more commercially oriented. The Opposition supports that. Greater autonomy, less direct ministerial involvement and a higher level of formal accountability by the Board to the industry are all positive moves and, as I said initially, long overdue. It is also heartening to see that the Government is to ensure that the Wheat Board provides a corporate and operational plan defining the principal objectives of the Board as well as staggering the terms of office of the members. While I applaud the move to make the Wheat Marketing Board more commercially competitive, I must express disappointment at the lack of Government initiative for overcoming the fundamental macroeconomic problems facing agriculture and the economy generally.

The Minister in his recent economic and rural policy speech failed to address several major issues affecting not only the rural producers but

also our manufacturing sector. Is it not about time the Government came clean with its approach to the J-curve and macroeconomics? The fundamental problems with the economy are not being tackled. As a result of this Government's actions in hiding behind the trendy economic jargon of the day, our export markets are being hamstrung by our high interest rates, inflation rate and poor productivity. On the one hand we are saying to the Wheat Marketing Board that it should go out and compete on the world market while on the other we are straddling it with an artificial economic situation at home. If we are serious about making the Australian Wheat Board, the Meat and Livestock Corporation or any other statutory body more competitive, we need to become more serious about our domestic affairs.

In a question to the Minister which I placed on notice recently—he is a Minister who takes questions on notice seriously and answers them, unlike some other Ministers—I asked him whether the net returns to wheat growers from 1982-83 to 1984-85 were below the consumer price index for the corresponding years. The answer was a resounding yes. How can our products compete on the world market if we are subjecting our farmers to higher and higher costs? We export over 80 per cent of our domestic wheat. However, in the world context this amount is a proverbial drop in the bucket. While the export market is important to the individual Australian farmer, on the international scale our Board has very little commercial strength.

We can give our Wheat Marketing Board more competitive strength by improving labour productivity. This requires relating payments directly to performance, abandoning automatic wage indexation increases and introducing more flexibility in the setting of wages. However, the Minister has decided, or it was decided for him, not to tackle these issues and to stick to the current centralised wage fixing system. It is such a pity, especially when no less a person than the Secretary to the Treasury, Mr Bernie Fraser, has come out in favour of greater flexibility in order to reduce labour costs and improve our competitiveness. He has been reported as saying that flexibility was vital to improvements in the crucial area of labour costs but that this would require modifications to the centralised wage-fixing system. This is something the Opposition has put forth on numerous occasions.

Both sides of this House are aware our current high interest rates are a result of the Government funding its own deficit. Until we can get

interest rates down we will continue to be uncompetitive in both our agricultural and manufacturing sectors. To say that our high interest rates can be blamed on domestic demand without acknowledging excessive governmental demand is to hide from the basic cause of our international competitiveness. The sharp spurt in inflation of up to 9.2 per cent in the latest consumer price index figures for the March quarter will increase pressure on the Government to make large real cuts in its spending programs. Giving the Wheat Board more autonomy and thereby enabling the Board to repay to the Commonwealth moneys expended during 1985 is a step in the right direction. We need to give more marketing boards this independence.

The recent rainfalls in Victoria, South Australia and parts of New South Wales and Queensland have been welcomed by farmers and urban dwellers alike. The fear of another drought is prevalent in our rural communities. When combined with the fear of high interest rates and depressed world commodity markets, the psychological effects are devastating. The Government, in its rural package, acknowledged the need for counselling for farmers and their families. This will be of some assistance to the distraught, but what is really needed is stability in our economic situation.

There is a growing awareness that Australia's farm crisis is arising out of a growing mismatch between what we like to produce and what the world needs. The Government and farm industry leaders need to look at catering to the growing demand in our South East Asian markets for a greater variety of foodstuffs. With estimates of between 4,000 and 5,000 farmers being forced out of wheat growing, there is no alternative but to look to a comprehensive re-assessment of agriculture in Australia. We can no longer afford to have our farmers eking out a living by producing food for which there is no real market. The Bureau of Agricultural Economics has reported that the average farm cash operating surplus was expected to decline by \$6,500 in 1985-86. One of the reasons for this decline is the increase in farm cash costs, which have risen by over \$10,000 since 1983-84. The rate of return to capital and management will drop close to zero this financial year against 2 per cent last year. The decline in average receipts for crops fell even more dramatically—by 14 per cent—last year and are predicted to fall a further 5 per cent this year. Our farmers have a right to be angry. The band-aid approach used for so long to our problems in the bush needs to be halted and a complete reappraisal of anticipated

trends of world agricultural trade is needed. From this basis a suitable production structure and marketing strategy may be possible.

I now turn my attention to the foreshadowed royal commission into the handling, storage and transport of grains. I draw the Minister's attention to the Australian Agricultural Council's sub-committee inquiry into off-farm costs. The following question must be asked: What is the need for a royal commission before the findings of that sub-committee are known? That, to my understanding, will be in July. It would appear to be rather extravagant at this stage for the Government to commence with the royal commission inquiry prior to the release of this sub-committee's findings.

As a footnote comment on this matter, I must say that it is a pity that all factions dealing with the storage, handling and transport of grain cannot work together to make this industry more profitable. Our farmers are the most efficient in the world, but their backup support lets them down at critical times. It is time we all began working together to overcome these difficulties so our products can reach their destination on time and in good condition. It is also time the Hawke-Keating Government got over its hangup with the letter 'J' and all it implies. The Opposition has been calling for something to be done, the Secretary to the Treasury is now calling for something to be done, and it is time for the Press to call for something to be done. Business has been warning of impending disaster for some time and has reflected its uncertainty by halting investment. While our commodity prices are in the doldrums we need manufacturing to export or at least replace imports to service our foreign debts. If this is not done, we will continue to slide into economic impotence.

It is time for the Government, led by the Prime Minister (Mr Hawke), to make the hard decisions necessary to stop this dismantling of our position in the world market-place. If this is not done, we will suffer our own Chernobyl—not a nuclear fallout but an economic dropout in the world context. We cannot afford to have this happen. I therefore call upon the Government to get its priorities right and then to adopt an appropriate mix of policies to get this country back on the right economic path. We need a combination of reasonable growth and a sustainable balance of payments to get our interest rates down and inflation lower. This will occur when the Government forgets about monetary policies and becomes serious about fiscal policy.

Mr O'KEEFE (Burke) (9.28)—It is a rare pleasure to follow the honourable member for Groom (Mr McVeigh) in a debate of this nature and to pick up on some of the comments he made. I observed an interesting thing happening on the other side of the House. The honourable member for Groom, in most of his dissertation, was in fact calling on the Government to do exactly what it is doing. At the same time he was highlighting an essential difference between the approaches of the Liberal Party of Australia and the National Party of Australia on rural issues. I want to explore that matter a little more.

The honourable member for Groom called upon us to get our priorities right. In his outline he talked about the deficit and the external trade situation Australia faces—both acknowledged by this Government; both aggressively being attacked by this Government; and, most importantly, both inherited from his Government. We heard him call for a complete reappraisal of trends in world markets and a reappraisal of marketing policies to meet those changes. To put his words in other terms, he is really saying to the primary producers of Australia: 'If you are going to grow it, you have to find somewhere to sell it'. That is a lesson that is coming home not just to the Australian agricultural sector; it also applies to our manufacturing sector and to all those parts of the Australian economy that want to move in export oriented activities. If people are going to grow something or make something, they have to sell it. In other words, the responsibility for marketing has to lie very much with those who produce goods, whereas in the past it has been left to government. I think that is one of the very strong points of this legislation and of these amendments that the Minister for Primary Industry (Mr Kerin) has brought forward, because they are placing more and more in the hands of the producers the responsibility to market their products.

The honourable member for Groom quite correctly referred to the recent document on economic and rural policy presented in this House two or three weeks ago by the Minister for Primary Industry. The honourable member is as aware, as are the rest of us, that on page 67 of that policy statement there are very significant measures and initiatives which have been taken by the Government to improve the marketing, particularly of our meat and livestock products. I will just reiterate a couple of these points for those honourable members opposite who are not familiar with them. As has been said in this House:

The Government will continue its support for innovation in meat marketing, with a package worth some \$7 million over the next four years.

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In order to stimulate innovation in the marketing of agricultural products, in the marketing systems, in the differentiation of products, in quality control and in new product development, funding of \$25 million over five years will be provided

Let us go back to the words of the honourable member for Groom. He called for innovation. He is getting innovation, and it is coming from this side of the House, from this Government. I remind the honourable member for Groom that 21 members of this Government—almost a quarter of the Government members—represent country people. They represent more country people than does the honourable member, and they are members of the country task force formed by the Prime Minister (Mr Hawke).

Mr Robert Brown—And they are better.

