CONTENTS

CHAMBER HANSARD

National Health Amendment (Improved Monitoring of Entitlements to Pharmaceutical Benefits) Bill 2000—
  First Reading ................................................................. 20197
  Second Reading ............................................................. 20197
Commonwealth Electoral Amendment Bill (No. 1) 2000—
  First Reading ................................................................. 20198
  Second Reading ............................................................. 20198
States Grants (Primary and Secondary Education Assistance) Bill 2000—
  Second Reading ............................................................. 20199
  Consideration in Detail ................................................... 20219
  Suspension of Standing and Sessional Orders .................... 20253
  Third Reading .............................................................. 20255

Questions Without Notice—
  Aboriginal and Torres Strait Islander Affairs: Ministry ............ 20256
  Aviation: Audible Warning Systems ................................... 20257
  Distinguished Visitors ................................................... 20258
  Taxation: Trusts ............................................................. 20258
  Taxation: Employee Benefit Schemes ................................ 20259
  Indonesia: Relations with Australia .................................... 20260
  Distinguished Visitors ................................................... 20261
  Taxation: Employee Benefits .......................................... 20261
  Goods and Services Tax: Alternative Policy ......................... 20262
  Tax Avoidance Schemes ............................................... 20263
  Workplace Relations: Alternative Policy ............................ 20263
  Taxation: Employee Benefit Schemes ................................ 20265
  Health: Policies ............................................................. 20265
  Taxation: Private Rulings ............................................... 20266
  Indigenous Australians: Education .................................... 20267
  Research and Development: Funding .................................. 20270
  Forestry and Wood Products Industry: Research and Development .... 20271

Questions To Mr Speaker—
  Matters of Public Importance: Independent Members .............. 20272
  Questions on Notice ..................................................... 20272
  Questions on Notice ..................................................... 20272
  Questions on Notice ..................................................... 20272
  Questions on Notice ..................................................... 20273
  Questions on Notice ..................................................... 20273
  Joint House Department: Parliamentary Hospitality ................ 20273
  Questions on Notice ..................................................... 20273
  Questions on Notice ..................................................... 20273
  Questions on Notice ..................................................... 20274
  Questions on Notice ..................................................... 20274
  Personal Explanations ................................................... 20274
  Days and hours of Meeting .............................................. 20274

Auditor-General’s Reports—
  Report No. 9 of 2000-01 ................................................. 20274
CONTENTS—continued

Papers................................................................................................................ 20275
Ministerial Statements—
   Natural Heritage Trust: Mid-Term Review.................................................. 20275
Matters of Public Importance—
   Research and Development: Knowledge Nation......................................... 20277
Therapeutic Goods Amendment Bill (No. 3) 2000—
   Main Committee Report.............................................................................. 20287
   Third Reading.............................................................................................. 20288
Criminal Code Amendment (United Nations and Associated Personnel) Bill 2000—
   Main Committee Report.............................................................................. 20288
   Third Reading.............................................................................................. 20288
States Grants (Primary and Secondary Education Assistance) Bill 2000—
   Third Reading.............................................................................................. 20288
Committees—
   Public Works Committee—Referral............................................................ 20289
   National Crime Authority Committee—Report ...................................... 20289
   Native Title and the Aboriginal and Torres Strait Islander Land Fund
   Committee—Report .................................................................................... 20291
   Family and Community Services and Veterans’ Affairs Legislation Amendment
   (Debt Recovery) Bill 2000—
   Second Reading........................................................................................... 20293
Joint House Department: Parliamentary Hospitality......................................... 20303
   Family and Community Services and Veterans’ Affairs Legislation Amendment
   (Debt Recovery) Bill 2000—
   Second Reading........................................................................................... 20303
Matters Referred To Main Committee .............................................................. 20319
Adjointment—
   Johnson, Sir Leslie....................................................................................... 20319
   United Nations: Convention on the Elimination of All Forms of
   Discrimination Against Women ............................................................... 20320
   Menzies Electorate: Australian Greek Welfare Society............................ 20321
   Lalor Electorate: Goods and Services Tax................................................. 20322
   Peddell, Mr Ernest ....................................................................................... 20323
   Health is life: Report on the inquiry into indigenous health
   Emergency Relief Grants: Funding ............................................................ 20325
   Child Abuse: White Balloon Day................................................................. 20325
Notices .............................................................................................................. 20326
MAIN COMMITTEE HANSARD
Statements By Members—
   Port Adelaide Electorate: Penrice Soda Products........................................... 20327
   Dunkley Electorate: Frankston City............................................................... 20327
   Goods and Services Tax: Defence Reserves................................................. 20328
   Blair Electorate: St Aubyns Hospital............................................................. 20329
   Northern Territory Electorate: King Ash Bay Fishing Club........................ 20330
   Ag-Quip 2000.............................................................................................. 20331
Therapeutic Goods Amendment Bill (No. 3) 2000—
   Second Reading........................................................................................... 20332
Criminal Code Amendment (United Nations and Associated Personnel)
   Bill 2000—
   Second Reading........................................................................................... 20348
CONTENTS—continued

Consideration in Detail.................................................................................................................. 20350

Committees—
Employment, Education and Workplace Relations Committee—Report.... 20351

Questions On Notice—
Court Proceedings: Legal Representation—(Question No. 1169).............. 20369
Pharmaceutical Benefits Scheme: Celebrex and Celecoxib—(Question No. 1285)......................... 20370
Pregnancy Terminations: Statistics—(Question No. 1441)......................... 20370
Family Court: Litigation Matters—(Question No. 1569)............................. 20372
Veterans: Hollywood Clinic, Western Australia—(Question No. 1598) ....... 20375
Queen Elizabeth II: Posters—(Question No. 1599)..................................... 20376
Private Health Insurance: Lifetime Health Cover—(Question No. 1627)......... 20376
United Nations: Convention on the Rights of the Child—(Question No. 1673).......................... 20379
Department of Health and Aged Care: Transactions—(Question No. 1685).................................. 20380
Refugee Detention Centres: Hunger Strikes—(Question No. 1799)............. 20380
Visas: Temporary Protection—(Question No. 1800)...................................... 20382
Regional Australia Summit: Allowances Paid—(Question No. 1806)......... 20382
Department of Health and Aged Care: Family Planning Australia Funding—(Question No. 964)................................................................................. 20383
Mr SPEAKER (Mr Neil Andrew) took the chair at 9.30 a.m., and read prayers.

NATIONAL HEALTH AMENDMENT (IMPROVED MONITORING OF ENTITLEMENTS TO PHARMACEUTICAL BENEFITS) BILL 2000

First Reading
Bill presented by Dr Wooldridge, and read a first time.

Second Reading
Dr WOOLDRIDGE (Casey—Minister for Health and Aged Care) (9.31 a.m.)—I move:

That the bill be now read a second time.

The National Health Amendment (Improved Monitoring of Entitlements to Pharmaceutical Benefits) Bill 2000 will require the inclusion of Medicare numbers on prescriptions for pharmaceutical benefits. This will ensure that only those persons entitled to pharmaceutical benefits under part VII of the National Health Act 1953 will receive them.

The Pharmaceutical Benefits Scheme (PBS) provides universal access to affordable medicines for all Australians. In any one year over 140 million PBS prescriptions are supplied to the Australian community. Concessional patients pay $3.30 for PBS prescriptions, while general patients pay the first $20.60. In 2000-01 the total cost of the PBS to taxpayers is estimated to be $3.8 billion.

This bill ensures that PBS medicines continue to be provided to those who are eligible, while strengthening our capacity to deny access to those who are ineligible.

It is estimated that $20 million is spent each year providing PBS medicines for patients who are in fact not eligible.

This bill refers to both doctors and pharmacists. Doctors will be authorised, but not required, to put the Medicare number on prescriptions and store the number with patient consent. Pharmacists will also be authorised to request and to store a patient’s Medicare number and its expiry date on the system, again with patient consent.

The new arrangements will be introduced in three stages.

The first stage will commence with a communication campaign to ensure consumers are made aware of the new arrangements. Consumers will be encouraged to take their Medicare card to the pharmacy with their prescriptions.

From 1 January 2001, the second stage, consumers will be required to present their Medicare card as a normal part of having a prescription dispensed. During this phase the pharmacist is required to ask all consumers for their Medicare number. The pharmacist will also be required to record the Medicare number onto the prescription, if it is not recorded by the medical practitioner.

At the third stage commencing 1 July 2001, there will be no government payment for prescriptions to the pharmacist, without a Medicare number. This will mean that pharmacists will need to be satisfied of a patient’s PBS eligibility before the supply of a medicine.

These changes do not alter any of the existing arrangements within the PBS.

People will still be able to collect prescriptions on behalf of others and the bill will not change the current arrangements regarding the concessional status of a person.

Special arrangements have been developed to ensure access for members of particular groups who are eligible for the PBS, but may not be able to provide Medicare numbers, because they do not use a Medicare card to access services. The bill makes provision for emergency situations where the pharmacist believes there is an immediate clinical need for the prescription.

Where a person does not have their Medicare card and they are not covered by any of the special provisions just described, the person would pay full price for the prescription and claim reimbursement on providing proof of Medicare eligibility.

The bill gives a high priority to privacy protection as well as consumer access.

Implementation of the proposed arrangements will be founded on the well-established privacy principles under the Na-
tional Health Act 1953. The national health amendment bill not only maintains current levels of privacy. It extends protections under the National Health Act to cover all aspects of the use of the Medicare number, and other identifying data, for the purposes of pharmaceutical benefits entitlement monitoring.

This bill preserves and strengthens the PBS, and the benefits it provides, for the Australian community. I commend the bill to the House and present an explanatory memorandum to the bill.

Debate (on motion by Mr Horne) adjourned.

COMMONWEALTH ELECTORAL AMENDMENT BILL (No. 1) 2000

First Reading

Bill presented by Mr Slipper, and read a first time.

Second Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.36 a.m.)—I move:

That the bill be now read a second time.

This bill contains amendments to the Commonwealth Electoral Act 1918—the act—which will specifically allow for the provision of a wide range of elector information, in addition to name and address information, to members of the House of Representatives, senators and federally registered political parties; and will specifically allow for the provision of age range extracts from the electoral roll for use in approved medical research and public health screening programs.

The amendments are required following legal advice obtained in June and July 2000 that indicated that the Australian Electoral Commission—the AEC—could not provide the above information without specific authority in the act. The AEC had been providing geographic and other information on the basis that the act did not preclude the provision of such information. Without the proposed amendments, the only elector information the AEC can provide to members of the House of Representatives, senators and federally registered political parties will be full name, enrolled address, date of birth, gender, salutation, and federal division.

In short, the proposed amendments allow for the provision of the range of fields of elector information that was previously available on the AEC’s Elector Information Access System—ELIAS—to members, senators and federally registered political parties. While it is proposed to restrict the data provided to members and senators to their respective constituencies, I propose that federally registered political parties organised in five or more states and territories, or that have at least five federal representatives, would be able to receive elector information for all states and territories.

In regard to the provision of age range information to medical researchers, the AEC received legal advice in 1992 to the effect that the provision of decade age range information to medical researchers and public health screeners was not in breach of the act. On the basis of this advice, the AEC has been providing decade age range information to medical researchers and public health screeners since the commencement, in 1993, of the regulations specifically allowing for the use of elector information in approved medical research and public health screening programs.

Recent legal advice, that there is no specific authority in the act for the AEC to provide decade age range information, caused the AEC to withdraw the provision of this information to medical researchers. However, age range information is considered a necessary part of targeted medical research and public health screening programs. The proposed amendments would allow for the provision of a minimum age range spanning two years. In essence, this bill will restore the previous established practice for the provision of elector information by the AEC to these groups. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Horne) adjourned.
STATES GRANTS (PRIMARY AND SECONDARY EDUCATION ASSISTANCE) BILL 2000

Second Reading

Debate resumed from 5 September, on motion by Dr Kemp:

That the bill be now read a second time.

upon which Mr Lee moved by way of amendment:

That all words after “That” be omitted with a view to substituting the following words:
“whilst not declining to give the bill a second reading, the House:

(1) notes that the preliminary data available suggest that the proposed distribution of funding among non-government schools is profoundly unfair;

(2) is of the opinion that, before the bill is debated, the Government must provide detailed, final figures on the cost of the policy changes contained in the bill and the new funding figures for each non-government school; and

(3) condemns the Government for:

(a) failing to provide a matching increase in funding for government schools; and

(b) continuing its unfair Enrolment Benchmark Adjustment policy”.

