

Senator's Report

*A Report by Senator Andrew Murray, Australian Democrats Senator
for Western Australia*

Vol. 7 No. 2

May 2001

My second Senators Report of the year – it seems just yesterday I was writing the first. Since my last report we have changed our leadership team, with the members resoundingly voting in Natasha Stott Despoja as leader, and Aden Ridgeway as Deputy Leader. They are to be congratulated on their success. Parliamentarians and members alike have adjusted to the new team, which has started off vigorously. To a large degree they carry the fortunes of the Party in their hands, but both are seasoned politicians and know the score.

Changes such as these always have major ramifications for staff and systems. I have lost two very capable researchers, which will make life difficult for me for quite a while. For the rest however, in a couple of months time it should have settled down.

HIH Insurance

I have had to react to the HIH corporate collapse – it affects a number of my portfolios, including finance, taxation, corporate affairs, and accountability. This is one of the largest collapses in Australian history, and unlike most previous corporate disasters is both national and international in scope. Not only does it badly affect suppliers, lenders, customers, staff and shareholders – as all collapses do – but it has affected policyholders in ways which may be felt for a couple of decades, when claims may result for issues where cover was lost.

Because of that, I have described it as a national emergency, and called for a national strategy to be worked out by the Prime Minister and Premiers, or their respective ministers. In the short term governments have had to step in in the national interest to ensure cover is restored for public liability, indemnities, income cover, workers compensation, building insurance and essential claims and income support. Governments had no choice but to assist in this way. It does not represent a bailout of the company, so much as an essential and limited response to a consequent lack of critical insurance cover in key sectors of the community and economy. In the medium and longer term however, blame will have to be apportioned, costs recovered from those responsible for this mess, and far better systems of regulation and corporate governance introduced. Plus hopefully, national schemes will replace the disjointed state and territory structures presently in place.

I have stated our party's preference for the use of existing revenue sources to finance any support package. The Federal Government has now announced it will use the budget for the support package. There are calls for the Insurance Industry to help fund a package. We will examine those proposals too.

In the longer term, an investigation will throw the accountability spotlight on the Minister for Financial Services, Joe Hockey, the Australian Prudential Regulation Authority (APRA), ASIC, and the HIH directors and auditors. I have reminded, and will continue to remind the Federal Government that the Democrats believe a Corporate Governance Board structure and the independent appointment of auditors would lower the risk of major corporate failure.

Child Migrant Inquiry

The Committee received over 250 written submissions and has taken evidence in Australia since November. This is an international issue too, so the Committee was granted delegation status to travel to England and Canada. (Did you know that the British exported and deported their most disadvantaged children for four centuries, and that 11% of Canadians are supposed to be descended from child migrants?)

Extremely harrowing are the only words to describe this particular inquiry. It has been a bruising experience for Committee members to read and hear of the horrors endured by far too many of the former child migrants. For the most part, this shameful chapter in our and other countries histories is scarred by horrific stories of slave labour, of criminal physical and sexual assault and profound emotional abuse and cruelty. Even murder. The greatest scars of all seem to have been the loss of identity. While not everyone came out badly from the variety of institutions concerned, for those that did come out badly many suicided, many suffer addiction problems, many suffer from post-traumatic stress disorder and many have found it difficult to sustain loving and productive relationships in their adult lives.

Due to the overwhelming response, the Committee's reporting date has now been moved back from May until August. Copies of the Hearings or of public submissions can be obtained from the Community Affairs Committee.

Freedom of Information

My long campaign for freedom of information law reform has won the support of the Senate Legal and Constitutional Legislation Committee. Last month the Committee tabled its report and largely endorsed my Private Senator's Bill, the *Freedom of Information Amendment (Open Government) Bill 2001*, which proposes major improvements to the existing Freedom of Information Act.

The objective of my bill is to ensure that all Australians and the media can find out what the Government is doing and at what cost to the taxpayer. I consider the organised and determined resistance of government agencies to existing Commonwealth FOI law constitutes an assault on fundamental democratic principles.

The Howard Government must welcome the report and support my bill if it is serious about the development of open and accountable government in Australia.