Mr O'KEEFE—They are better. I acknowledge the comment of the honourable member for Charlton. He is quite correct. Not only do they represent more country people but also they better represent them, and I think that is a significant point. I want to pay tribute too to the efforts of three members of the Cabinet for the work that they have done in this area this year. I refer to the Minister for Primary Industry, who is at the table.

Mr Robert Brown—The Bob Hawke of the bush.

Mr O'KEEFE—The Bob Hawke of the bush, as the honourable member for Charlton says. The Minister for Primary Industry took it on himself to go to Europe early last year to try to pin down the European Economic Community into making some genuine agreements on how it would behave in the future in our section of the world and in our markets. He secured agreements and so far those agreements have been honoured. Since then, the Minister for Trade (Mr Dawkins) has taken more initiatives to try to bring Australia's trade performance up to scratch by world standards. I again refer to that part of the rural policy statement, which quite specifically states:

The Department of Trade's international marketing efforts have been completely overhauled.

Those honourable members opposite who chose to bring in to question in this House in such a despicable way last week some of the efforts and the activities of the Department of Trade are as aware as any of us of the appalling performance

of those people that honourable members opposite appointed and gave a brief to be Trade Commissioners. The fact that we have to overhaul the export market incentives scheme in the way that we have had to stop the rorts and the rip-offs in business that honourable members opposite supported is just an indication of why they are on the Opposition benches of the House. I turn to another initiative brought forward tonight by the honourable member for Groom. His contribution was indeed significant.

Mr Kerin—Really?

Mr O'KEEFE—The Minister interjects with some surprise and says 'really' with regard to my comment that the honourable member's contribution was significant. It was significant by its absence. The honourable member for Groom, in his whole outline, made one very brief mention of the key component of the platform that we will hear about from honourable members on the other side of the House over the next two years. I refer to wages policy. We heard one brief mention. He skirted around the very delicate little business of breaking down centralised wage fixation. Why did he not give that matter the same priority that the Opposition usually gives it? It is because he knows the policy is garbage. He knows it cannot work and he knows that his own confreres in the National Party do not support that approach, because they at least know the realities of where it will finish. The honourable member also knows that a document I have in my hand laid the whole thing to rest before it started. What am I talking about? Of course, it is the leaked document on industrial relations marketing policy. I refer to the document that had in its preface the little comment:

Carefully selected, the chance of a leak should be small.

What is the most embarrassing part of this document? It is not the fact that a person such as Bill Dix, from the Ford operation in my electorate, is named in that document as being lukewarm about the industrial policy of the Opposition and as a person who would have to be neutralised; the really embarrassing bit for honourable members opposite is the little section about the National Farmers Federation—the NFF—which has been wandering around Australia proclaiming itself to be politically neutral and to be interested only in raising the profile of agriculture in Australia. What does the document say about the NFF? It says:

Ian McLachlan's support should be clear, even if NFF's preferred approach . . . is not being specifically embraced.

I come to the key part:

If you wish I can arrange for NFF support and also that of its Commodity Councils and State Member Bodies.

Mr Hand—Who wrote that?

Mr O'KEEFE—That document, which came from the Liberal Party Secretariat, was written by a consultant on lease to the Liberal Party by the National Farmers Federation. The National Farmers Federation is spending \$4m in trying to raise the profile of agriculture in Australia, and honourable members opposite have neutralised their efforts with one little leaked document. Mr Deputy Speaker, I know that time is limited, and I shall wind up my speech. I want to make a couple of points. They again follow on from the contributions of the honourable member for Groom. The Liberal-National coalition has brought forward a whole policy based around things such as cutting fuel costs—that is one of the parts of the 18-point plan—a reduction of 10.6c a litre in the fuel excise.

Opposition members interjecting—

Mr O'KEEFE—I say to the honourable members opposite that I have heaps of road transport operators, small business operators, out there saying to me: 'Why have you given the farmers so much? If we got that sort of a cut we could cut freight rates right across Australia. You are alienating the small business sector, the mob you claim to represent, with all this talk about more and more'. The road transport operators are also saying to me that they are small business proprietors. They say: 'Farmers are small business people just like us. We do not get bailed out when things go wrong. Why do they keep wanting to be bailed out?'. The answer is that that is the treatment that they have been used to over the years, but that cannot go on. Many farmers who talk to me say they recognise that that approach has got them nowhere and it has taken them nowhere. Now that they have nowhere to go, they have to turn to this Government to produce constructive and innovative solutions. We are producing them and we will produce them.

I finish up again by referring to the words of the honourable member for Groom, who called for complete reappraisal of world trends and of marketing policy. The honourable member is right. He has identified the priorities. Unfortunately, he identified them three years too late. Our Minister knew they were needed when he was in opposition. From the day he took the chair, he has taken up that direction. There has been a reappraisal. There has been a clean out.

There has been an overhaul, and the farmers of Australia will benefit as a result.

Mr PETER FISHER (Mallee) (9.40)—I rise to support both the Australian Meat and Live-stock Corporation Amendment Bill and the Wheat Marketing Amendment Bill because I believe that in their own ways they will improve the ability of both these corporations to meet the increasingly difficult world trading environment that they face. I wish to speak mainly to the Wheat Marketing Amendment Bill which will make a number of changes. First, it changes the power of the Australian Wheat Board to set up and take an equity in subsidiary companies. It gives power to the Board to trade in additional types of contracts in order to hedge the wheat crop, and this will protect growers from sudden adverse movements in international wheat prices and exchange rates. As the Minister for Primary Industry (Mr Kerin) said in his second reading speech, these new instruments are necessary to cope with the continuously changing world environments. There are three other points of change in relation to the structure of the Board. The Bill sets up a consultative procedure to ensure that the Board has had an opportunity to put its views to the Minister. It will ensure that corporate plans will be developed each year for a three, four or five-year period and it will also ensure that an annual operations plan will be set out for each successive one-year period. While I support these last three points, I simply say to the wheat industry that these amendments have the capacity to remove the democratic and representative nature of the Australian Wheat Board and also give governments the opportunity to interfere more in the industry.

The Bill also removes the requirements for the terms and conditions upon which officers of the Board are appointed to be approved by the Public Service Board. This is a very important initiative and one which should have been taken many years ago. As my remarks are related mainly to the wheat industry, I believe these measures which I have mentioned and which were mentioned in the Minister's second reading speech will bring about the more efficient functioning of the Australian Wheat Board. As a corporate board it is crucial to ensuring that wheat growers continue to get the best possible returns for their wheat. Having been a wheat grower all my life and having had a father and grandfather before me in the industry, there is not the slightest doubt in my mind that the Australian Wheat Board has been one of the most successful and efficient marketing arrangements that we have ever established in this coun-

try. It has provided equity between growers, particularly those who are enormous distances from their export markets and from domestic and regional marketing centres.

The honourable member for Eden-Monaro (Mr Snow) said that the problem facing the Australian primary producer at the moment was simply one of export markets. I disagree about the word 'simply', but there is not the slightest doubt that export marketing conditions are a major factor in the problems facing our export industries at present. At the moment the United States is using its export enhancement program to undercut the Australian Wheat Board's sales of ASW wheat to North Yemen, which was traditionally an Australian market. The 50,000-tonne sale, which the United States has made, will deprive Australian growers of about \$10m in revenue. The United States has used a \$US20 a tonne subsidy to undercut the Australian Wheat Board by about \$US2 a tonne. The United States made the sale at a price of about \$US142 a tonne landed in North Yemen, while the Australian Wheat Board's tender was just \$US144 a tonne. In the Federal Parliament last week, the Minister for Primary Industry defended the United States action on the basis that the sales were replacing sales of European Economic Community flour. He said that up until this year North Yemen had been purchasing 132,000 tonnes of EEC flour. I believe that the Minister's statement was nonsense. He pretended that the United States was undertaking such action in order to counter European competition. But European wheat is not imported by North Yemen and was not a factor in the recent tender. This blatant and heavy-handed approach by the United States will only further exacerbate the critical financial state facing the Australian wheat industry.

Of course we know that the United States is pursuing some of these policies simply to counter the EEC. We know that France intends to join with Germany in refusing to countenance any reduction in the price of cereals. In fact, recently France tabled a motion for a 4½ per cent increase in the price of grain. The EEC Commission in Brussels some weeks ago attempted to freeze the guaranteed support price on most farm products, including cereals, and the Commission has also proposed a 3 per cent tax on cereals to help pay the cost of getting rid of the huge surplus. However, this suggestion has not met with the approval of Germany and France. The cost of the food mountain at present in the common market commodity pricing system is about \$6 billion, which is a fivefold increase over

the past four years. The surpluses continue to rise at an alarming rate and the recent entry of Spain into the EEC, just over three months ago, has already added an additional 1.5 million tonnes of barley to the grain mountain. The EEC farm Ministers, in giving unwarranted generous farm price increases in past years, leave the EEC Commission with no room to manoeuvre. The subsidies and grants are being eaten up by the costs of storage and administration.