Mr SNOWDON (Northern Territory) (9.41 a.m.)—In continuing my remarks from last evening, I think it is worth contemplating again the unfairness and potential division that will arise from the new arrangements which are being proposed in the States Grants (Primary and Secondary Education Assistance) Bill 2000. I remind members that the legislation puts in place the 1999 budget decisions which delivered almost $800 million extra for private schools around Australia but only $90 million for government schools, which have twice as many pupils. I pointed out that in that context people in the Northern Territory were being most disadvantaged because they, above all other Australians, have the highest proportion of their student population in the public school system. What we have learnt is that, as a result of these proposals, each private school will receive an allocation of $210 per student while each public school will receive an allocation of $10 per government school child. Not only is that unfair but it is discriminatory. In the case of the Northern Territory, as I portrayed last night, it compounds an already bad situation in relation to educational outcomes and attainment levels in the public sector. This is not the fault of those who are practising teaching at those schools or of the parents; this is a failure of the public sector to provide sufficient resources to be able to ensure that we get the best possible educational opportunities for students in the Northern Territory. The primary responsibility rests, of course, with the Northern Territory government, but the secondary responsibility rests here in this parliament. We, collectively as the members of the Australian parliament, too have a responsibility to ensure that there is fairness and equity in the allocation of resources for educational purposes.

I have had the experience as a parent of participating in a school council, as the chair, and I have taught in the public education system. I am the product of the Catholic system. There is absolutely no doubt in my mind at all about the level of dedication and professionalism of the teachers involved in the public education system right throughout Australia. Frankly, I am sick and tired of the way they are being demonised and pilloried by this government and, in fact, this bill in itself is a slight on their dedication and work. The fact is that we owe these teachers a responsibility. The level of morale within the education system in the Northern Territory is, in my view, at an all time low because the Northern Territory government and now this government have shown an incapacity to understand their obligations in regard to, and to be fair minded about, the allocation of resources for all Australians. This bill is divisive—it shifts money in large buckets from the very needy to the richest in our community. It should be opposed.

Mr SIDEBOTTOM (Braddon) (9.45 a.m.)—The purpose of the States Grants (Primary and Secondary Education Assistance) Bill 2000 is to provide funding for primary and secondary education in Australia for the 2001-04 quadrennium. The bill seeks to implement a number of decisions in
the 1999-2000 budget, decisions that will change the way the Commonwealth’s education dollar is distributed. It will provide the bulk of Commonwealth funding to schools over the next four years—a total of some $22 billion. It is certainly a considerable amount of money, yet it could easily be argued that it is still not enough, as my colleague from the Northern Territory just mentioned. If this money were to be distributed equitably and fairly, there would be no argument from me or from my electorate. However, this is not the case. From the outset, it is clear that the thrust of this government’s education policy and that of the Labor Party are like chalk and cheese. We believe there is nothing more important to our future than a decent and fair education system for all Australian students. The key word is ‘all’, and I will say it again: all Australian students.

But that is not the case for those opposite, who blindly follow the ideologically driven education policies of their infamous Minister for Education, Training and Youth Affairs, Dr Kemp. His policies will come as no surprise to those who have studied his form since the coalition came to power in 1996 or to those who saw in the 1991 ERC minutes his remarks encouraging students to transfer from the government to the private system—remarks, I would add, that he did not deny last Wednesday in this House. Over the past three years, this government has cut more than $60 million from government schools through the enrolment benchmark adjustment scheme, the EBA, and $1 billion from university grants. In the last budget, extra spending on new education programs amounted to a paltry 86c per person per year, which is not enough to buy even a ballpoint pen. Need we be reminded that Australia has become the only member of the OECD where investment in education, training and research is actually going backwards. What he is attempting to do now could best be described as Dr Kemp at his worst. This legislation threatens to undermine the right of all Australian students to a free, equal and high quality education system. What we are seeing here is another thinly disguised part of Dr Kemp’s notorious privatisation agenda for education. The planned introduction of the socioeconomic status, SES, based funding arrangements is the new weapon in Dr Kemp’s attack on the public education system. He already has the EBA in his arsenal, and we have all seen how effectively that has worked. As I said, it has ripped $60 million out of the government school sector. So now we have the EBA, the SES and who knows what else to come.

What this government is doing, and what it continues to perpetuate with this bill, is to set the public school system against the private school system. This was particularly highlighted by my colleague the member for Port Adelaide in his speech last week citing the Anglican diocese’s assessment of Dr Kemp’s education policy. This government seeks to divide Australians on a number of large issues, and unfortunately in education it is succeeding in doing just that. It is no secret that our public schools are underfunded and that the EBA is taking more and more money away from these schools each year, contrary to the denials of the minister and the Prime Minister last Wednesday in this House. That is why Labor has pledged to abolish it, reinforced yesterday by the Leader of the Opposition. Judging from the comments of many people that I come into contact with, particularly in public education, the sooner the better.

To say that Dr Kemp is copping plenty of stick over education funding is an understatement. I note recently a commentary on the coalition’s education strategy in the Australian newspaper:

The reforms are tantamount to conceding defeat in the battle to improve the quality of education available to all. The Government has a duty to spend taxpayers’ money where it does most good, for those who need it most.

Dr Kemp’s system leaves the elite the richer and education the poorer...

The elite richer and education poorer: that is an indictment of the education policies of this government and this minister. Yet they are determined to continue to force the hated EBA system on our schools, even though this government knows that state schools lose federal funding if the public schools’ share of the education market falls. Public schools can increase their enrolments—as they have done and as they continue to do—
but still lose out. The EBA extracts money from the public sector based on the number of new students entering the private system. So every time a new student goes to a private school the public schools lose money, even though during the life of this EBA 26,000 more young people have gone to public schools. I say it again: over the past three years, the EBA has taken more than $60 million from government schools around Australia. The socioeconomic status index is equally flawed. I support the funding of non-government schools, particularly the most needy of our private schools. What I cannot support is the inequity of the current system. We have the new SES system for the funding of non-government schools, a different funding system for Catholic schools and a funding regime for government schools that will continue to be based on a flat per capita rate.

Funding for special education, particularly for students with disabilities, is another contentious point, and again it is a problem of this government’s own making. This issue has been exposed in this House several times. This bill contains only a modest increase in funding for students with disabilities in non-government schools and does not increase the overall level of funding for these students in government schools. Special education is obviously not a priority for Dr Kemp, and it is another area where added stress is being placed on the public system. Non-government schools argue that, while they are happy to enrol students with disabilities, government funding does not even come close to meeting the additional costs they face in meeting students’ needs. For example, the per capita funding of disabled students at government secondary schools decreases from $126 to $102 a year.

I note that my colleague the shadow minister for education Michael Lee recently challenged Dr Kemp to explain the funding cuts which will affect some 32,000 disabled students. I, too, would like this minister to explain why funding for disabled students in government secondary schools is being cut. As if to rub salt into the wounded public school system, this bill also makes provision for a new program to provide establishment grants to new non-government schools. The irony here for the government sector is that this program aims to make new non-government schools competitive with existing schools when those in the state system know that they are already losing their ability to remain competitive.

I would like to return the SES system. How can the coalition reconcile the fact that the richest 62 schools in Australia will get between $40 million and $50 million extra a year through the new funding arrangements when our Catholic schools will get $60,000 and government schools will get a meagre $4,000? This bill proposes that 62 private schools will get one-quarter of the money set to flow to non-government schools under the new funding arrangements. The government’s own department, the Department of Education, Training and Youth Affairs, has confirmed that the $50 million that the wealthiest schools would receive was probably a good estimate. DETYA has also confirmed that the only new money in this bill for Australia’s 6,970 government schools is $106 million over four years. I dare say that the vast majority of Australia’s 2,618 private schools, 70 per cent of which are Catholic, would be feeling a little cheated by this legislation as well.

The closer we look at the SES system, the more suspicious it looks. Consider that the richest of the rich schools stand to get, on average, $800,000 extra each. Some of them will get more and some may receive less but, as I mentioned, on average the funding they get under the new funding arrangements will be almost double what they get now. That is a huge disparity in anyone’s language. Where will most of the money come from? Where will it go? It will not go to the most needy schools across Australia, such as many of the Catholic schools in my electorate. Most of it will go to the elite schools and colleges of Melbourne and Sydney. The schools and colleges in my electorate certainly will not be seeing any of it. In fact, not one red cent of the extra millions and millions of dollars up for grabs under the SES system will come to Tasmania. You see, we do not have the Melbourne Grammars or the Scotch or Wesley Colleges or Knox Gram-
mar or St Andrew’s Cathedral schools that they have in Melbourne and Sydney. What we do have are schools, public and private, that fall into the needy category. But it seems that they have fallen out of favour with this government. Dr Kemp says that the new funding system would be transparent, simpler and fairer. Transparent it is and simpler it certainly is when the wealthiest schools sit down to do their sums—but is it fairer? Definitely not.

Contrast this government’s attitude towards education with that of the Labor Party. Several key elements of Labor’s new education policy were announced recently. They include the creation of educational priority zones, where schools in disadvantaged areas can gain extra resources to ensure that more children leave school with better qualifications; the abolition of the enrolment benchmark adjustments, as I mentioned earlier and which was again reinforced by the Leader of the Opposition yesterday; and the establishment of a learning gateway, comprising an Internet site for teachers, parents and students to actually interact on issues of education. This will enable parents to know what their children are doing and enable educators to contact and communicate with parents. It will not necessarily be at the coalface of schools to begin with but, hopefully, as that culture develops more and more, parents will feel far less pressured to go into institutions such as our schools. There are new programs to improve the quality of teaching in our schools. Presently, there are conferences throughout Australia on the issue of boys and education. One of the key issues coming through that is the recruitment of teachers, particularly male teachers, to this great profession. That is particularly the case in primary education. I know for a fact that in New South Wales 80 per cent of primary school teachers are female. I suspect that a similar proportion exists in my home state and in other states throughout Australia. That is a key educational issue.

That is not to say that having a predominance of female teachers affects the quality of education in our primary schools—far from it. But what it does say is: where are the males who are entering the education profession? Why aren’t they entering it? Do we ever hear about anything like that being addressed in this House? No. What we get is EBA, SES and, indeed, funding. That is very important, but we should be discussing issues of educational importance that affect this nation. One of those national issues in particular is the education of boys. When we realise that something like $2.6 billion a year is the cost of early school leaving in our schools, I suggest that maybe that is the debate we should be having in this place. We need policies not only to effect the curricula that we develop and the programs we offer but also for this teaching profession, as well as incentives to get people into this profession. If we do not, what is a crisis now will be of epidemic proportions in a few years time.

The prospect of my electorate becoming an education priority zone under a federal Labor government is recognition of the educational challenges and needs facing my region. I certainly look forward, with others in this House, to the possibility of introducing these zones. If we are unfortunately unable to see that in the future, then I hope this good idea is adopted by those on the other side. We are talking about education after all and it affects all of our students, all of our children. I see this as an innovative but realistic approach to improving education outcomes on the north-west coast of Tassie. It is about establishing a framework to help improve educational outcomes. Unfortunately, in my area retention rates are low, and anything that we can do to support greater outcomes in that area is very important. The aim is to target the students, the schools and the communities which, in partnership with government, can work together on outcomes tailored to our local needs—a far cry from this government’s dumb approach to education.