My bill proposes to create a specialised unit in the Commonwealth Ombudsman's Office to hold government agencies to account for their FOI performance; to create a fairer, more reasonable fee structure, abolishing many existing fees; to reduce the time limit for the processing of FOI requests to 21 days; to require that education strategies be developed and implemented to inform government agencies of their FOI responsibilities; and to implement most of the 1995 Open Government Report by the ALRC.

Petrol Prices

The price of petrol affects every Australian household and evokes emotional debate. The wild price movements warrant action being taken to find a workable solution – and this needs to be done sooner rather than later. The Democrats have on many occasions called on the Federal Government to urgently restructure the petroleum industry. OPEC price hikes and the furore over the 1.5 cents a litre petrol excise reduction hopefully will encourage the desire for reform.

The ability of major oil companies to control everything from the refining operation to the ultimate retail price does not maximise efficiency or competition. The Democrats believe restructuring would ensure greater price transparency and free up the wholesale distribution chain. I think there have been about 40 inquiries into the petrol industry over recent years and all have recommended the industry be restructured. Rather than tinkering with the excise rate, the Federal Government could better serve the interest of motorists and society if it looked to ways to ensure that long-term competitive benefits and fairness could be achieved from the petrol industry.

National Competition Policy

The Australian Democrats welcomed the March decision of Prime Minister, John Howard, to resurrect a review of the National Competition Policy (NCP). I have consistently called for the current NCP to be reviewed and for the National Competition Council to be abolished.

Australia does need a NCP but *not this* NCP. It has had five years to prove itself and has failed in far too many cases. It's failures have cost thousands of jobs and mostly benefited big business in our cities. It is abundantly clear that its economic successes are outweighed by its social failures.

I believe Australians urgently need and want a NCP that includes the safeguarding of key small business sectors. Competition policy should not be just about efficiency – it must also be about society. It must be about laws that also regulate the power of the powerful, *not* removing laws that protect the bargaining position of the weak.

I have said it before, and I will say it again. It is important the Federal Government abolish the National Competition Council. Its members consider the cultivation of the almighty dollar a superior objective to the objective of healthy environments and communities!

I look forward to seeing the reforms Mr Howard foreshadowed. I have pointed his government towards the recommendations of the Senate Select Committee into National Competition Policy. Those recommendations have been largely ignored by

the Federal Government. With a tense election due, perhaps Mr Howard will now give them the attention they deserve.

Protection of Regional Market Competition

The Australian Democrats secured a 'green light' from the Federal Government and Opposition in March for the Senate Legal and Constitutional Affairs Committee to examine issues affecting competition in regional markets.

I am pleased to be able to advise you that I won support for two Democrat proposed amendments to the Trade Practices Amendment Bill (No.1) 2000 to be further reviewed by the committee. The amendments were rejected in the Senate but the Government and Opposition Senators considered them to be worthy of further examination by the committee.

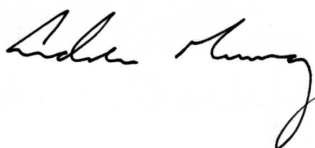
In a nutshell, the first amendment proposes that the Australian Competition and Consumer Commission (ACCC) be empowered to order divestiture where an ownership situation exists that lessens competition. It would allow the ACCC to break-up monopolies. Anti-Trust laws in other words.

The second amendment relates to big business misusing its market power. Proving a contravention of that prohibition is extremely difficult for competitors. If a business has a substantial degree of market power and has taken advantage of that power, the Democrats believe that the onus should be on that business to show that it hasn't misused its power to damage a competitor. This is known as the reversal of the onus of proof, and is not a desirable principle normally, but it is necessary in my view for the ACCC to get behind the corporate screen.

It's pretty dry stuff, but it is important as it affects every household in Australia. I have often expressed my alarm at the diminishing size of the independent retail sector and the implications it has for competition and ultimately, the consumer.

Your Views

If you would like more information, copies of policy sheets, issue sheets, media releases, minority reports, Senate speeches, or submissions, either look them up on the various web sites, or contact my office. As always you are welcome to send me short helpful comments.



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