The Commission is, of course, determined to press ahead with measures this year, but this will force most of Britain's cereal farmers to pay a 3 per cent levy to meet the cost of disposing of surpluses caused by over-production. We must recognise that 60 per cent of French and West German cereal farmers will be exempt from what is in effect a tax on efficiency because they produce less than the 25 tonnes of salable grain per year. British farmers, who are efficient, will see their bigger units being sacrificed to satisfy the millions of small farmers in Germany, France and the Mediterranean countries with a tremendous voting power. The EEC's common agricultural policy is a money-eating monster and unless the concept of value for money becomes the criterion on which it bases its policy, it is unlikely to survive for very much longer.

The honourable member for Ballarat (Mr Mildren) suggested that the changes embodied in these two Bills would be the answer to rural industry problems. I simply ask the Government, as one who comes from the electorate of Mallee and the Wimmera area which produce some 60 per cent of Victorian grain and which have seen very few primary producers in difficulties over the past 100 years, why it is that now we have 500 farmers' wives on unemployment benefits and 1,000 farming families on income support. The simple answer is that it is not just overseas markets, even though there has been a progressive downturn in commodity prices and an unprecedented run of bad seasons. It is obvious to me that government policies and priorities must be changed to ensure that family farms, small businesses and the rural work force remain a vital force in our national economy. My immediate concern of course is the level of high farm debt and escalating interest rates. Rural adjustment funds are totally inadequate and, as a result, eligible borrowers have been turned away in the past, although I must give credit to the Minister for having corrected this situation in recent times. Rapidly rising business costs, far in excess of the national general rates, and in particular machinery and fuel costs, are impacting heavily on rural towns and cities. Small business

people are shedding labour at an alarming rate and in many instances half the work force has already been laid off in machinery and motor vehicle dealerships in my electorate. This trend will be exacerbated by the fringe benefits tax which was introduced into this House just last week.

Sadly, all these things are occurring at a time when State and Federal governments are also rationalising community services. Australia Post, the State electricity commissions, the water commissions, rail, education and health authorities are all cutting back on their responsibilities to rural people. This is simply adding to the feelings of frustration and social isolation. The Government must realise that its policy of high interest rates, high public borrowings which support our currency and the regulation and indexation of wages and salaries are a harsh burden on the deregulated, self-employed sector of our community.

Other significant factors are working against the rural sector. In Victoria I refer particularly to the cost of freight and handling charges. We saw a very efficient rail network set up across the State of Victoria in the latter part of the last century. There are two silos in my electorate at present that have painted across them: 'These silos are redundant'. They are redundant today because a Victorian Rail locomotive pulling some 5,000 to 6,000 tonnes of wheat on one trip cannot compete with one farmer carting 20 tonnes of wheat in his own truck 200 to 300 kilometres. This is a very serious state of affairs and there is considerable feeling throughout Victoria that the freight rate is putting many farmers out of business. There is no doubt that V-Line in Victoria is taking us for a ride as a result of the greed of all governments over the past two decades. Today we see individual farmers transporting their grain to the detriment of our roads and the Victorian rail system ultimately.

Mr Braithwaite—It is the same in Western Australia.

Mr PETER FISHER—Yes, it is exactly the same in Western Australia. V-Line's current freight rate in the Mallee area is \$25 a tonne, coupled with handling cost of wheat at \$13.80 a tonne and wharfage charges of 89c a tonne. Local grain growers are being charged about \$40 a tonne to handle and transport their wheat. We cannot compete with overseas competitors if our costs keep increasing at this level. I am a wheat grower. I was able to compare, in adjusted money terms, the 1986 returns from my own property with those of 1966. Those figures indicated that,

whereas the costs in 1966 represented one-sixth of the income from my property, in 1986 they represented one-third. Of course, this problem is occurring right throughout the grain areas of Australia and is increasingly daily.

I conclude by saying that the future is not bright. The average farm income on family farms is projected this year to fall by 66 per cent and the average cash farm operating service will fall by 25 per cent and by up to 52 per cent in the wheat industry. These tragic projections demand the need for massive cuts in domestic charges and taxes. In supporting these Bills I simply say to the Minister: Why did he not drop the indexation of excise on fuel? Why does he not return the \$422m that has been removed from the farm sector? Why does he not genuinely float the dollar so that interest rates can fall? The future of the wheat industry is not going to rely on commodity prices or corrupt markets. I quite genuinely believe that we will have to rely on the capacity of governments to keep costs down and to give commercial edges to our farms. The honourable member for Groom (Mr McVeigh) mentioned that 4,000 to 5,000 efficient—and I emphasise the word 'efficient'—family farmers will this year disappear from the wheat industry. I do not believe that any efficient farmer should be forced to leave the land. This is going to be the situation if urgent action is not taken.

Mr IAN CAMERON (Maranoa) (9.52)—I have much pleasure in speaking to the Australian Meat and Live-stock Corporation Amendment Bill 1986 and the Wheat Marketing Amendment Bill 1986. I would like to say what an enjoyable time I had tonight at the Cattle Council of Australia dinner. I congratulate the new Chairman of the Cattle Council, Mr Wally Peart, who is one of my constituents in the great electorate of Maranoa. I would also like to put on record in this House the great job that Maurie Binstead has done. Tonight's dinner was in honour of Maurie Binstead, a great old cattle man who has put a tremendous amount of work and effort into the Cattle Council and the cattle industry of this country. It was a pleasure for me and many other members on this side of the House, and a few from the other side, to attend that dinner. I would also like to say how pleased I was that Bill Bonthrone was at the dinner. He is one of my constituents from Ingaby station at St George and a member of the Cattle Council. I also congratulate Clinton Condon, the Chairman of the Australian Wheat Board, who comes from Dalby in my electorate. All in all, I reckon Queensland is just about running the primary

industries in Australia right now, and doing a good job of it.

Mr Robert Brown—What about Yuleba?

Mr Ian CAMERON—Yuleba is a good place. Most of the honourable member's relations come from there, and I look after them, too. I do not believe that we should use legislation to look after our primary industries. I believe that only one piece of legislation is needed in regard to primary industries today, that is legislation which compulsorily levies funds for the running of our primary industries. Apart from that, I do not believe that governments should interfere with their running. The Bills before the House still give the Minister a say in the running of the industries. One of the Bills seeks to extend the level of borrowings to \$5m. I do not believe that any boards should be borrowing any money at all. The experience of the grain growers in Queensland must prove to people in Government how disastrous it is to let people borrow money. It is all very well to let farmers look after their own money because that is their risk, but when we allow people involved in corporations to run around the world borrowing money, trading on the international grain exchange and so on they seem to have a great habit of losing large licks of money. Queensland grain growers have lost \$30m under such systems. I believe that they should be more than tight. I believe it is very bad to free up the money management, particularly when the Government still has control. I think it is a different matter if the growers are looking after themselves, as they ought to be. Then they have only themselves to blame if they lose some money.

One of the things wrong with the Cattle Council arrangements is the annual general meeting voting procedures, which are a disaster. I attended the annual general meeting in Brisbane this year with about 900 growers. A 75 per cent majority of roughly 100,000 growers who were entitled to a vote was needed to get anything through that meeting. This is an absolute disgrace. It is a totally socialistic-type of operation. Nobody can put up a amendment and nobody can have a decent debate on any subject. I suggest that, if the Minister is going to make any amendments to the Australian Meat and Live-stock Corporation Act, he should look very closely at the way in which the annual general meetings are held. He should free them up a bit and make them a bit democratic. I know that may go against the grain a bit, but that is what we ought to be doing.

The National Party of Australia has a 14-point plan which the honourable member for Charlton (Mr Robert Brown) knows will return us to government at the next election. We have positive policies for the primary producers of this country. What have honourable members opposite put out? All they have put out is a disastrous farm package. They now are going to tax us for milking a cow. Under the new fringe benefits tax, we are going to be taxed for milking a cow each morning. We are going to be taxed for supplying our employees with milk or a sheep. We are going to be taxed for giving our employees some accommodation and a roof over their heads. We will be taxed for letting them use the station vehicle. Honourable members opposite are going to tax us for doing those things. We will not be able to claim these expenses as a deduction, either. Honourable members opposite are going to tax us for milking a cow, and that is a disgrace. Not only that, the Government has introduced a capital gains tax and intends to put a 3 per cent superannuation loading on wages as well. I do not know how honourable members opposite expect us to employ anyone. It is no wonder that hardly a soul is working in rural Australia these days.

I would like the Minister for Primary Industry to explain to the House what is meant by the tax on stud animals. I have rung up the Treasury, the Department of Primary Industry and the office of the Treasurer (Mr Keating). Every paper in Australia over the weekend questioned and queried the Government about what is going on. The Minister is running around like a chook with its head stuck in the sand. He would not have a clue what he is doing. Minister, tell the House tonight what this Government is on about in taxing stud animals in this country. The papers are telling us that the Government is going to whack a \$10m tax on us in the first year of operation. What a disgrace! How are we expected to breed stud animals if the Government is going to tax us for doing it? Surely to goodness, if we are going to compete in the world we need to have good stud livestock, Gerry. Your Government is going to tax us for doing it.