Like many others, I am concerned, if Dr Kemp has his unbridled way, about the consequences in my own electorate and for schools across the north-west coast of Tasmania. According to 1996 census figures, there were 16,923 students in government and non-government schools in my electorate. Looking at the breakdown of the numbers in private and state schools, it is easy to
determine where the greatest need is for funding. The total number of students in government schools was 13,129, there were 2,791 in Catholic schools and colleges and 1,003 in other non-government schools. In the primary sector, over 73 per cent of the 10,209 students are in the state system and of the 6,714 secondary school students 74 per cent are in the government sector. This is consistent with national statistics which show that something like 70 per cent of Australian students are educated in government schools. In its recent submission to the Senate Employment, Workplace Relations, Small Business and Education Legislation Committee’s inquiry into this bill, the Australian Education Union said:

... it is a policy clearly aimed at the parents of the 30 per cent of students in private education rather than the 70 per cent in public schools.

I know Dr Kemp does not like the AEU and a cursory reading of Hansard would prove that day in and day out. Maybe he should listen past that ideological madness of his and take on some of the concerns that the AEU raises.

From my point of view and from that of the people I represent, what is happening to the public school system must not be allowed to continue unchecked, but in this bill that is exactly what Dr Kemp is striving for. I dread to think what will become of our education system if he gets his way. The Tasmanian Department of Education raised these very concerns in its submission to the inquiry.

Section 12(4) of the bill allows the Commonwealth minister to make any conditions he or she considers appropriate in relation to financial assistance to the states and territories. This is what the Tasmanian Department of Education thinks of that:

Such unilateral power is a concern to the Tasmanian Department of Education ... The Bill’s provision for powers to be vested in the Commonwealth minister are not consistent with a collaborative approach to education and the pursuit of National Goals for Schooling ...

Are not consistent with a collaborative approach—isn’t that a surprise with this minister? I refer to the Adelaide Declaration on National Goals for Schooling in the 21st Century, which was signed by state and territory education ministers in April last year. The agreement reached at the time was based on a commitment to improving Australian schooling within a framework of national collaboration. The preamble to the declaration states:

Common and agreed goals for schooling establish a foundation for action among State and Territory governments, the Commonwealth, non-government school authorities and all those who seek the best possible educational outcomes for young Australians, to improve the quality of schooling nationally.

I agree with the Tasmanian Department of Education’s interpretation of that in the context of this bill. I concur that the provisions contained in this bill are not consistent with the fundamental aim of supporting the delivery of educational services throughout Australia. How can they be when there is such a disparity of funding between government and non-government schools? The Australian Council of State School Organisations also has serious misgivings about this bill and they too were expressed to the inquiry. Bear in mind that ACSSO is the national peak body representing parent organisations and school councils in government schools in Australia. It said in its submission that the legislation:

... poses a major threat to the guarantees provided for all Australian children of access to a free, secular, comprehensive and high quality education in a local government school or school service.

Who should we believe, ACSSO or the minister? ACSSO was also critical of the coalition’s ‘open pocket’ policy towards private schools and it fears that this legislation will entrench the philosophy that the Commonwealth should underwrite the private sector.

I hope that at about 11 o’clock today the Minister for Education, Training and Youth Affairs will enter this debate and be asked a series of questions on funding. We want him to come into the House and talk about education in a rational way, explaining the figures so that parents of Australian children in government and non-government schools will fully appreciate the details of the funding arrangements. It is not enough to blame the AEU and students in government schools in Australia. (Time expired)
Ms HOARE (Charlton) (10.05 a.m.)—I am pleased today to be able to speak to the States Grants (Primary and Secondary Education Assistance) Bill 2000. I would like to have been able to speak later, after the government has come clean with the figures which we have asked to be provided regarding how much funding is going to non-government schools. I am pleased today to speak to this bill while the shadow parliamentary secretary, the member for Paterson, is at the table. Mr Horne is a former science teacher of mine at Kurri Kurri High School, which is a public school in the Hunter Valley. I had a very good education at Kurri Kurri High School. I am pleased to be able to speak to the amendment which has been moved by the shadow minister, the member for Dobell, in which we note that the preliminary data suggests that the proposed distribution of funding among non-government schools is profoundly unfair and that we are of the opinion that, before the bill is debated, the government must provide detailed, final figures on the cost of the policy changes contained in the bill and the new funding figures for each non-government school. We also condemn the government for failing to provide a matching increase in funding for government schools and for continuing its unfair enrolment benchmark adjustment policy. However, we cannot oppose this bill because it provides Commonwealth assistance to the states and territories for government and for non-government schools for the 2001-04 quadrennium. If we opposed this bill, then the schools in our electorates would not receive any funding at all.

We have moved to postpone this debate until the government tables the facts and figures which will inform the public and confirm to us that this bill proposes to increase funding by nearly $1 million for each of the 62 wealthiest category 1 schools. When the minister comes in here today, as the member for Braddon requested, he might be able to provide those details to us.

The main debatable aspect of this legislation is that it changes the assessment tool from the education resources index, the ERI, to a new system of socioeconomic status, the SES model, upon which to base funding for non-government schools. The only way we can ascertain what this means for the schools in our electorates is from data provided to us by the government from the SES simulation project, conducted in 1998, and the figures that have been provided by the Department of Education, Training and Youth Affairs. These figures indicate that each of the category 1 schools—the 62 wealthiest schools in the country—will receive nearly $1 million a year. It also means that the average Catholic school like St Joseph’s, at Kilaben Bay in my electorate, which I had the pleasure of welcoming to Parliament House yesterday, and St Patrick’s Primary School at Wallsend in my electorate, which I will have the pleasure of welcoming to Parliament House today, will receive an extra $60,000 a year—12 times less than the amount that the wealthiest schools in the country will receive under this new assessment tool. The average government school will receive a funding increase of around $4,000 a year. None of the 62 wealthiest schools is in my electorate of Charlton. There is a grammar school in Newcastle, and the children whose parents can afford to send them there usually have to spend an hour travelling to school.

This legislation follows the government’s and this minister’s ideology of ‘private is best and public is the dregs’. In much the same way as the private health insurance debate has been pursued, this government is ripping the funding away from public education through initiatives like the enrolment benchmark adjustment and by increasing funding to private education. This is not about choice. This is about forcing families—frightening families and scaremongering—into thinking that public education will not have the funds and will not be as good as private education, thereby forcing families to pay for private education for their children. The government’s disassembling of the public education system means that the only choice that some families will have for their children’s future will be to send them to a private school.

The government did the same thing with the private health insurance debacle. It frightened families into thinking that the public health system would not be able to
provide the access to quality health care that Australian families deserve. Because people were afraid that the Medicare system would be no good, the government frightened them into paying for private health insurance. Under this legislation, the government is doing the same thing to the public education system.

I know many families in my electorate. I have primary school-age children—I have a daughter who is in grade 6 this year and going to high school next year. The debate in our communities about the quality of the public education system is appalling. This legislation will ensure that that debate continues and that the families in our electorates will continue to think that the public education system is no good. Public education needs to be accessible, needs to be of good quality and needs to have the resources provided to it by governments so that all children can benefit from it.

The Labor Party is the only party with credibility about choice in schooling. In the ALP’s recently drafted Platform 2000, which was endorsed at the Labor Party conference in Hobart in August this year, there are 17 A4 pages devoted solely to education and solely to the future of our children. It says: Labor believes increased national investment in education, training and research is essential to ensure all citizens have the opportunity to reach their full potential and for Australia to be a successful and prosperous Knowledge Nation.

It goes on:

Labor’s education renewal plan will:

... ... ...

uphold the rights of all Australian children to access to a quality pre-school education and free and secular public schooling, and will make vocational and higher education more accessible and affordable.

... ... ...

offer Teacher Development Contracts to assist existing teachers in upgrading their skills and Teacher Excellence Scholarships to attract and retain high achieving school leavers in a teaching career.

... ... ...

recognise and address rural and regional disadvantage in education by working with State and local governments and regional communities to address education priorities, and in particular to establish an innovative system of targeted resource provision to disadvantaged regions to improve education outcomes. Labor believes in strong public investment in education at all levels, with an important role for government in ensuring quality and accessibility. Australia’s education system must be based on equity and must ensure that young Australians have high levels of literacy and numeracy as a sound base for all other learning.

... ... ...

All children have the right to high quality education so that they can live fulfilling and rewarding lives. Labor believes that it is the responsibility of government to protect their rights and to offer an educational guarantee of:

• access to free, high quality public schooling;
• funding for non-government schools on the basis of need; and
• additional targeted funding to areas of high educational need.

Labor has a sound history in education. Under the stewardship of Gough Whitlam, the Labor government in the 1970s, on the recommendation of the Karmel report, established a schools commission. Payments to the states were authorised by the States Grants Act. Three other specific programs were established during these years as well: grants for disadvantaged schools, grants for schools for the handicapped and grants for the other schools programs. Under this legislation the only students who lose altogether are disabled students. These students’ per capita funding has decreased at government secondary schools, as the member for Brad- don detailed, from $126 per year to $102 per year. The minister has said that no school will lose out under the government’s legislation and that every school will gain the maximum funding either under the new SES system or maintain their funding established under the ERI system. However, it has been revealed that there are losers, and those losers are the students with disabilities who attend the public school system.

We need only have a look at this government’s record on the education system since 1996 to see the future for our children. Since its election in 1996, the Howard government has made massive cuts to education that have
created a $3 billion education deficit. The abuses to Australia’s education system include cuts to universities of almost $1 billion, TAFE cuts of more than $240 million, higher HECS charges of more than $1 billion, cuts of over $60 million from state schools under the enrolment benchmark adjustment and cuts to student assistance of more than $500 million. This year we have witnessed the lowest level of spending on education on record.

This government has a very poor record in the area of public education and it is not only being detailed in this parliament; it is a record that has been noted in the international community. The Organisation for Economic Cooperation and Development noted in a report this year that Australia has fallen behind other OECD members from the developed Western countries in overall funding for education. It is a national disgrace and it is an international disgrace. The 1997 combined state and federal government spending on education was just 4.3 per cent of the GDP, placing Australia 23rd out of the 28 OECD countries, ahead only of the USA, Greece, South Korea, Japan and Germany. The international focus is upon us in more ways than one; it is also upon us in relation to education.

The Howard government has savaged public education. I have here a pie chart showing that, in 1996, the proportion of federal funding going to public schools was 41.5 per cent—remember, that was when this government was first elected—and that by 2003 it will have declined to 32.2 per cent. This is a government that has relied on market forces in everything, including in our education system. It is just not good enough. Our public education system has to be one that provides good quality and a sound basis for all our children so that they can form the basis of their adult lives and go on to provide for the future of our country.

While we are speaking about the education system, I would like to mention a local event in the Newcastle-Hunter region fairly recently, on 8 August. I had the great pleasure of attending the Hunter Region WorkSkill Competition. I was very impressed with the standard of competition and the opportunity it gave the young people present to demonstrate a high level of skill in a broad range of vocational areas. Particularly worthy of note was the outstanding level of skill demonstrated by senior secondary students. I understand that the program has been strongly supported by the various state governments involved, at the regional level, in particular New South Wales. To date, four states and the Northern Territory have indicated their schools’ preparedness to be involved in the National WorkSkill Competition scheduled to take place in Adelaide from 14-16 March 2001. Since this competition is directly aligned with the national training agenda, I would like to take this opportunity to respectfully ask what level of financial support the Commonwealth will be providing for the schools involved in the national competition, given that the WorkSkill organisation is a non-profit organisation sponsored mainly by ANTA and that no financial provision has been made for the support for the schools involved in the national competition. I hope the minister is actually listening to the debate and that I might get an answer to that question.

In conclusion, I would like to quote from a document entitled ‘A Statement of Principles for Public Education’ which has been distributed in our community. It has been developed by a summit of education, community, welfare, union and political organisations and concerned individuals. I have a list of the organisations and individuals that have endorsed this statement. The document states:

Why is public education essential?
Because it:
is vital to the future economic, social, cultural and intellectual development of our nation and all its citizens
is for everyone
provides everyone with the opportunity to shape their own future
enriches and strengthens our local communities
is the basis of an informed, active, fair and democratic society
draws people together, and creates greater tolerance and appreciation of differences
values our shared experience and our common
good.