Mr DEPUTY SPEAKER (Mr Ruddock)—Order!

Mr IAN CAMERON—Your Government is a disgrace. You ought to be—

Mr DEPUTY SPEAKER—Order! If the honourable member would care to address his remarks through the Chair—

Mr IAN CAMERON—It is disgraceful; absolutely disgraceful. This Government is going to tax us for trying to breed decent livestock.

Mr DEPUTY SPEAKER—Order! The honourable member should address his remarks through the Chair. He should refer to members by their electorates rather than by their names.

Mr IAN CAMERON—Thank you, Mr Deputy Speaker. The trip of the Prime Minister (Mr Hawke) was a totally unmitigated disaster. He has been round the world half a dozen times in the last three weeks. He has proved nothing. The Americans have been selling under his belly while he was away. I suggest to the Minister that the only thing we should be doing is sending a bipartisan group of members of this House to talk to Congress to see whether we cannot talk some sense into them. That is the way in which—

Mr Hand—I will go with you.

Mr IAN CAMERON—Good, the honourable member for Melbourne will come. I am prepared to go as long as the Government pays my way. That is what we have to do. We have to send a bipartisan committee to Washington to talk with Congress. We have to bring these blokes to heel and knock some sense into them. That is the only way we are going to retain our market. It is no use sending Hawke and Hazel around the world in a VIP jet for a couple of weeks. The Prime Minister would not know what a farm was; he would not know the back end of a cow from the front end. He admitted in the Press over the weekend that his trip was a disaster, that it proved nothing. The honourable member for Gilmore (Mr Sharp) is a very good member and wishes to speak in this debate; so, with those comments, I will sit down.

Mr SHARP (Gilmore) (9.59)—I thank the honourable member for Maranoa (Mr Ian Cameron) for being so brief in his comments tonight to enable me to get up to add a few words to the debate tonight. Firstly, I must say that it is a pleasure to be supporting the Australian Meat and Live-stock Corporation Amendment Bill 1986 and the Wheat Marketing Amendment Bill 1986. I believe that the legislation is very desirable for both the Australian Wheat Board and, indeed, the Australian Meat and Live-stock Corporation. I believe that these Bills, when implemented, will reduce the day to day involvement of the Government in the operations of the two bodies that I have just mentioned. I think that that is a particularly worthwhile thing because it gives those two organisations the autonomy required to make decisions on the spot, decisions which can be of

great value if they are made quickly and without the need to fall back on the bureaucratic process in order to come to the right decision. The Bills will implement reforms which will affect a large number of industries within the rural sector as a whole. I think it is worth recalling that the legislation before the House was initiated by the Fraser-Anthony Government. I believe that is worth mentioning. While the Labor Government no doubt will take some credit for the legislation, it is worth reminding the House of where the legislation originated.

The changes will enable the bodies, as I mentioned earlier, to operate on a more commercial basis and make decisions that will give not only a better response and a better result for the people that they are representing but also more accountability to the two organisations. I must add to the words of the honourable member for Maranoa when he said that these annual general meetings, particularly the Australian Meat and Livestock Corporation's annual general meeting, have the potential to be unworkable, unwieldy and extremely expensive, although they are a worthy concept. Indeed, it may prove almost impossible to implement the decisions that are needed with the sorts of annual general meeting requirements now placed on them.

The electorate of Gilmore is very much one whose economy is based on the rural industries. The rural industries in that electorate that will be affected by tonight's Bills are the wool, wheat, meat and dairying industries, all of which add a great deal to the economy of the electorate that I have the privilege of representing in this House. I think that it is worth pointing out that the Australian Wool Corporation is one of the shining examples of the sorts of organisations that have been created by the government over the last few years. I believe that the Wool Corporation must take a great deal of credit for the stability that it has enabled the wool growers of Australia to achieve. This is helping at least to alleviate some of the difficulties that the rural industries are experiencing at the moment.

However, the crux of the changes to the wheat and meat Bills relates to financing, staffing and general administrative decisions. I believe that it is vital that these authorities have this greater flexibility in their commercial activities. The need for increased ability to trade for our rural commodities is paramount for both rural industry's survival and, indeed, our nation's economic survival. The reason why it is necessary for Australian rural industries to be able to trade better is that our world markets at present are being

prostituted by the European Economic Community and, indeed, by the United States. Both producers are having a tremendously adverse effect on our rural communities. Indeed, that is flowing right through the whole of Australia's economy. I am quite sure that in the years ahead all Australians will realise the damage that is being done to every Australian's pay packet every day as a result of the activities of the EEC and the United States of America at present.

As the honourable member for Maranoa mentioned, the Prime Minister (Mr Hawke) has just made a trip to both the EEC and the United States asking both of them to withdraw their subsidised sales of farm products in areas that Australia traditionally has sold. Unfortunately, within days of the Prime Minister's return we were told of the United States Government's decision to sell 50,000 tonnes of subsidised wheat to North Yemen which, as has been mentioned by previous speakers and, indeed, by the Minister for Primary Industry (Mr Kerin), has been 100 per cent an Australian market. While 50,000 tonnes is worth some millions of dollars and is perhaps a small proportion of Australia's total wheat sales, it is a very nasty trend—a trend that we do not want to see continue. I think that the Government and, indeed, all Australians have to urge our Prime Minister to increase our level of lobbying with both the EEC and America to ensure that further invasions of our markets are not carried out in future because this will have a tremendously adverse effect on the wheat industry.

Mr Braithwaite—What did the Prime Minister say about that?

Mr SHARP—The Prime Minister agrees that this is an extreme disappointment. He must realise that the North Yemen sales were a great slap in the face on his return. It goes to show that the President of the United States and the congressmen the Prime Minister spoke to whilst he was there took no notice of him. Why should they take any notice of the Prime Minister? What the Prime Minister of Australia was asking the United States President to do was to bend over backwards in order to help Australian farmers. I think that the United States President would have been quite within his rights to say: 'You are asking me to bend over backwards to help your farmers but I can see that you are not bending over backwards to help your own farmers. Why should I go and do what you are not prepared to do?' That is exactly why the Prime Minister received that slap in the face on his

return from his trip to the United States and the EEC.

Over the last few weeks we have also seen the much awaited rural aid package come before the House. I am afraid that it was an extreme disappointment for all Australians. The rural aid package was cleverly designed by the Minister to appease the concerns of those city dwellers who perhaps were worried about the rural crisis that they were hearing of in the media and who asked: 'What is the Government doing about it?' Of course, the Minister was prepared to bring down a document that was cosmetic in that all it did was appease those concerns of those city dwellers. It did not address the real problems of rural Australia. The real problems of rural Australia will be dealt with only if this Government is prepared to do a number of things. The first thing which it must be prepared to do and which will probably give immediate benefit is to get out of the interest rate market. The Government, quite self-admittedly, says that its monetary policy is adding to the cost of interest rates throughout Australia. It is reported that some 6 to 7 per cent is added to our interest rates because of the Government's monetary policy. This is the one area that the Government could act on to give immediate relief to those people in rural Australia today.

Living up the road from my own farm in Young is a fellow by the name of Chris Beck, of whom I have spoken in this Parliament before and who was on the *Willesee* show only the other night. Some three years ago Chris Beck borrowed a large amount of money at about 12 per cent interest. Today he is paying 22 per cent interest. Because of that he is paying \$120,000 interest over and above what he originally started out paying. This has all come about not because of the dumping attitudes of the EEC or the United States or, as the Minister likes to point out, the policies of the Fraser-Anthony Government, but because of this Government's monetary policy. I am afraid that until the Government is prepared to turn that decision around it will not be able to give immediate relief to the farmers of Australia, unless it is prepared to offer them large and expensive subsidies. I am quite sure that the majority of farmers in Australia do not want large and expensive subsidies; they just want to get a Government policy off their backs. This is a Government policy which, in the case of my constituent at Young, Chris Beck, is costing him \$120,000. That is the difference between being in business and being out of business. These people really do need a fair go.

Instead of giving a fair go, the rural aid package handed back to the rural community only about one-quarter of what has been taken by this Government since it has been in power. In fact, the rural aid package has lost all its credibility because of the statements of the Minister for Finance (Senator Walsh) in the Senate. The Minister for Finance said that the centrepiece of the rural aid package, the axing of the quarantining of farm losses, would not take place and that in fact anybody who claimed, as the Minister for Primary Industry did claim, that axing it would give a \$65m a year benefit to the rural community was exaggerating. That is what the Minister for Finance said. I am afraid that has thrown the entire rural aid package into a state of lack of credibility. In fact, as a result of that statement there is still confusion right throughout the rural communities—confusion which is stopping people who might be buyers of rural properties from buying those properties. Until the Government is prepared to decrease interest rates, until it is prepared to remove the confusion surrounding the axing of the quarantining of farm losses, until it scraps capital gains taxes, until it allows the Australian dollar to float freely, until it passes on the full benefits of the world-wide reduction in the price of fuel, I am afraid that the good news we have tonight for the rural industry will be the only good news we will get from this Government.

Mr KERIN (Werriwa—Minister for Primary Industry) (10.10)—in reply—Speakers on this side of the House have all made sterling contributions to this cognate debate on the Australian Meat and Live-stock Corporation Amendment Bill 1986 and the Wheat Marketing Amendment Bill 1986. I will not comment on those. In regard to the speeches made by honourable members opposite, I think there are a few things I should comment on, trying as ever to educate them, to get through to them what are the facts and reality, rather than trying to accept the silly old propaganda lines that they run all the time. They continue to tell farmers and their constituents basically what they think the farmers want to hear. I have news for them. I think there are many farmers who have a far better understanding of these issues than the National Party of Australia has.

We are talking tonight about two industries and about statutory marketing authority reform. The first thing that struck me was the difference in attitude of the industries with respect to statutory marketing authority reform. Other members have paid compliments to Mr Maurice Binstead, the outgoing Chairman of the Cattle

Council of Australia. It is true that no man from that industry has contributed more than Maurice Binstead. The Government would not have achieved reform of the Australian Meat and Livestock Corporation and all of the mechanisms, such as the Australian Meat and Livestock Corporation Policy Council and the Australian Meat and Livestock Research and Development Corporation, without the support of the Cattle Council of Australia, and the Sheepmeat Council of Australia to a lesser degree, because they realised that what the Government was doing was in the interests of the industry. They could not tolerate the situation that had gone on for many years. The National Party could not bring reform to the meat and livestock industry. But, with a change of government, they saw the opportunity and they seized it, unlike the Australian Wheatgrowers Federation. We were trying to put forward a restructuring in the interests of the wheat industry, but the troglodytes in the Wheatgrowers Federation so disrupted deliberations and negotiations that we almost did not have a Wheat Board. Now we do have a restructured Wheat Board and, of course, those people are now conceding that the Government was right all along.

I thank honourable members generally for their constructive comments. The debate, of course, as is ever the case, has ranged over many issues that are quite unrelated to the Bills before the House. In respect of the meat and livestock industry, the honourable member for Gwydir (Mr Hunt) and other honourable members referred to industry concerns about the voting entitlement at the annual general meetings of the Australian Meat and Livestock Corporation and the Australian Meat and Livestock Research and Development Corporation and the costs associated with such meetings. As honourable members, including the honourable member for Maranoa (Mr Ian Cameron), have pointed out, these matters were discussed at the annual meeting held in Brisbane in February. Since then they have been the subject of consideration by the Australian Meat and Livestock Industry Policy Council. I anticipate that the Council will report to me shortly. The Government will support any reasonable proposals to streamline the running of these meetings or to ensure that the decisions of such meetings truly reflect the wishes of the industry in respect of levy rates or other matters. I will give prompt and sympathetic consideration to the AMLIPC report when it is received.

I simply point out that the 75 per cent voting requirement was put in at the outset, when we

set up the annual general meeting procedure and all the rest of it, because of the industry's own insecurity at the time. It was very sceptical about whether an annual general meeting system would work. Quite a few people had doubts about it. They did not want it taken over by the vexatious or the demagogues. That is why we arrived at the figure of 75 per cent.

The honourable member for Capricornia (Mr Wright) raised an issue which is currently of concern to livestock producers around Australia. I refer to the reported formation of a buying cartel by meat processors in Queensland and northern New South Wales. As the honourable member acknowledged, there has been, and remains, a need for rationalisation in the processing sector of the industry. The Government acknowledges that need and therefore supports the orderly rationalisation of abattoir facilities. The prime responsibility for the structure of the meat processing industry lies with the respective State governments. The Federal Trade Practices Commission is about to commence inquiries to determine whether any arrangements exist which breach sections of the Trade Practices Act. In particular, it will examine any price fixing arrangements or other arrangements which would lessen competition. Discussions have already commenced with the companies involved. The Commonwealth inquiries are in addition to those being conducted by the Queensland Minister for Industrial Affairs.

Debate interrupted.

ADJOURNMENT

Mr DEPUTY SPEAKER (Mr Ruddock)—Order! It being 10.15 p.m., I propose the question: That the House do now adjourn.

Mr Kerin—I require the question to be put forthwith without debate.

Question resolved in the negative.

AUSTRALIAN MEAT AND LIVE-STOCK CORPORATION AMENDMENT BILL 1986

[COGNATE BILL:

WHEAT MARKETING AMENDMENT
BILL 1986]

Second Reading

Debate resumed.

Mr KERIN—The honourable member for Wannon (Mr Hawker) questioned whether a direction had been given to statutory marketing authorities not to support the National Farmers Federation's 'You Can't take the Country Out of Our Country' campaign. I say simply that no

direction has been given. Some authorities, including the AMLC, sought advice on the legality of making such payments. On the advice of the Attorney-General's Department, some were advised that, under the powers presently set down in the respective Acts, such payments would not appear to be valid.

I did write to all chairman of statutory marketing authorities, advising of my opinion in this matter. My opinion was that, as we are using the Parliament to extract a compulsory levy from producers, given the new structure of the statutory marketing authorities—we are making them more commercial and more flexible and giving them more powers—they should simply exercise commercial judgment in spending on this campaign by the National Farmers Federation. In other words, they are using farmers' funds, but they are there, as boards, to take a commercial decision on the basis of the program before them.

The Australian Dairy Corporation has a large advertising and promotion budget with respect to domestic promotion of dairy products. It considered the matter and thought: 'Yes, this is a goer'. I approved its spending of about \$300,000. I am not sure about the Australian Meat and Live-stock Corporation; but again it spends a lot locally on domestic promotion and marketing. If it takes a careful commercial decision, I will have absolutely no objection to it. It is a bit different in the case of wheat and wool. There is virtually no domestic promotion or advertising of wheat and wool, or any generic promotion. That is the difference between the two instances.

With regard to wheat, there have been all sorts of criticism and more and more allegations about wheat sales to Yemen. I simply reinforce that we put our strong concerns about provisions of the United States Farm Bill to the United States Government at the highest level recently. The recent statement by the Prime Minister (Mr Hawke) to the Parliament on the outcome of his discussions with President Reagan and European Economic Community leaders made it clear that Australia's position is recognised. In regard to the operation of the United States export enhancement program, the Prime Minister was assured that it would be administered on a targeted basis aimed essentially at markets of subsidising exporters. EEP recipients will be encouraged to maintain their normal level of imports for a non-subsidising supplier such as Australia. Sales under EEP to markets which Australia supplies are, of course, a matter of special concern. Our officials in Washington will

remain in contact with United States officials. We will be using the avenues established by the Prime Minister during his trip to Washington to ensure that our concern at the possibility of subsidised sales to traditional Australian markets is kept before the United States Administration.

I now have more precise information to make available to the House than I did last week on wheat sales to the Yemen Arab Republic. Australia supplied 100 per cent of the market in 1980-81 and 99 per cent in 1981-82. It supplied lower proportions in the following three years—66 per cent in 1982-83, 43 per cent in 1983-84 and 70 per cent in 1984-85, due to the influence of United States blended credit.

Mr Ian Cameron—What about 1986?

Mr KERIN—Nineteen eighty-six is not finished yet. I wish to re-emphasise two points in relation to this matter. Firstly, despite the competition from the United States, the Australian Wheat Board still expects to sell 400,000 tonnes this year under its contract to December 1986. Secondly, 'the recent subsidised sale' by the United States to the Yemen Arab Republic, a market of considerable importance to the Australian industry, continues to be a matter of concern.

It has been a wide ranging debate and I should answer some of the charges. The honourable member for Farrer (Mr Tim Fischer) said that it was going to be terribly important to monitor the Wheat Board and, after all, with respect to hedging operations the Rice Board got into trouble recently. Someone pointed out a problem with the Queensland Graingrowers Council which made a mistake and lost \$30m. The hedging program of the Australian Wheat Board is agreed to by the Government and the Treasury and my Department set down guidelines for its hedging operations. What the honourable member seems to not understand is that we have new avenues and new systems of accountability now that we are giving these statutory marketing authorities more commercial flexibility and freedom. They do have to put forward a corporate plan and an annual operating plan. In terms of their accountability to the industry, particularly the wheat industry, there is a formal consultative mechanism between the Wheatgrowers Federation and the Wheat Board. We are giving more and more powers and flexibility to these organisations as they take on those additional powers and get more experience. Under the Fraser Government the razor gang halved the interest subsidy that the Wheat Board was utilising in terms of its borrowings from the rural credit department of

the Reserve Bank. We allowed it to borrow overseas, which saved the Wheat Board something like \$70m alone in 1984-85. Whereas the previous Government was working on the principle of subsidies and cutting down subsidies, we have given commercial flexibility.