What sort of public education do we want?
One which:
is free
provides the best possible education for all
includes and values everyone irrespective of dif-
fERENCE IN RACE, RELIGION, CLASS, ABILITY, GENDER OR
geographic location.
brides the gaps in advantage and provides stu-
dents of all ages with a fair share of resources
is adequately and fully funded by State and
Commonwealth governments at a level which
reflects the value we place on every child and
young person in our society
is available locally and relates to the life of local
communities
provides for life-long learning and for second
chance learning
promotes tolerance and inclusiveness
respects inherited values while instilling a desire
for new solutions
has teachers and education workers who are well-
trained, well paid, respected and secure in their
employment
is given priority as an essential responsibility of
governments
will be here for future generations

Ms PLIBERSEK (Sydney) (10.25 a.m.)—
We have here a piece of legislation, the
States Grants (Primary and Secondary Edu-
cation Assistance) Bill 2000, which proposes
that the government spend $22 billion on
education. I am certainly not opposed to
spending $22 billion on education, but I
would like to see a few more details about
exactly where the money is going. We have
received some details that have allowed us to
draw our own conclusions; indeed, com-
ments from the DETYA witnesses before the
Senate inquiry support the conclusions that
Labor have drawn about where the funding is
going. Yet the minister is not prepared to
delay debate of this legislation for just a few
weeks—until after the Olympics—until we
have firm figures available about exactly
where the money will be going.

Although the legislation before us lacks
significant detail in respect of how individual
schools will be treated under the new fund-
ing arrangements, it does have one very pre-
dictable element: it allows a fine exposition
of this minister’s ideological obsession with
pushing children out of public schools and
into private schools. This is a project that he
started many years ago. The member for
Charlton referred to minutes of an Expendi-
ture Review Committee meeting in 1991
which are evidence of the minister’s obses-
sion that has lasted since 1991. The ERC
minutes note ‘that the coalition sought to
courage students to move from govern-
ment to non-government schools.’ Further, in
the minutes it was agreed that the minister
would report back to the Expenditure Re-
view Committee on ‘non-government
schools—whether additional expenditure
could be offset by reductions in grants to
government schools and in untied grants’.
This is exactly what has happened. It was
predicted by the minister in 1991 and he has
gone on to fulfil his plans in government.

The untied grants from the federal gov-
ernment were cut by $1½ billion in 1996.
The enrolment benchmark adjustment—and
this is perhaps the most offensive and ineq-
uitable policy that this government has intro-
duced in the area of school education—has
taken $60 million out of government schools
so far. Of that, $30 million is from New
South Wales, my home state, and this has
meant an average drop of about $14,000 per
government school in New South Wales.

While there is no decline in the number of
students going to government schools, there
is a decline in the proportion of students in
government schools. The actual number of
students going to government schools in this
time has increased by 26,000 at the same
time as $60 million has been cut from those
government schools.

I should also mention the abolition of La-
bor’s new schools policy, which is a further
example of this government’s push away
from government schools and its desire to
see as many young people as possible going
into non-government schools. The abolition
of the new schools policy has allowed a pro-
liferation of small schools. While I have no
doubt that some of them are very good
schools, if the government makes a decision
to fund essentially anyone who wants to set
up a school, it means that, inevitably, money
is taken out of the government system and existing schools—and there may be no decrease in the resources those schools need to fulfil their obligations to their school communities.

There is and has been from this government a massive bias of funding towards private schools. This legislation is not the first stage in expressing that bias, but it is a continuation of it. The government, or the minister for education in particular, cloaks this bias. He uses two main expressions. He talks about the needs of schools and school children and he talks about choice. The use of the term ‘needs’ in this argument is particularly Orwellian. There is no way in which it can be argued that this new funding model actually delivers funds to students who need them; in fact, the reverse is true. From the information that we have managed to gather—mainly through the Senate inquiry process—we find that the vast proportion of the funding will go to the wealthiest schools. We should remember, of course, that 70 per cent of students go to government schools. Government schools, of course, deal with any number of fantastic kids who have high educational attainments, who never have any behavioural problems and who have very successful school careers, but they also deal with the kids that non-government schools refuse to deal with. Government schools deal with children who have learning difficulties, who have special needs, who have physical disabilities or who begin to attend school with little or no English. Most of these kids end up in government schools. In fact, well over 80 per cent of students in the major equity target groups—that is, students from low socioeconomic status families, indigenous students, students from rural and remote areas and students with disabilities—are enrolled in government schools.

I want to share with the House an example of such a school in my electorate. Just last week I visited Ultimo Public School. It is a very fine school, and it was a great pleasure to go there. Ultimo school has any number of terrific kids going there, but it also has a lot of kids who have special needs. At Ultimo one of the special needs that a lot of students have is help with English because many of them are recent arrivals in Australia. Some of these students start school with virtually no English. The school has a very good program for teaching English as a second language. The interesting thing about its program of teaching English as a second language is that a lot of school children who start attending Ultimo have, at the same time, put their names down at one of the local, very prestigious private schools—which will benefit greatly from this new funding model. The private school takes their $1,000 deposit and the principal says to them: ‘We cannot really help you with your English. Go to Ultimo Public School until you have learnt English, then come back and we will teach you.’ So not only is the public school dealing with students with special needs and with greatly reduced resources when compared with those of the wealthy private school but also the wealthy private school is shifting the cost of dealing with those special needs students onto the government school. The point is that education in government schools is universal and those government schools cannot refuse to help those kids with special needs. They do an excellent job but they could certainly benefit from increased resources to help those kids.

What we have managed to work out from the information that we have received from the government so far—and, as I have said, it has been fairly sparse information from the minister—is that on average the 62 wealthiest private schools will divide between them $50 million. They will get on average $800,000 each. Many of them will get greatly more funding than that and some of them will receive slightly less, but the average is $800,000. Catholic schools will receive about $60,000 per school on average. What do the public schools get? They get some indexation. That was introduced by Labor in 1993, so they get their automatic indexation. What do public schools get on top of that? They get $4,000 compared with $60,000 for Catholic schools and compared with $800,000 for the wealthiest private schools. So the 62 richest schools get a quarter of the new federal funding for private schools—about $50 million. And how many students do they deal with? They deal with 5.6 per cent of non-government students. So
the wealthiest schools get a quarter of the funding; they deal with 5.6 per cent of the non-government students. The Catholic schools, which deal with 65 per cent of non-government students—which is the vast majority of non-government students—get an extra $100 million to share between them. So they get dramatically less, per school, to share between them than the wealthiest schools. Government schools which, as I said, have 70 per cent of students attending them, get $106 million extra after inflation. So thank goodness for the indexation that was introduced by Labor in 1993.

Many of the category 1 schools that the minister claims are needy according to his SES formula have resources that government schools would fall over themselves to have access to. They have excellent libraries; they have great computers; they have swimming pools; they have sporting fields that would probably be the envy of some of the people running some of the Olympic facilities. Many of these schools have excellent resources. I do not begrudge those schools those resources—good on them. The point is that when we have schools in the government sector that need very basic equipment—and I should also say that schools in the Catholic sector need very basic equipment such as computers—why would we continue to skew funding to schools that have swimming pools and carpet? The SES formula deals with the socioeconomic status of the area that the parents live in rather than gives any real measure of the resources that the school has available to it. So it will always favour schools which draw a high proportion of their students from country areas or from any area where there is a large number of people who are not wealthy. It means that a wealthy farmer or doctor living in that area will be treated as though they were someone on a low income. The minister himself has admitted this. He is quoted in a number of newspapers as saying:

A millionaire living in a low income area will get the socioeconomic status score of a low income area.

It hardly seems fair that millionaires get treated as though they come from a low socioeconomic background for the purposes of this funding model. So the new model is not a real measure of need. It is not a measure of students’ needs. I have described how most of the country’s neediest students are in government schools, which are not benefiting greatly from this. A number of needy students go to the poorer independent schools, which also are not benefiting greatly from this new model.

It is not a measure of students’ needs; neither is it a measure of schools’ needs. The resources that schools already have are not taken into account. Donations and gifts to schools, such as Richard Pratt’s $1 million donation to Scotch College last year, will not be taken into account because the minister argues this will encourage private investment in education. I bet Balmain High, Glebe High, Plunket St and Erskineville Public are all rubbing their hands in glee, waiting for the million dollar cheques to start rolling in from some of our great and generous public benefactors. This measure will not benefit public schools in the least. The wealthiest schools that have wealthy old boys’ networks are probably very grateful that these million dollar cheques will not be taken into account when working out school funding for the next year. This measure certainly does not go to the needs of schools. If you are looking at the needs of schools, it is not the schools that need the help that will get it under this measure.

The minister uses the rhetoric of ‘need’. The one group who will unequivocally be disadvantaged by the proposals before us is disabled students, students with a disability. They are unequivocally losing out under this new model. There are 32,000 students with disabilities at government secondary schools. They currently receive per capita funding of $126 a year on top of the normal funding they would get, to help with any special requirements they have because of their disability. It is not much money, really. It is going to be even less under this model, down to $102 per student. It saves the government a little over $700,000 a year—not much money, really, in the scheme of things. It is a $22 billion bill. The government is looking to save $700,000 and where does it cut? It cuts funds for students with disabilities who
attend public schools. I cannot think of a more heartless approach to students with a disability.

The other main descriptor the minister uses for this legislation is that it is about ‘choice’. He is quoted as saying:

We want working class families to have the opportunity to send their children to independent schools.

That is a very noble sentiment. What I am surprised to read, however, is how much the wealthiest schools—which are benefiting most from this new funding model—are cutting their fees by. Is there going to be a great flood of working class kids into wealthy private schools? I do not think so. Wesley College has revealed that it will get a little over $3 million over the next four years. Given the extra $3 million it is getting, how much easier is it going to be for working class kids to attend Wesley? Wesley is going to drop its annual fee of around $11,000 by about $200. Scotch College has said that, because of its vastly increased resources, its annual fee of $11,484 might drop by about $100. I can just see all those people whose children have been prevented from going to Scotch College because they do not have $11,484 a year to spend on their children’s education—but they do have $11,384 to spend on their kids’ education—rattling on the gates to be allowed in after this $100 decrease. The rhetoric that this legislation increases choice for parents is absolutely false.

Why do I feel so strongly about this? This is something that Labor has had at its core for many years. The reason that it is so important to people on this side of the House, Mr Deputy Speaker Jenkins, as you well know, is that many of us and many of our parents are products of the public school system and received excellent educations there. Also, we have seen people not much older than us, perhaps the previous generation, locked out of many of life’s opportunities because they did not have access to decent education. My own parents fall into that category. They left school in their very early teens. They never had access to the education that they should have had because they were intelligent people as there was no universal access to public education. Justice Frank Vincent just last week was quoted in the Age as saying:

There were, for a period of time, avenues of opportunity for people such as myself—and he describes himself as the son of a wharfie—and I’m concerned that those avenues are being cut off dramatically as time progresses.

He went on to say:

I am decidedly uncomfortable with any of the processes which are increasing the practical discrimination against the poor in the community, and I fear that might be happening at the present time with these new funding structures.