The honourable member for Farrer also said that the procedure for settling any dispute about the annual operating plan is really pretty straight forward. I am not a lawyer. The Office of the Parliamentary Counsel goes through these things and they have to be pretty watertight. It says that, if there is any disagreement, they are simply told that I write back to them and that then we settle it. That is what that language means. The Minister, too, has to be accountable. We cannot have it all ways and cannot give them open slather and really not have accountability both ways. Honourable members will recall the so-called Rae Committee—the Senate Standing Committee on Finance and Government Operations—which spent a lot of its time scrutinising the operations of the statutory marketing authorities, particularly some of the rural statutory marketing authorities. Out of all that came very clear indications and directions to any government that all this had to be put beyond the pale. That is what this Government has been doing responsibly and sensibly.

Mr Ian Cameron—You did that with the Queensland grain growers.

Mr KERIN—Well, those grain growers have absolutely nothing to do with this Parliament. The honourable member indicates his complete ignorance. The Queensland grain growers have absolutely nothing to do with the Parliament. We do not extract the levy or tell them how to run their hedging operations, or anything. What we are about is responsible attitudes with respect to these statutory marketing authorities. Other comments were made about affirmative action and all the rest of that nonsense, but all I can simply say to the troglodytes opposite is that there are some very capable and able women on the statutory marketing authorities. The number two person, an economist, in the Meat and Live-stock Corporation is a woman with a PhD, and with all this rubbish that the National Party goes on about affirmative action and all the rest of that we simply say that people should not discriminate against women because they are women. The statutory marketing authorities are doing this without any nonsense.

The honourable member for Wakefield (Mr Andrew) carried on about a few usual sorts of complaints, trying to denigrate the Prime Minis-

ter in his efforts overseas and saying that there is this great media build-up and this great hype and all the rest of it. This is nonsense and it is about time that a bit of maturity was shown on both sides of the House. For a long time I have been very concerned that there is always the build-up when any Minister goes overseas. They traditionally come back, make a lot of promises that they know that they cannot deliver in the expectation that in two or three months time everyone will forget about it. That is the way visits abroad have always been regarded and always been played. It is absolute nonsense. Diplomacy, trade, international relations and all these things are a matter of constant dripping, wearing the hardest stone. It needs constant negotiations, constant diplomacy, constant build up of alliances and working on friendships with people in other countries to gradually create a different change in circumstances.

Mr Ian Cameron—You would not support the Americans when they went into Libya.

Mr KERIN—There is absolutely no way that we supported the Americans. I simply tried to put the facts out there. If honourable members opposite really think that the Prime Minister can go overseas and bring down the United States Farm Bill and bring down the European Community's common agricultural policy, that is absolute rubbish. If honourable members want to provoke me, I will come right back at them.

Mr Cadman—Come on. You are just going on and on and on. This is absolutely pointless.

Mr KERIN—It is not pointless.

Mr Cadman—You are taking up the time of the adjournment debate, and you know that.

Mr KERIN—All honourable members opposite wanted to go on and on and make all their speeches for the country newspapers back home. We agreed to that. Members opposite have made charges and I see no reason why I should not reply to them. It appears that I am going to be pushed into taking another five minutes. There was a lot of discussion in the debate about the inflation rate in Australia. I would like to make two qualifications about that.

Mr Cadman—Well, finish up then and give it away.

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Order! If honourable members wish to get on to the adjournment debate, if the Minister is heard in silence we will get there more quickly. If the Minister is not heard in silence, I will ask

the Minister to resume his seat and this could take longer than we expect.

Mr KERIN—What I was saying before the honourable member for Mitchell started yakking on again was in regard to the inflation rate. I thought that I would make two comments about the inflation rate—two qualifications. First, there is the farm inflation rate and the figures will come out tomorrow from the Bureau of Agricultural Economics pointing out that its estimate is that the farm inflation rate next year will be 2 per cent. The most recent estimate was 3 per cent and that is the increase in farm costs. The second point I want to make about the general inflation rate, even though we have had a 30 per cent depreciation in normal terms or 15 per cent in real terms, is that we have got very little benefit from that. A lot of the effect of the depreciation have been felt in terms of increase in the price of imports. Hence, we have had a blip up in the most recent quarter and that is what is increasing the inflation rate—the lower value of the dollar, the depreciation. The lower value of the dollar in turn favours our exporting industries, but the real problem is that we have not got the benefit of the devaluation. Hence the debate about the J-curve and all the rest of it. Honourable members opposite do not seem to understand, or they will not take into account, the argument that the Government is putting forward.

A similar case arises with respect to the allegations about a dirty float. There is no dirty float. The Reserve Bank does not engage in any money market operations of the nature that would be associated with the dirty float. There were some operations last November to get stability into the value of the dollar because there was an overshoot on the money markets. That is not to say that the Government has not got a firm monetary policy in place at present which is causing high interest rates. The reason for this has nothing to do with any desire to corrupt the value of the dollar. It is all about squeezing down on domestic demand, which it is doing, and squeezing out imports. If we suddenly relax—this is what the rural economic policy statement is all about—in our monetary policy to the extent that the farmers would like, we would simply have massive inflation, we would have the wage blowout that John Howard used to give us, we would have massive inflation next year and that would mean that our primary products would be less competitive on international markets further down the track. People have to take that analysis on board and reply to it in terms of the analysis itself.

The final point I would like to address is stock valuation. I do not think I will have the time, so I will write a letter to the honourable member for Maranoa as I will to the honourable member for Gilmore (Mr Sharp). I regret that the interjections have caused me to take so much time with the summing up.

Question resolved in the affirmative.

Bill read a second time.

Third Reading

Leave granted for third reading to be moved forthwith.

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

WHEAT MARKETING AMENDMENT BILL 1986

Second Reading

Consideration resumed from 16 April, on motion by Mr Kerin:

That the Bill be now read a second time.

Question resolved in the affirmative.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Leave granted for third reading to be moved forthwith.

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

ADJOURNMENT

Australian Economy—Letter by the Honourable Member for Prospect—Social Security Fraud—War Criminals— Unemployment Benefit Payments

Motion (by Mr Kerin) proposed:

That the House do now adjourn.

Dr HARRY EDWARDS (Berowra) (10.32)—This is the first opportunity available to me to respond to comments by the Treasurer (Mr Keating) in replying to a question without notice that I asked on Friday. My question focused on the yawning gap in this country's balance of payments—a deficiency of the order of \$1,000m per month or over \$30m on tick every day, in a context of rising inflation. This the Government treats with equanimity and gaily proceeds with is profligate spending programs; after all the present annual cost of the community employment program on this reckoning is only about 10 days' borrowing at \$30m a day!

The principal point I want to take up is the Treasurer's blinkered and totally erroneous suggestion that the present yawning balance of payments deficit is in some way a legacy of the previous Government. The Treasurer correctly states that the balance of payments deficit in 1981-82 was very large, amounting to the order of 6 per cent of gross domestic product. However, he is having himself on—to use a paraphrase for a word that the Speaker ruled as unparliamentary last Friday—in attributing that deficit primarily to the currency appreciation to mid-1981 and the admitted increase in wages; rather, the predominant cause was the surge in private investment by business firms in this country under the sound economic policies of the previous Government.

Dr Theophanous—You blew the resources boom.

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Order! The honourable member for Calwell will cease interjecting.

Dr HARRY EDWARDS—Thank you, Mr Deputy Speaker. The large scale importation of machinery and equipment, feeding, so to speak, a significant expansion of real business investment and reflected in a large balance of payments deficit—with that deficit substantially financed by the moneys borrowed to fund the investment—is a very proper phenomenon, a classic current balance of payments deficit situation. That was widely recognised in the economic literature of the time and not least the *Information Paper on the Economy* issued with the National Economic Summit Conference in 1983. At page 117 of that document it states:

The increases in the current account deficit over that period, 1979-80 to 1981-82 reflected: 'A surge of investment in energy related development projects . . .

That is first and primary. It then goes on to refer to other factors, to 'some erosion of Australia's international competitiveness' reflecting the Australian dollar's appreciation and the increase in wages, and to 'the international recession which meant weaker world demand and prices for most of Australia's exports'.