Labor does not believe that children are destined for poor educational outcomes or for boring jobs or for unemployment because they grow up in poor families or because their parents have low formal educational achievements. We believe that every child has the right to a decent education at a well resourced school, with teachers who are valued and fulfilled and who have access to ongoing training and career opportunities. Consequently, we are committed to a number of initiatives when we return to government. Unfortunately, I do not have time to go through all of them today, but the abolition of the enrolment benchmark adjustment is vital. Education priority zones will certainly improve the access of kids in poorer areas to schooling and raise the standards of those schools that have been poorly resourced in the past. We will invest more in teacher development. We will invest more in TAFE and in universities, in research and development and in research fellowships. We will increase investment in innovation, as well, which is the end product of an excellent education system. Our well educated students will end up in a country that values knowledge and innovation. We have also spoken in great detail about establishing a learning gateway which will put Australian content on-line. Australian students will be able to access Australian content on-line and teachers after hours. (Time expired)

Dr THEOPHANOUS  (Calwell)  (10.45 a.m.)—It is my great pleasure to be speaking on the States Grants (Primary and Secondary Education Assistance) Bill 2000. Perhaps I could begin by referring to the claim made in
the second reading speech by the Minister for Education, Training and Youth Affairs where he said:

The bill represents a major investment in the future of our society. Through increased financial assistance to schools, particularly schools serving the neediest communities, the government seeks improved outcomes from schools and a brighter future for Australian students. The bill ensures Australia will be in a better position to make major contributions to our global future and to continue our tradition of innovation and technical skill.

These are noble sentiments, but if the minister thinks that the bill achieves all this then I am amazed, because it does not take account of the realities of school education in this country. We face a very serious crisis in school education in this country because of the fact that, while there is a need for us to develop innovation, to dramatically improve education in our schools, there is very little recognition of the depth of the problems that exist in this sector.

School education is a divided responsibility between the federal government and state governments, and state governments have the primary role especially with respect to government schools in the school education sector. When the Prime Minister was defending the GST it was very interesting to note that he made the point over and over that the state governments are going to get more money which they are going to be able to spend on education, but the reality is that there is no requirement in the GST legislation or in the so-called new taxation reform for the states to spend any additional money that they may gain through the GST on the important areas of health and education. Since this bill is concerned with education, I ask the question: how is the Prime Minister, or indeed this parliament and the current government or any government, going to ensure that any additional funds that may be raised by the GST over and above what would have been raised will be used, for example, in the critical area of school education? We do not have any commitment; there is no requirement in the act or anywhere else. Indeed, the state premiers were able to get away in the agreement they made with the Prime Minister on the GST that they not be required to spend any additional moneys that might be gained from the GST on education or health. So the next time the Prime Minister gets up and defends the GST by saying that there is all this additional money which may go into education we should ask him why he did not legislate or come to an agreement with the premiers that the additional money would be spent on education.

As I said, we face a crisis in this area. There are many different agendas, different approaches, in the area of school education, and there is not much coherence between the state governments and the federal government on the different sections of the school system—the private school system and the government school system. I support the minister in his attempt, to his credit, to achieve one goal, and that is in the area of literacy and numeracy. He is right to emphasise that area, and I support that. But to achieve that goal, especially in the schools in the poorer areas, a lot more resources are needed than the minister has been prepared to put in. You do not just achieve better outcomes in literacy and numeracy by saying that you are going to give a few additional dollars to those schools. You need to change fundamentally the problems in those schools, especially the government schools in the poorer areas.

I know what I am talking about because in my electorate there are some schools that are in a very serious situation—government schools, very poor schools. Since the period of the Labor government when the drop-out rates in year 12 had been reduced, when more and more students were starting in year 7 and finishing year 12, in the last three years we have had a reduction, and that is true of a number of government schools, particularly in the poorer areas. What the nation needs at this time—given that there are ideas coming from the Labor Party, ideas coming from the Democrats, ideas coming from the minister’s department and ideas coming from the state governments—are not the pronouncements of the minister that we are going to achieve all of the great goals of school education that he claims in his bill but for all the different policy conceptions to be brought together and discussed by the state
governments, the federal government, the teacher unions, the school principals and the educational experts. What we really need I think in Australia at the moment is a national inquiry into school education. We need a national inquiry that will bring together these different ideas.

The minister has tried to claim, for example, that the idea from the Labor Party for education priority zones is no good. Why has he said that? How does he know? Has his department investigated this proposal? And what about his idea? He claims that the funding of private schools is going to be needs based because, he says, if a student comes from a poor area like Broadmeadows in my electorate and goes to a wealthy private school then that private school is going to get dollars as a result of the fact that the student comes from that particular area. But what the minister does not take into account is this: is the student from that area coming from a rich home or a poor home? The minister has already admitted that if the student comes from a rich home that will still count in terms of the additional dollars to go to the private school. You can imagine what you would do if you were really a very smart private school. You would go off and try and find people who live in these particular areas, because they have to work there or whatever, who are wealthy, and you would say, ‘If you enrol in private school here, this will help us and this will help you.’ Excuse me, minister. Shouldn’t the individual circumstances of the family—whether they are wealthy or not—be a relevant consideration? I cannot see why this bill is not being amended to achieve that result.

The idea of people coming from the poorer areas is not wrong. But we should take into account the individual circumstances of the people of that particular family. Had the minister taken this into account, he would not have been subjected to the criticisms which he has been subjected to from the Labor Party and the Democrats in relation to the new formula. If somebody comes from a poor area such as Broadmeadows but is wealthy, or is from a wealthy family, then what is the point of rewarding the school for taking that particular wealthy individual? It might be argued that the better approach would have been to encourage any wealthy individual living in Broadmeadows to send their children to either the local government school or to one of the poorer private schools in the area or in the electorate. That is not happening through this formula.

Given that the minister claims he wants to have something based on needs, why could we not have an inquiry to discuss these issues, to discuss the best approach—whether it be education priority zones or whether it be some amended version of the suggestion that we take into account people coming from the poorer areas when they go to private schools? Certainly we would have to take into account the personal circumstances of the family. I cannot see why a government that prides itself on dealing with people’s needs on an individual basis couldn’t have a formula which related to the individual circumstances of the family. Why couldn’t we reward those poorer families that are making or are prepared to make a big financial sacrifice to have a child going to a non-government school if that is their choice? That is not what is happening in this formula. This formula is quite mistaken because it does not take into account the different circumstances of families, whether they are rich or poor.

There are other issues in relation to this massive bill, because the questions involved in this bill go to the whole philosophy and approach to school education. As I have mentioned, nobody is infallible and nobody has all the answers in this area. What is needed is for the minister to bring people together—different people who have expertise and ideas—and talk about these matters. Let us talk about them. Let us get the ideas out there into the public forum. Let us have discussions about these issues. Let us not simply assume that all the wisdom resides in the federal department of education and in the minister’s head.

Everybody has mentioned the importance of high standards in education. As I said earlier, I support the minister’s efforts to make literacy and numeracy important issues. But educational outcomes are not just in literacy and numeracy. They also involve things like
Wednesday, 6 September 2000

REPRESENTATIVES

a balanced curriculum—whether students are going to have an understanding of our society when they finish school, whether students are going to be taught principles of tolerance in a multicultural society, or whether students are going to be prepared for the computer age. There are many other such goals. We will need a greater specification of outcomes and we need to look at ways and means of making sure that all schools, government and non-government, are dedicated to achieving these goals. This means that one of the main focuses has to be on the quality and motivation of our teachers.

What is happening with teachers? I mentioned the state governments at the beginning of my speech. Most of the state governments in this country think that they can play games with education by restricting the wages of teachers. I am not saying teachers should have massive wage blow-outs, but the motivation of teachers in schools in this country has fallen. Part of that has to do with the fact that, under certain types of state governments particularly, there was a tax on teachers. There were cuts in the number of teachers. There were increases in the sizes of classes, and teachers generally speaking were overworked and underpaid. Furthermore, the retraining of teachers was not given priority and motivation for teachers was generally reduced.

If the minister did hold a conference of the kind I mentioned, one of the things that would come out from such a conference would be the urgent need for there to be a campaign to motivate our teachers, whether in government or non-government schools, to achieve better outcomes—to help with retraining in certain circumstances, but to motivate teachers. The minister is quite fond of getting out and attacking the education unions all the time. What do the education unions consist of? Don’t they consist of ordinary teachers? Rather than getting into a dialogue with the education unions, what the minister seems to be doing is fighting them. Shouldn’t the minister be saying, ‘Let me talk to you. Let me talk to the representatives of teachers. Let’s see if we can reach common goals about education. Let’s see if we can reach high standards of education, especially in the most needy schools and those schools that are not achieving the results they ought to be achieving.’ Does the minister do this? No. At every opportunity he has a go at the education unions, as if that is a constructive and positive policy. I understand that the minister as a professor from his previous ideological commitments did not have much time for unions, but he is now a minister in the government and he has a responsibility to talk to the unions and to work out outcomes in relation to education, which involves the participation of the teachers.

In this regard too we have got a lot to do about teacher training. We have found that the status of teaching as a profession—the way the public feels about teaching as a profession and the way graduates feel about teaching as a profession—has fallen. As a result of that, there is a need for us to redress this. There is a need for better teacher training programs in universities. There is a need to encourage people to go into the teaching profession and to see the teaching profession as a career path and not merely as a stopgap measure. All of this needs to be addressed sensibly by talking to the teacher unions, by talking to those involved in education in a broad way and by talking to the state ministers for education and other state bodies responsible for education.

All this points to the need for a national inquiry into school education in which we bring together the different ideas that have come up, especially in recent times, and we try to work out an approach which may be agreeable to all, because education is so important that it should not be seen as a political football. It should be seen as something to which the whole nation is committed in a very important way. I call on the minister to take into account other people’s ideas and proposals rather than to keep fighting them and dismissing them as if they have no point.

One of the areas in this bill is the issue of languages, which relates back to the problem that we have about the states’ role in education. This bill will streamline in some respects the administrative arrangements for the Languages other than English Program. But, again, the question of which languages are going to be taught, and the question of
which community languages in particular are going to be taught, that is, languages other than English, is a matter left primarily to the state governments. The minister would be aware that this can make that issue a matter of debate within the multicultural community. There are some important ethnic communities in our country who have had the community language programs significantly reduced in schools. This is a matter of some concern. Surely there ought to be at least some recognition of those communities which have a large number of people who have come to Australia as migrants. Increasingly, state governments are not looking at this as much as they ought to. Why hasn’t the federal government got a formula for this? Why doesn’t the federal government look into this in terms of not only those languages that we need for economic reasons, which I totally agree with, but also those languages which relate to the most important of our ethnic communities, especially those with the largest numbers. I ask the minister to take into account the issues I have raised. (Time expired)

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (11.05 a.m.)—I will sum up the debate on the States Grants (Primary and Secondary Education Assistance) Bill 2000 and later I will be moving a government amendment to the bill which will simply have the effect of updating the funding amounts in the bill to 2000 prices.

This is a very significant piece of legislation. It will appropriate some $19 billion for schools over the next four years. It is the single most important piece of schools legislation that this government has introduced. It has implications for raising the quality of education and increasing access to education for all Australian schoolchildren and Australian families. The bill renews the government’s commitment to school education. It is brought forward in a context where funding for schooling is one of the fastest rising elements in the federal budget. In fact, over the next four years school funding from the Commonwealth will rise some 30 per cent. The bill reflects the government’s consultations now over several years. The member for Calwell has just asked why we do not discuss the issues in the bill with people in the community. There could be no set of school reforms which have been subject to more extensive consultation than the reforms embodied in this legislation.

The government has consulted universally amongst those affected by the reforms over the last few years. It has published a number of reports detailing the results of those consultations. It is because the reforms in this bill have been based on such extensive consultation that the bill has essentially the universal support of all those in the non-government sector who will be affected by the changed mechanisms for funding non-government schools. The parents and schools in the non-government sector have long recognised that the Labor Party’s approach to funding the sector was totally inadequate and its credibility had been destroyed by constant political manipulation. I will say a bit more about that in a moment.

This bill reflects the government’s policy decisions related to the 2001-04 school funding quadrennium. These include implementation of the new socioeconomic status—SES—funding arrangements of non-government schools, the introduction of a streamlined structure for Commonwealth targeted programs for schools, improved accountability, permitting greater flexibility in the application of Commonwealth funds to improving outcomes for educationally disadvantaged students, and strengthened accountability and reporting arrangements where education authorities will be asked to commit to reporting on student outcomes against agreed performance indicators and targets underpinning the national goals of schooling. I emphasise here that one of the very significant educational reforms introduced by the Howard government has been a focus on achieving educational outcomes, not just on spending money regardless of what the outcomes were but actually on identifying and where possible—and it is not always possible—measuring those student outcomes against agreed performance indicators and targets. This whole philosophy is
embodied in the new national goals of schooling.