The Treasurer is simply rewriting history in not recognising the primacy of the investment aspect. Further, I remind the Treasurer and the Government that that was the last occasion that private business investment did make a positively strong contribution to real growth in the economy and to the future development of productive capacity and rising living standards. The Treasurer tabled a paper today from Budget Paper No. 1 this year. Similarly I refer to the

tables on pages 15, 19 and 20 the same paper which bear on the point I am making. Not that I need to do that: Mr Simon Crean, the President of the Australian Council of Trade Unions, said it all for me at a recent business seminar as reported in the *Australian* only last Thursday, 1 May, when he said that business investment was 'in an abysmal state'. An important thrust of my question last Friday was precisely that the present vast 'spending on tick' overseas is being blown on consumption purposes rather than investment resulting in the growth of productive capacity.

Subsequently the deficit fell back to 4 per cent but it is up this year to nearly 6 per cent, a manifest situation of an economy living beyond its means, beyond the real national product available—which was the starting point of my question, but the Treasurer did not come to grips with where from here—

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Order! the honourable member's time has expired.

Mr Cadman—Was the Treasurer wrong?

Dr HARRY EDWARDS—Yes, he was wrong.

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

Dr KLUGMAN (Prospect) (10.37)—Part of a letter which I wrote to the *Sydney Morning Herald* was published today. I would have liked to incorporate the whole letter in *Hansard*, but I understand that it is not possible.

Mr Cadman—Read it.

Dr KLUGMAN—I will read it. It states:

PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

28 Nelson Street
(P.O. Box 78)
Fairfield, N.S.W. 2165
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28th April, 1986.

DR R. E. KLUGMAN, M.P.
Federal Member for Prospect

The Editor
Sydney Morning Herald
GPO Box 506
Sydney 2001

Sir,

Jim McClelland is currently the Fairfax annointed conscience of the Labor Party.

Yet when reading his attacks on Wran, Hawke and Keating as pragmatists one gets a feeling of deja-vu.

Recently (SMH 4.3.86) he said "The essence of conservative government is the postponement of social amelioration. Today is never the right time to improve

the lot of the masses. Today's problem is keeping the economy on an even keel so that the conditions will be created under which society can afford such improvement. The Hawke Government sings the same tune."

In the Melbourne Herald on Oct 4, 1975, when he was Minister for Labor and Immigration countering the argument that the Whitlam Government had abandoned its ideals, he said "only in a healthy mixed economy can the long-term aims of a reformist Labor government be implemented We have not abandoned our reforms, we have merely caused a pause. We have not abandoned the welfare programs in the Budget, we have simply not increased them. It is a plain fact that unless the economy is got back into a healthy position, only then will there be reforms. In a healthy economy we will be able to afford the sorts of benefits which we came into office to implement."

Proudly he said "It's time the (Whitlam) Government learnt to say "No". "The idea that we should reduce our activities to standing on the steps of Parliament House hurling money at the multitudes has to go by the board." And further on: "It's time to realise that in a mixed economy, such as Australia there are limits to the rate at which a reformist government can implement change."

In fact he saw the promotion of himself and Treasurer Hayden, both described by himself as economic pragmatists as amounting in effect to a change of government. He said (then) frankly: "The Government—that is those Ministers responsible for economic management—is different to what it was a year ago. We have had a change of government. And that is why I believe that we are worthy of continuance in Australia. The last 8 years as a judge must have re-radicalised Jim.

R. E. KLUGMAN

M.P. for Prospect

Mr SLIPPER (Fisher) (10.40)—I wish to draw to the attention of the House tonight a resolution which was carried on the weekend by the State Conference of the Young National Party of Australia—Queensland, relating to the problem of social security fraud in this country. It would be of immense benefit to this chamber for me to read the resolution and then to outline some of the reasons why the resolution was carried overwhelmingly by this Conference. The resolution reads:

That this Conference of the Young National Party of Australia—Queensland calls upon the Federal Government to set up 'Operation Bludger' under similar guidelines to 'Operation Noah' to stamp out social security fraud.

The *Courier-Mail* in Brisbane reported under the substantially large headlines 'Young Nats want to 'dob in bludgers', the details of the resolution which was carried.

Personally, I do not like the word 'bludger' and I would prefer the operation to be called 'Operation welfare cheat', but it is about time that this Government took note of this resolution. It is about time that the ballooning social

welfare fraud and expenditure in this country was reined in and brought under control. We in the Opposition emphasised very clearly in the debate last week on social security legislation the importance of stamping out fraud in this area. We stressed over and over again that the Government should take firmer steps, should take more steps, to ensure that the country gets proper value for the social welfare dollar. In my speech I outlined a number of headlines which showed areas of social welfare fraud. What frightens me is that only a tiny percentage, only a tiny minority, of social welfare fraud cases come before the courts. One has only to look at any newspaper to see people's concerns in this area.

Social welfare expenditure in Australia has now gone to something like \$17.8 billion and, as I mentioned last Friday, this country is without doubt heading down the economic chute in the same direction as Argentina because we cannot afford this degree of expenditure. We find that the people of Australia are not getting good value for the social welfare dollar because so many people are ripping off the system. Honourable members opposite like to criticise us, like to condemn us and like to pretend that we are not compassionate and that we do not wish those people who are in need to receive assistance. Nothing could be further from the truth, because we believe in a needs-based welfare system. We believe that assistance should go to the needy and not to the greedy.

If we saw this Government take on board, adopt and put into effect the Young National Party resolution, there is no doubt that social welfare fraud would largely be cut out. I am not one of those people who believe in Big Brother government. I do not consider that Australians should constantly dob in their mates to the Government or to people in authority. But I do believe—and I make no apology for saying so in this chamber—that we really have to do something in relation to the vast amounts of money which are being lost to the Australian taxpayer by those who wish to cheat the system and by those who wish to take advantage of the excessively generous and lenient approach of this Government.

I also outlined last week the situation of the supporting parents' benefit. I mentioned in the House the questions which were raised by Mrs Yvonne Chapman, the Queensland Minister for Welfare Services, when she said that women ought not to receive the supporting parent's benefit after the first child, provided a moratorium of 12 months was observed before the new

rules applied. We have seen in the newspapers and on the television screens of this nation women who have had up to seven children by seven different fathers. They go to the Department of Social Security and make no apology for applying for the supporting parent's benefit. The Young National Party resolution is worthy of Government consideration. It is a step which must be taken to help eliminate social security fraud. I believe that the people of Australia will absolutely support the Opposition in backing the Young National Party policy. The Government will be applauded if it adopts it, but unfortunately I fear that, as usual, it will not have the courage to do so.

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Order! The honourable member's time has expired.

Mr HAND (Melbourne) (10.45)—Earlier today I raised as a matter of public importance the urgent need for clarification of claims that war criminals have been allowed sanctuary in Australia. Time did not permit me to elaborate fully on the material in my possession detailing a large number of suspected war criminals. What is clear is that we must take in Australia all the necessary steps to see that justice is done regarding the entry into Australia of war criminals.

Mr White—We all agree with that. You haven't got that on your own.

Mr HAND—I accept that the honourable member agrees with that. If he would be quiet for a minute he would hear what I have to say. For seven years the United States Government, through the Office of Special Investigation in the Justice Department, has been investigating hundreds of active cases of nazi war criminals and collaborators who entered the United States under the Displaced Persons Act. Nine have already been deported to the Soviet Union, Yugoslavia and Israel. Another 41 cases are in the final stages of appeal before the courts for deportation. In Canada the commission of inquiry just commenced has already revealed a most disturbing development which occurred in the late 1940s—that is, the decision by all Commonwealth nations in effect to terminate the prosecution of war criminals by 31 August 1948.

Today we went through the business of tabling documents. I have in my possession a document of the Canadian inquiry from the Commonwealth Relations Office and correspondence between the Canadian Foreign Minister and the then Canadian Prime Minister, Mr Shinwell. This shows that post-war obligations to bring war criminals to justice was undermined by the Commonwealth governments. At 23 August 1948

Australia, along with other dominion countries, had not signed the document. There is no doubt from the documentation in my possession that there was a conspiracy for political ends in the late 1940s and 1950s to cover up and protect nazi war criminals and collaborationists. There is mounting evidence that at least 150 war criminals and collaborationists entered Australia under the assisted passage scheme. If American and Canadian figures are any guide, that 150 is just the tip of the iceberg.

We must see that justice is done. There is no statute of limitations for any individual who committed war crimes, including murder, and collaborated with the murderous nazi regime in the Second World War. As I said today, I do have all these documents. They are not make-believe, mickey mouse documents from some country such as Yugoslavia. They are documents from the British War Office and the United States War Office, as well as from our own intelligence agencies. I would like the opportunity to hand these documents to someone in authority. These documents from British and American sources will support all my statements about the double-cross that took place—referred to as Operation Double-cross. That is how it is referred to in the official British documents. The documentation will provide a clear basis for the need for some judicial or other form of inquiry. I say to the House and to honourable members opposite that this is a very serious issue.

Mr Cadman—Then get them on the table.

Mr HAND—The reason they are not on the table is that the honourable member's side of the House would not accept them. I tried as a member of this Parliament to bring forth information that I had obtained from overseas sources which I would have thought would concern every member of this House. The first document I wanted to table contained a listing of those Jewish people who were executed by the collaborationist forces in Europe. That document was rejected for tabling. I say to both sides of the House, as I am prone to do from time to time, that is a very serious matter.

Mr Slipper—Why does the Government hate Israel?

Mr HAND—I will ignore the honourable member, because he is a fool if he does not think that this is a serious issue. He should go and talk to the Jewish community. This situation has to be handled very delicately. Some proper form of inquiry needs to be instigated in order that documentation that has recently come forward from sources that people did not know

existed in the past can be analysed on behalf of people such as members of the Jewish community and other communities that suffered throughout the war at the hands of collaborators and war criminals. We as an Australian Parliament owe it to these people to have that information examined, and examined thoroughly, just as the Americans and Canadians are doing with this issue.

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Order! The honourable member's time has expired.

Mr McARTHUR (Corangamite) (10.50)—I wish to draw the House's attention to the problem of unemployment benefit payments and to draw a comparison between the amount wage earners received after they have paid their tax and the amount received by those who are in receipt of that benefit. A constituent in Corangamite has drawn my attention to such a comparison in open case. This constituent has experience in the personnel area. He has drawn to my attention the fact that an unskilled labourer in the Geelong area is paid from \$235 to \$268 for a 38-hour week. Person A, who works the 38-hour week, receives approximately \$245 and, after paying his due tax of \$29, union fees of \$1.75 and the cost of transport to and from work of \$5, receives in his final pay packet \$209 per week. Person B receives the unemployment benefit for himself and his wife of \$163.30 and, if he has two dependent children, he receives \$16 each, or \$32 altogether, for those children and a rental subsidy on his housing commission home of \$10. His final income is \$205.

Let us look at the comparison between those two persons. The first works 38 hours, has to turn up punctually for work, has to pay the cost of his transport and has to act in a responsible manner. The second person does not do any work, does not have to meet any deadlines, can turn up at any time to any part of Geelong and, what is more, receives a 50 per cent rebate in his transport costs. A further complicating factor in this comparison is that the person who receives the unemployment benefit can receive cash payments of up to \$50 a day for casual work in the Geelong area. I am led to believe that that is about the going rate. He pays no tax and still retains his unemployment benefit, so obviously his net position is a lot better than that of the first person.

I suggest that the first solution is, obviously, to reduce the rate of taxation so that the person in work who works overtime to receive more money is paying no more than 30c in the dollar.

Secondly, we ought to be looking at a program to provide penalties for those people who pay their employees cash in hand. Thirdly, we should review the method and scale of payments of the unemployment benefit. The Budget figures which the honourable member for Fisher (Mr Slipper) drew to the attention of the House show that the unemployment benefit cost \$3,495m in one year out of a social security budget of \$19,077m, about 27 per cent of the total Budget. The Economic Planning Advisory Council, an adviser to the Government, in its booklet No. 17 entitled 'Growth in Australian Social Expenditures', had this to say about that problem:

Increased coverage of unemployment benefits does not reflect policies designed to extend coverage, but rather an increasing tendency for the unemployed to apply for unemployment benefit. This in turn is probably due to: the increased average duration of unemployment; changes in social attitudes towards acceptance of unemployment benefit; and increases in the numbers induced into claiming, and preferring to stay on benefits by improvements in levels and conditions of benefit themselves.

I think that sums up the situation. A very authoritative advisory body to the Government has put forward the problem. I am suggesting and my constituent in Corangamite is suggesting that we employ people in a productive capacity rather than allowing them to lean on the taxpayers for handouts and that we endeavour to change attitudes and policies to ensure that the growing national debt of \$80 billion can be paid off in the near future.

Mr KENT (Hotham) (10.55)—On 30 April this year I asked the Acting Minister for Immigration and Ethnic Affairs (Mr Holding) the following question:

Has the attention of the Acting Minister for Immigration and Ethnic Affairs been drawn to the well documented Australian Broadcasting program entitled *Background Briefing* of 13, 20 and 27 April as well as the *Four Corners* program of 21 April, in which a number of former nazi war criminals now living in Australia were named? Has the Department of Immigration and Ethnic Affairs checked its files to explain how it was possible for types such as Srecko Rover and Ljenko Urbanic to migrate to Australia without disclosing their nazi past and their involvement in war crimes in Yugoslavia during the Second World War? Is the Minister aware that the nazis named are continuing their nazi Ustasha activities in Australia? Will the Minister undertake to conduct an inquiry into these matters?

To that, the Minister replied, in short, that the Department of Immigration and Ethnic Affairs is investigating the matter. The Minister added to his answer the next day, 1 May—I paraphrase again—that the Department of Immigration and Ethnic Affairs has no record of the nazis named

and that it is seeking further information about the matter from other departments.

This answer is just not good enough. The Immigration Department, which used to employ half of the Australian Security Intelligence Organisation staff, or half of whose staff were, and some still are, ASIO pimps, is unable to tell us anything about the immigration of nazis and quisling war criminals into Australian from post-war Europe. Just in case the memory of ASIO agents does not go back that far, I asked the Minister whether he was 'aware that the nazis named are continuing their nazi Ustasha activities in Australia.' It is incomprehensible to me that the Department of Immigration and Ethnic Affairs has no knowledge of Ustasha activities when their officers, and some of them are known ASIO agents, attend functions organised by Yugoslav extremists. They do not know or they do not want to tell us how the nazis arrived in Australian under their assisted passage system. Nor do they know or want to tell us how members of Ustasha, an indigenous fascist nazi organisation that was responsible for the most horrible face-to-face killing of a million people in war-time Yugoslavia, arrived here, fares paid and all.

The Ustasha, in which Srecko Rover and Father Kasic of Clifton Hill, were prominent members, was a more brutal and savage organisation than the German nazi party. So much so, that during the German occupation of Yugoslavia, the German SS commanders had to warn the Ustasha to moderate its horrendous and brutal killings of innocent men, women, and children in the so-called puppet state of 'Independent Croatia' under the fuhrership of Ante Pavelic. Does the Department of Immigration and Ethnic Affairs want to tell us that it does not know about crimes committed by the Ustasha in war-time Yugoslavia—or does it want to tell us that it has to research its files to find out that the Croatian centre in Footscray has a big inscription on its facade bearing the name of the war-time Ustasha fuhrer Ante Pavelic?

Of course the Department knows about it. It is financing the Ante Pavelic centre with a grant-in-aid, to the tune of some \$25,000 a year. It knows very well that the centre is used to organise terrorist activities against the Yugoslav community here and armed incursions into Yugoslavia. It knows about the Ustasha newspaper, *Croatian Weekly*, which prints inflammatory articles calling for extermination of Jews, gypsies and Serbs and glorifies the war-time murderer, Ante Pavelic. It also knows about the inflammatory speeches of Father Kasic from his

pulpit in the Clifton Hill Croatian Catholic Church, where he preaches religious and racial hatred against the Jews, Serbs and gypsies. I do not know what kind of reverend father he is, but I do know that the ailing reverend is a sworn Ustahsa from back home and the father of two boys here in Australia.

The Department will not need to do too much researching of its files to find the activities of other Ustahsas like Fabian Lovokovic and other quislings like Ljenko Urbancic, who are prominent members of the Liberal Party of Australia. Perhaps the Leader of the Opposition (Mr Howard) could supply the Department with the necessary information.

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Order! It being 11 p.m., the debate is interrupted. The House stands adjourned until 2 p.m. tomorrow.

House adjourned at 11 p.m.

NOTICE

The following notice was given:

Mr Hodgman to move—

That this House condemns the Prime Minister for his failure—

- (1) to answer the 11 specific questions contained in Question No. 3248 relating to the sale of the Belconnen Mall to the Westfield Property Trust, and placed on the *Notice Paper* by the honourable member for Denison on 18 February 1986—77 days ago;
- (2) to respond to the allegations made by the honourable member for Denison involving the relationship between the Government and the Westfield Property Trust in relation to both the sale of the Belconnen Mall and certain other property dealings in Sydney, and
- (3) to respond to the expressions of grave concern as to the relationship between himself, his Government and the Westfield Property Trust with respect to certain property dealings in Sydney as alleged by the honourable member for Denison in his speech in the House of Representatives on Tuesday, 29 April 1986 (*Hansard*, pages 2705-6).

PAPERS

The following papers were deemed to have been presented on 5 May 1986:

- Australian Capital Territory Supreme Court Act—Rules of Court—Statutory Rules 1986, No. 86.
- Bankruptcy Act—Rules—Statutory Rules 1986, No. 84.
- Family Law Act—Regulations—Statutory Rules 1986, No. 85.
- Lands Acquisition Act—Statement of lands acquired by agreement authorised under sub-section 7 (1).