The bill also contains provisions for establishment grants to assist new non-government schools with the costs incurred in their formative years and to enable them to be competitive with existing schools. For the first time it provides recurrent funding for distance education students in the non-government sector receiving that education from non-government schools and the streamlining of legislative requirements for the capital grants program, which will be accompanied by broader reporting by states on the state of their school infrastructure and improvements year on year.

The bill is necessary because it secures funding for Commonwealth programs of financial assistance to the states and territories for government and non-government schools. In the past the opposition—and the member for Dobell in particular—has called for the rapid introduction of this bill into the parliament so that it can be passed quickly, so that schools will have certainty of funding. He does not seem to remember those comments now, because everything he is doing now seeks to delay the legislation. I trust that the Labor Party in the Senate will see commonsense over this measure, realise the importance of having this legislation, which provides, as I said, some $19 billion worth of funding for schools in the non-government and government sectors over the next four years, and have it rapidly passed through the Senate.

Let me say a few words about why it has been necessary to put in place a new funding mechanism for non-government schools. It has been necessary because the mechanism which the Labor Party put in place, which goes under the name of the ERI—educational resources index—is badly broken and has no credibility with anyone in the non-government sector. It has been broken because it has been subject to constant political manipulation and political decision making, with the result that the categorisation of schools through the ERI now has no obvious rationale whatever. For example, for the majority of non-systemic, non-government schools, their ERI score bears no relationship to the category in which they are funded because of the application of other political requirements that the Labor Party has put into the measure over the years. In many areas of Australia, schools which appear to draw from the same population are quite differently funded. The northern Tasmanian city of Launceston, which has a population of just under 70,000, is served by eight non-government schools. These schools are funded at categories 3, 5, 6, 9, 10, 11 and 12, although the SES scores which match these funding categories range only from 101 to 104, showing that there is very little differentiation in the communities served by these schools which are attracting vastly different rates of funding.

The Labor Party refused to fund parish schools throughout Australia at the level of need that they were apparently entitled to under the ERI. For political reasons it refused to fund new schools at their assessed level of need, because the Labor Party—along with the Australian Education Union—has long adopted the approach that the best way to help public education in this country is to prevent parents choosing, to try particularly to lock low income parents into the government schools whereas the appropriate approach to making government schools more attractive to parents is in fact to assure parents that the students in those schools are achieving satisfactory levels of literacy and numeracy, to be transparent in the reporting to parents so that they know where there are problems and to have in place a focus on those areas of education which parents see as fundamentally important for their children.

This government not only has introduced a national literacy and numeracy plan, which is now being implemented and is raising literacy standards for the first time, but also is addressing the needs of the 70 per cent of young people who do not go directly from school to university, by a major broadening of the curriculum in the senior secondary years, including up until now the involvement of some 30,000 businesses in schools to provide school-to-work transitions for young people. The Labor Party did none of these things. Its only strategy to build up government schools was to stop parents
choosing—and of course that is completely unacceptable to parents and it is certainly unacceptable to this government.

The ERI is inequitable, complex and readily manipulated. When you look at the way it has performed, it is now obvious that virtually every new school, regardless of its resources or the wealth of its parent body, can be categorised at the highest funding level simply by manipulating the ERI whereas the older, established schools, regardless again of their resources or the wealth of their parent body, were generally categorised at low funding levels, with the result that many of them were being driven into serious financial difficulties—all because the Labor Party could not leave the mechanism alone as it was subject to so much special interest pressure. So we have replaced it. The ERI goes, and we put in place a new, transparent and objective funding measure for non-systemic, non-government schools.

Let me turn to some of the more erroneous and outrageous claims that have been heard during this debate. It has been claimed that the 62 wealthiest school communities in Australia—Mr Lee—Category 1 schools.

Dr KEMP—The old category 1 schools, as the member for Dobell says; he still relies on this totally discredited ERI categorisation. The Labor Party is the last defender standing of the old system—it is like that on tax. It is a very conservative party, the Labor Party. Once it has in place policies that its special interest groups like, that the vested interests that support it like, it sticks by them through thick and thin, even if they are rejected by everybody else. Based on the 1998 simulation project, none of the schools serving the 62 wealthiest school communities in Australia—schools which will be funded on their SES score—will receive more than 25 per cent of the average government school recurrent costs. The average increase in funding for the SES funded schools will be about $87 per pupil next year and $347 per pupil in the fourth year. All schools are benefiting from the increased funding that this government is making possible, and the schools and parents that benefit the most are those in the neediest schools and in the school communities with the lowest incomes. Some of these 62 schools are currently in category 1; some are not. Category 1 schools have been shown to serve middle and lower income communities, and these schools will receive funding increases on the basis of need, according to a socioeconomic measure of the communities they serve. These results are a further indication that the education resources index is flawed as a measure of need.

The member for Dobell stated in his remarks that the government is not spending enough on the professional development of teachers. I remind him that back in the 1999 budget this government announced additional funding of $78 million over four years for the quality teaching program. Through this program, funding is being provided to update and improve the skills and professionalism of teachers in both government and non-government schools. I thought that this might stick in his mind, as he challenged the government to show what happened to this funding when debating an amendment to the 1996 states grants act in September last year. He had to be reminded at that time that this funding was provided for in the Appropriation Act No. 1 and not as a special appropriation. He also had to be reminded that he had spoken on the appropriation bill in June last year and had welcomed the funding for teacher development. He has a very short memory—a bit like the member for Freman-
vides for significant new additional funding for government schools. Over the next four years, government schools will receive an additional $1 billion over and above the amount that they received for school funding during the current quadrennium. The Commonwealth government is driving up funding for government schools in a way that no state or territory is doing. In fact, a number of state governments have refused to significantly increase their funding or to match the Commonwealth’s growth in funding for government schools. For example, Commonwealth direct assistance for government schools shows an average increase of 4.3 per cent, which is higher than that of any state government.

The Leader of the Opposition observed in his remarks that year 12 retention rates had dropped in recent years and that this dramatic drop needed to be arrested. This is in line with his usual lack of information about what is going on in education, because the drop in retention rates has been arrested and it has been arrested at a time when jobs are growing. Previously, retention rates have shot up sharply when unemployment has been rising. Now we have retention rates climbing when unemployment is falling.

Mr Latham—What are the figures?
Dr KEMP—The member for Werriwa has asked for the figures. The dramatic drop in school retention occurred during the Labor years, between 1994 and 1996, when retention dropped from 74.6 per cent down to 71.3 per cent. Since 1996 the retention rate has risen. By 1999 the latest data available indicates that the retention rate is back up to 72.3 per cent in a time of rising youth employment. The Leader of the Opposition also missed the point on a major feature of the bill—that it seeks to achieve equality of outcomes for all students in their basic literacy and numeracy skills. The bill contains provisions which give effect to a new accountability framework aimed at strengthening the link between the funding provided under the Commonwealth schools program and improved outcomes for all Australian students. I expect that the reporting built into this legislation will have immediate and direct benefits. It will build public confidence in our schools by providing an agreed national framework against which parents can assess their children’s progress in key areas. The Commonwealth is encouraging educational authorities to improve reporting to parents, including information on the performance of students against national standards.

One of the most ignorant and misleading contributions, and indeed one of the most ideological contributions, to this debate came from the member for Port Adelaide. The member for Port Adelaide ironically prefaced his remarks by saying:

... very few people ... are particularly well informed about education and, in the context of the Australian education debate, it shows.

That ignorance certainly shows in the case of the member for Port Adelaide. The member for Port Adelaide railed against choice as an evil intrusion into educational policy. He said:

Choice in its raw form means segregation, not freedom ... It has nothing to do with freedom. That will be a surprise to most people who have followed the philosophical progress of our civilisation and who regard choice as being integral to freedom. The member for Port Adelaide kept up the mantra, telling the House:

Choice ... means segregation. It means division. It means stratification. It means separation. We are a society where people value choice. We are a multicultural society. One of the reasons why we are the most peaceful and harmonious multicultural society in the world is that we show we value our citizens and their right to choose. I can assure the member for Port Adelaide that the government’s insistence on choice in schooling is one of the reasons why so many communities in this country are very happy to be living in Australia. They know that this government values and validates them through its public policies.

I cannot leave the member for Port Adelaide without drawing attention to his absurd remark that children who live in socioeconomically depressed areas and children in rural Australia will be damaged by the philosophy of choice. This claim is laughable because possibly the best example of how
the independent sector serves rural Australia and communities with particular needs is seen in the indigenous community controlled schools. In some cases, independent indigenous community controlled schools are sole providers and provide education where state schools do not. Indeed, indigenous communities around Australia deeply value their capacity to use educational choice to meet the needs of their communities.

There were a number of other outrageous and inaccurate comments made in the debate, but I think I have touched on some of the main ones. The member for Werriwa continued his campaign against the Catholic Church and the National Catholic Education Commission. He totally ignored the extraordinary contribution which the Catholic education systems have made to education in Australia and seemed to be saying that the government should come in and simply dismantle those systems in front of the very eyes of the people who have actually built them up over the years. This bill has essentially universal support from the non-government sector. It is fair, transparent and equitable, and only the Labor Party is arguing for the retention of the old ways of doing things. (Time expired)

Question put:

That the words proposed to be omitted (Mr Lee's amendment) stand part of the question.

The House divided. [11.29 a.m.]

(Mr Deputy Speaker—Mr G.B. Nehl)

Ayes............. 73
Noes............. 62
Majority......... 11

AYES


NOES


* denotes teller

Question so resolved in the affirmative.

Original question resolved in the affirmative.

Bill read a second time.
Message from the Governor-General recommending appropriation for the bill and proposed amendments announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (11.35 a.m.)—by leave—I move government amendments (1) to (4):

1. Clause 49, page 49 (lines 4 to 9), omit sub-clause (3).
2. Clause 59, page 58 (line 20), omit “$4,674”, substitute “$5,056”.
3. Clause 60, page 61 (line 11), omit “$6,294”, substitute “$6,622”.
4. Schedule 1, page 111 (lines 1 to 7), omit the Schedule, substitute:

SCHEDULE 1—AVERAGE GOVERNMENT SCHOOL RECURRENT COSTS (AGSRC)

Note: See the definitions of AGSRC in subsection 4(1).

<table>
<thead>
<tr>
<th>Column 1 Type of education</th>
<th>Column 2 2001 program year ($)</th>
<th>Column 3 2002 program year ($)</th>
<th>Column 4 2003 program year ($)</th>
<th>Column 5 2004 program year ($)</th>
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<td>Secondary</td>
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Note: The operation of section 102 may affect the amounts in this Schedule.

These amendments are designed to update the funding figures in the legislation. When the States Grants (Primary and Secondary Education Assistance) Bill 2000 was first introduced, only 1999 prices were available. The explanatory memorandum to the bill, which was introduced on 29 June this year, foreshadowed that the government would be moving these amendments. The amendments allow for funding amounts in schedules 1 to 8 and clauses 59(3) and 60(3) to be replaced with new funding amounts so that the bill reflects year 2000 prices. The bill was introduced in the House of Representatives with funding amounts shown in 1999 prices because the required year 2000 average government school recurrent cost index, AGSRC, data for recurrent funding and the year 2000 building price index for capital funding were not then available. These data are now available and the funding amounts are being updated accordingly. The government amendments also contain minor clerical and technical amendments.

Mr LEE (Dobell) (11.37 a.m.)—Perhaps I could begin by dealing with the issue of the total cost of the States Grants (Primary and Secondary Education Assistance) Bill 2000 and ask whether the Minister for Education, Training and Youth Affairs could update the House about the financial impact of the changes outlined in the new funding package for non-government schools. In the 1999 budget papers, it was indicated that the total cost of introducing the new funding model was $561 million. At that time, I was informed by the minister’s department that that included $50 million extra on top of the switch to category 11 funding for Catholic schools. In the last month, the minister would be aware that we have now been told that funding for Catholic schools has been increased to $100 million. Yet his department has been telling the Senate in the last week or so that the total cost of all the changes remains at $561 million. That figure is clearly out of date, given that the funding for the Catholic system has doubled from $50 million to $100 million. I ask the minister whether he could provide the House with an updated figure of the cost of implementing this new scheme today.

Mr DEPUTY SPEAKER (Mr Nehl)—The question is that amendments 1 to 4 be agreed to.
Mr LEE (Dobell) (11.38 a.m.)—I am at a loss, Mr Deputy Speaker. The Minister for Education, Training and Youth Affairs has not even bothered to stand to approach the dispatch box to answer the question. For the second time, I would ask the minister whether he could tell the House what the updated cost of this bill is.

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (11.39 a.m.)—The figures in the bill are clearly set out in the tables in the government amendments that have been circulated. I suggest that the member for Dobell focus on those figures.

Mr LEE (Dobell) (11.39 a.m.)—I make the point that the 1999 budget figures told us that the cost of making these changes was $561 million. We know for certain that the funding provided to Catholic schools has doubled since that time from $50 million to $100 million, and yet the government’s departmental officials are providing out-of-date figures to the Senate committee. I think this House is entitled to know the financial impact of this bill. Can the minister please tell us the updated total cost of bringing in this change?

Mr LEE (Dobell) (11.40 a.m.)—The minister is trying to play a game here. We did not ask him about the total amount of funding provided to all schools in the bill; we are trying to determine the impact of the changes the minister is introducing in the bill. In the 1999 budget, you said that the impact of the changes you announced—the switch to SES funding for non-government schools—was $561 million. We already know there is an extra $50 million cost in the extra funding going to Catholic schools. We would like to know the total impact of the changes you are making to the funding for non-government schools.

When this issue was raised with your officials in the Senate committee last week, they could not give the parliament an answer. I think it is unacceptable for the Minister for Education, Training and Youth Affairs to be in this parliament, debating a very important funding measure for non-government schools, and to be unable to tell us the updated figure so that we can assess the impact of this revolutionary change that he is forcing through the parliament. Minister, I ask you for the third time: will you please give us the updated figure on the impact of the changes you are making to funding for non-government schools? You said it was $561.3 million in the 1999 budget figures. What is your current estimate of the financial impact of the changes you are making to funding for non-government schools?

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (11.42 a.m.)—As I have said already, this bill will appropriate some $19 billion—there is no secret about that—and $22 billion in out-turn prices. The government has made it quite clear that these figures are the total cost of the bill, and I am surprised that the member for Dobell is still raising this issue.

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Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (11.43 a.m.)—The government have put these figures on the record. We put down the figures that relate to the funding for non-government schools and we put down the total cost of the bill. If the member for Dobell finds that unacceptable, I am sorry for him, but I suggest that he stop delaying the legislation and get on with
passing it so that these schools can know what funding they will receive. At the moment, the tactics of the Labor Party are simply delaying the legislation.

Mr LEE (Dobell) (11.43 a.m.)—I ask the minister: will he concede that, since the 1999 budget, there has been an increase in the impact of the changes he is making to funding for Catholic schools, which has resulted in the impact of the funding changes increasing from $50 million to $100 million? Or has his department misled me in the briefings they have given me?

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (11.44 a.m.)—Mr Deputy Speaker, I have just put before the House this morning amendments which will have an effect on the total cost of this bill. I have made it clear that, once we introduce the year 2000 prices, there will be an impact on the amount that will be appropriated through this legislation. That amount will rise to $19 billion. There is no secret about that.

Mr LATHAM (Werriwa) (11.45 a.m.)—The Minister for Education, Training and Youth Affairs has entered into a deal, and like all deal makers he will not be publicly accountable. He will not give the parliament the detail of his special deal with the Catholic Education Commission. My question to the minister is: why are you punishing Catholic schools? Why are you denying those schools their full funding under an SES system? During the Senate committee process, we had an extraordinary statement by Tom Doyle, representing the Catholic Education Commission. He said:

The Catholic systems would have actually benefited more from an aggregation according to SES levels but in fact we opted, in negotiation with the government, to stay at level 11 in order to preserve the systemic nature of funding for Catholic schools.

The representative of the commission was saying that he was willing to take less money to keep central control. He is willing to take less money than the $240 million that would have been afforded to Catholic schools under an SES model. The SES would have delivered $240 million but all this minister and his special deal have delivered is, perhaps, only $100 million—a shortfall in funding for Catholic schools of $140 million. The deal making minister is punishing Catholic schools. He is punishing Catholic schools and condemning them to an ERI system that he himself condemned earlier in parliamentary debate. When he was winding up his discussion on the deal he said that the ERI system is archaic, it is flawed and it is hopeless. That is the system he is applying to the Catholic schools by giving them category 11 ERI funding. So the system that he denounces as hopelessly inadequate is the one that he is satisfied is suitable for Catholic education in this country.

Mr LEE—61 per cent of schools.

Mr LATHAM—That is 61 per cent of schools that have been condemned to what the minister in his own words has described as an inadequate and archaic funding system.
Minister, if it is good enough to develop an SES system for the benefit of the non-government sector, why not apply it across the board? Why not give the Catholic schools their full amount of SES funding, which is $140 million more than the amount provided in this legislation and under your administration? Why have you condemned the schools to what you described as an archaic and inadequate funding system?

I am on the side of the Catholic schools in this. I am not cutting a special deal with the Catholic Education Commission. I am not doing things behind closed doors. I am publicly accountable. I am arguing for transparency. I am saying that these schools are missing out on public money, and I am not the only person saying it. Tom Doyle said it before the Senate committee. Imagine the outcry if any member of this parliament stood up and said, ‘I’m willing to take less federal funding for schools in my electorate. I’m willing to take less support for the high schools and primary schools in my constituency as long as I keep central control of the money.’ There would be an absolute outcry; it would not be tolerated. But that is the deal this minister has cut with the Catholic Education Commission. In the words of the commission, they are taking less money than they deserve in an SES system.

The minister has cut this deal for the worst possible political motivation. What sort of sick minister plays politics with the education of Catholic children? What sort of sick minister is willing to deny them their proper funding because of a political deal cut before the last federal election? This is a perversion of due process, a perversion of the funding system and, in the minister’s own words, it is condemning the Catholic schools to a second-rate funding arrangement under ERI category 11. And who is winning in this arrangement? As the member for Dobell has repeatedly pointed out, part of the extra $140 million that should be going to Catholic schools is actually going to the former category 1 schools, the big winners under this particular legislation. They are getting $50 million extra that should have been going to Catholic schools. So how is that for equity? For all the minister’s mealy-mouthed rhetoric about caring for Catholic students and having an equitable, choice-driven funding system, he is denying those schools $140 million and giving $50 million of it to the former category 1 schools, the richest schools in the country. It is mealy-mouthed rhetoric. It is special deals behind closed doors and, at the end of the day, he will not even be publicly accountable for that perversion of process and perversion of justice in this country.

Dr Kemp—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (11.50 a.m.)—I used to have some respect for the clarity of thought of the member for Werriwa but that speech has certainly evaporated any remaining respect I might have had. His outrageous attacks on the Catholic education systems have no credibility whatever. He is totally wrong in saying that the Catholic school systems will continue to be funded according to the ERI. There is no truth in that whatsoever. The ERI is being completely abandoned. It is abandoned for the Catholic systems as it is for every other school in the non-government sector. What the government determined in relation to the Catholic systems is that, like other schools in the non-systemic area, they will be funding maintained. There would be a maintenance of the funding they were previously receiving.

Mr Latham—Category 11.

Dr Kemp—That was at a level of category 11. But they are not going to be funded in the future according to the ERI. It is simply untrue to say that the ERI is being maintained.

Mr Latham—It is. He just said that the funding is maintained.

Dr Kemp—The funding level that the Catholic schools obtained under the ERI, along with many other non-systemic schools that would possibly be disadvantaged by an application of the SES model, is going to be maintained at existing levels. Indeed there is some improvement in the funding for the Catholic schools, which the member for Dobell seems to be particularly concerned about—that is, that the funding for Catholic
schools will actually be going up as a result of this legislation.

The member for Werriwa also seems to be determined for the government to come in and dismantle these remarkable school systems which have been built up over quite a period of time, and he gives no weight whatever to the extraordinary achievement of the Catholic Church in providing schooling for some 650,000 students. The Catholic systems are unique in Australian schooling, and the government has recognised that uniqueness in this legislation. That is something that has been greatly welcomed by the National Catholic Education Commission, by all those in the Catholic Church, and it has certainly been recognised by others in the non-government sector. So the member for Werriwa, in his claims that special deals have been struck—for example, to induce the Catholic Church to go soft on the GST—shows what a fevered imagination is running around and distorting his view of school policy.

Catholic students, like students in the government sector and in other non-government schools, are benefiting from the government’s better-targeted special needs funding, particularly in areas like literacy and numeracy. Standards of education for these young people are going up all the time, and the government has set out exactly what arrangements it is proposing in this legislation. So, contrary to what the member for Werriwa says, there is complete transparency on these matters.

Mr LEE (Dobell) (11.54 a.m.)—I want to deal with this claim by the minister that there is complete transparency about the bill and remind him of a statement made by his spokeswoman, reported in an article in the Canberra Times on 24 August. The article stated:

A spokeswoman for Federal Education Minister David Kemp said the Government wanted the school’s funding Bill passed even if the figures on non-government funding increases were not available.

So it is so transparent that they want the bill passed through the parliament before we know what its impact will be. Hence our questions today. We have sought, on five occasions, to obtain from the minister the financial impact of this bill. On five occasions the minister has declined. He has refused to provide the parliament with information about how much extra funding will go to non-government schools because of the changes he has implemented. He still has not resolved the contradiction between the advice his department gave us in 1991 and the more recent advice that Catholic school funding had increased. He is shaking his head now. Are you trying to tell us by shaking your head that Catholic schools have not had their funding increased from $50 million to $100 million?

Mr DEPUTY SPEAKER (Mr Nehl)—The chair is not shaking its head.

Mr LEE—I know you would have more sense than to do that, Mr Deputy Speaker. We are certainly entitled to press the minister to try to obtain the information that would allow this parliament to make an informed decision about what is going to happen. The minister claimed, in his earlier comments, that the Labor Party was doing everything it could to delay the legislation. So let me deal with that. This minister announced these changes in May 1999 and then sat on his hands for 416 days before the parliament saw the legislation that implemented the 1999 budget decision.

When I was first elected to the Australian parliament, when we sat at the old Parliament House in the mid-1980s, on budget night the Treasurer would get up and deliver the budget and then dozens of bills would be introduced into the parliament immediately that implemented all the budget decisions that had been announced on budget night. The bureaucracy would prepare the legislation along with the budget so that on budget night the parliament could start debating the legislation that implemented the budget decisions. This is a budget decision, announced in May 1999. That minister sits on his hands for 416 days and then runs around trying to suggest that in some way the Labor Party are responsible because we are trying to ensure the parliament has the figures before we make a decision about the legislation.

We have made it clear that the Labor Party recognise that this bill has to pass be-
fore the end of the year. This bill provides $22 billion of funding to every government and non-government school in the country, in every state and territory. So we are trying to be cooperative in getting this legislation through, but it is outrageous for this minister to participate in this debate today and not be able to tell us what the impact of these changes will be. It is a completely untenable position.

I would like to pick up one point made by the honourable member for Werriwa. Our concern is not about the extra funding going to needy, non-government schools, whether they are in the Catholic system or the low fee Christian system. That is something we support. Our concern is the minister’s claim that this is a fairer way to allocate funding to non-government schools. I asked the minister and the minister knows that we have done an analysis which suggests that the top 62 category 1 schools will receive an average increase, by the year 2004, of $820,000 a year. That means that those category 1 schools will get an increase of $50 million a year in 2004. Minister, do you dispute the advice given by your officials to the Senate that ‘that is probably a good estimate’? Does the minister argue that his departmental officials misled the Senate committee when they said that that estimate was probably a good estimate? Is the minister prepared to dispute our claim that category 1 schools get an increase of $50 million a year under his proposal?

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (11.58 a.m.)—I can well understand the frustration of my officials, who go out of their way to brief the member for Dobell and to explain matters to him at great length—for example, in relation to funding for disabled students in schools—and then find that he seems not to have understood the briefing in any way and comes into the House and makes misleading statements.

I sometimes have the impression that he has a hearing problem. We have made this point on a number of occasions—he seems not to have heard it—that category 1, in which he places an almost religious faith, is a category in a totally discredited funding system. Whatever figures my officials gave in the Senate in relation to category 1 schools have no bearing on the amount of money that will be going to the 62 schools serving the wealthiest communities in Australia. Those 62 schools in category 1 are not the 62 schools serving the wealthiest communities in Australia. As I have said on numerous occasions, and I will repeat it briefly now, the schools in category 1 have SES scores ranging from 93 to 130. All this shows is the complete corruption of the ERI system that Labor engineered during its time in office.

Mr LEE (Dobell) (Midday)—A simple question: did the minister’s officials mislead the Senate when they said that $50 million a year to category 1 schools was probably a good estimate? Did your officials mislead the Senate? The silence in the chamber is because this minister does not have the courage to stand at that dispatch box and give us a clear answer. Did his officials mislead the Senate when they said that an extra $50 million a year was going to the category 1 schools? Why don’t you have the courage to get up here now and answer that question? You know what the answer is! You know an extra $50 million a year is going to those category 1 schools. Why don’t you have the courage to stand up and confirm that like your officials did in the Senate?

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (Midday)—This is confected outrage from the member for Dobell. He has constantly tried to mislead this parliament about what the officials said in the Senate inquiry. He has said that the officials said to the Senate inquiry that $800,000, or thereabouts, on average—and of course no school receives average funding—will go to the 62 wealthiest schools in Australia. My officials did not say that. My officials never claimed in the Senate inquiry that the schools in category 1 were the 62 wealthiest schools in Australia. My officials did not say that. My officials never claimed in the Senate inquiry that the schools in category 1 were the 62 wealthiest schools in Australia. The member for Dobell has consistently tried to mislead people by saying that my officials said that. He has issued press releases about that. He has said that in
Mr LEE (Dobell) (12.01 p.m.)—He is clearly trying to argue that his officials did mislead the Senate, and that is something we will be pursuing in the Senate. Let’s get on to a more recent misleading. This morning on Radio National the minister was asked about the funding going to the wealthy schools, and he said this:

Why shouldn’t middle income families have access to well resourced schools in the non-government sector as well? But those schools, the schools serving the very wealthiest communities, will receive in the end about 13, 14, 15, 16 per cent of what they would get if they sent their child to a government school.

That is what the minister said on Radio National this morning. But in a surprise development during the minister’s second reading response, he had a very different answer. He said that none of the schools serving the wealthiest communities in Australia would receive more than 24 per cent. So, minister, which is it? Is it 13, 14, 15, 16 per cent—which you said this morning—or is it 24 per cent or more, as you said in the second reading debate? When were you misleading the Australian public: when you were on radio this morning or when you were responding in this House?

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (12.03 p.m.)—There has been absolutely no contradiction between those two statements. Anybody who reads those statements will see that there is no contradiction between them. The Labor Party, as we know, believes that anybody on a middle income in Australia is wealthy. So I think the Labor Party include among the wealthiest people in Australia something like 50 per cent or 60 per cent of the population. When I refer to the very wealthiest schools or the schools serving the wealthiest communities in Australia and say that they receive essentially no increase in income as a result of the bill, I am referring to people whom most of the Australian community regard as the very wealthiest in the community. If the Labor Party were to stop trying to expand the category of wealthy to include most people in the community, it would be able to understand what I am saying.

Mr LEE (Dobell) (12.04 p.m.)—Let’s try to clarify this. Minister, do you stand by your statement this morning on radio when you said:

... those schools, the schools serving the wealthiest communities, will receive in the end about 13, 14, 15, 16 per cent of what they would get if they sent their child to a government school.

Do you stand by what you said on Radio National this morning—yes or no?

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (12.04 p.m.)—Yes. And I refer the member for Dobell to page 3 of the amendments which have been circulated and which give the updated figures.

Mr LEE (Dobell) (12.04 p.m.)—Does the minister stand by his statement in the second reading debate in which he said that of the 62 wealthiest schools—presumably assessed under SES in the way he tries to muddy the waters—none would receive more than 25 per cent of AGSRC. Do you stand by that statement too, Minister?

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (12.05 p.m.)—Yes.

Mr LEE (Dobell) (12.05 p.m.)—Black is white, white is black, war is peace—this man will say anything. The other point to make is that on the minister’s own simulation the summary tables that were produced with the 1999 SES simulation actually had a breakdown for each of the categories 1 to 12. Remember that these are the ERI categories that he says we should not talk about anymore. His own analysis, which he sought to use to demonstrate that the SES was fairer, actually had the results of the simulation in summary form for each of the categories. Minister, according to the tables in the report you released with the 1999 budget, it is clear that the average SES score of category 1 schools in the simulation—46 of the 62 schools in category 1 participated in the simulation—was 119. When you go to an SES score of
as 119. When you go to an SES score of 119—that is the average, remember; not the greatest or the lowest, but the average—your own figures demonstrate that they are to receive 27.5 per cent of AGSRC just from the federal government. When you top that up with about two per cent or three per cent from the relevant state government, it is quite clear that total public funding for each of the schools in category 1 is being increased by about $800,000 a year by 2004. Minister, do you dispute the tables in your own documentation on category 1 schools that you released under your name in 1999?

**Mr Lee** (Dobell) (12.07 p.m.)—I draw the House’s attention to the fact that in that exchange across the table the minister confirmed that category 1 schools will have an average SES weighting of 119. That is something we are pleased to hear the minister confirm. Will the minister also confirm that under his own funding tables it is clear that for secondary schools if you are a category 1 school with an SES rating of 119 you will receive 25 per cent of AGSRC. True or false?

**Mr Lee** (Dobell) (12.09 p.m.)—Let us try to clarify what is a wealthy school. Is the minister aware that at least 39 of the 62 category 1 schools charge school fees of more than $10,000 a year? Does the minister consider a school that charges fees of $10,000 a year a wealthy school? We might be entitled to ask: why shouldn’t the fees that are charged by a school in some way be assessed in determining the funding that flows to a school? Let me give him a theoretical example. If the Gold Coast or the Illawarra have a grammar school and a Christian school that cover those areas and the grammar school charges $10,000 a year, the low fee Christian school charges very little each year and the parents live in the same CCDs, then under his formula they would get the same level of federal funding. Surely, minister, you accept that the category 1 schools—with 39 of the 62 charging fees of more than $10,000 a year—are wealthy. How can you claim that those schools have a greater need for scarce dollars in education when there is enormous need in government schools and when there are real needs in Catholic schools? Many of those low fee independent and low fee Christian schools have much greater needs than the category 1 schools that are claiming $10,000 a year. How can you claim that a school that charges fees of $10,000 a year is not wealthy?

**Dr Kemp** (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (12.08 p.m.)—The member for Dobell specialises in meaningless points. These are not the funding levels for the 62 wealthiest schools in Australia. I shall not rise to my feet to make that point again. The member for Dobell does not seem to understand even the simplest matters concerned with school funding or the SES—a fair and transparent way of assessing the wealth of school communities. He is dedicated to maintaining the Labor Party’s commitment to a funding system which everybody else rejects.
non-government schools. If you go to schools like Sydney High School or Melbourne High School, you are dealing with schools that have exceptional resourcing, that get millions of dollars in capital funding over the years to build up their resources. It is our view that parents have a right to choose schools in both sectors. Parents who choose schools in the non-government sector, well-resourced schools, are saving taxpayers vast amounts of money. What the SES funding model does is to move away from this concept of wealthy schools to wealthy school communities. We look at the wealth of school communities and what parents can afford.

What we are putting in place is a very transparent funding system based on the wealth of school communities. That is a much better approach than the Labor Party’s notional, and indeed often politically determined, categorisation of schools. So the member for Dobell once again is the last voice defending a funding system which has been rejected by everybody else in the non-government sector. We are replacing it with a funding system which looks not at the resources of schools, but at the resources of families and asks whether the families at those schools deserve some public support. There is public support for every family because every young Australian contributes to the wellbeing of this country in some measure as a result of their public education. This is not accepted by the Australian Education Union but it is the view of this government.

The government has put down a very fair funding schedule to support these parents who are saving the taxpayer—other taxpayers themselves—a great deal of money. Indeed, something like $2 billion a year is being saved to the budget by parents who access non-government schools. This is $2 billion which is available to help build up public education in this country. These are families which are paying their full taxes. They are paying something additional to that. We believe that there should be support for these families in their choice of school. We are not giving them support that is more than a fraction of what they would receive if they chose to send their children to a government school, but we are giving them some support. Contrary to the views of the Labor Party, we believe that families on middle and lower incomes should get support that enables them to exercise choice of school. That is what this legislation implements.

Mr DEPUTY SPEAKER (Mr Nehl)—Before I allow the debate to proceed I wish to point out to the House that we are in consideration in detail. We are considering amendments. The standing orders provide that debate associated with consideration in detail should relate specifically to the content of the amendments. The chair so far has been generous in allowing a very wide-ranging debate. I would suggest that most of the issues which have been covered have already been canvassed in the second reading debate. So without wishing to restrict the rights of anybody, I would remind the House that we are in consideration in detail. It is not the opportunity to restate arguments used in the second reading debate. Any comment should be restricted to the content of the amendments.

Mr LEE (Dobell) (12.15 p.m.)—Mr Deputy Speaker, thank you for facilitating what, unfortunately, has become an unusual occurrence in this chamber—that is, some genuine debate across the table, something which I appreciate the minister participating in today and something which I certainly believe should be encouraged with as much legislation as possible rather than having people on both sides of the House read out speeches during the second reading debate that do not engage the issues that are important to the kids who are up in the gallery today and are going to have their futures influenced by what happens in this bill. Thank you for your advice and warning, Mr Deputy Speaker.

I want to put one question to the minister, and it is a very important question. He claims that the allocation of funding in this bill is reasonable and that he is using this new SES measure to try to determine the wealth of communities who send their kids to a particular school. We have referred to certain schools that do charge very high fees—$10,000 a year. Will the minister give the House an assurance that schools which charge $10,000 a year will not get large
$10,000 a year will not get large increases? We have alleged the average will be $820,000 a year. Minister, will you give the House an assurance that the schools which charge $10,000 a year will not get substantial increases under your new SES funding formula? Please give us that assurance if you believe that to be the case.

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (12.16 p.m.)—The schools serving the wealthiest communities in Australia will, as I have previously said—and anyone can check by looking at page 3 of the government amendments—get funding at 13.7 per cent of AGSRC, the average government school recurrent costs index, if their SES score is 130 or greater; they will get 15 per cent of AGSRC if their SES score is 129; they will get 16.2 per cent if their score is 128; they will get 17.5 per cent if their score is 127; they will get 18.7 per cent if their score is 126; and so on. Any member of the House looking at that table can quickly see what percentage they will get according to the wealth of their parent body. That is a fair basis on which to provide support. It is a needs based funding system that takes into account the needs of parents in a way that the existing funding system does not. This funding model is designed to encourage parents to continue to invest in education. We have on the other side of the House a party which claims to believe in the knowledge nation, yet has a policy which discourages investment in education.

Mr Lee interjecting—

Dr KEMP—No, I will not even refer to—

Mr Lee—you did.

Dr KEMP—I referred to the knowledge nation; I will not refer to the members who will be conscripted by the Leader of the Opposition to prepare the knowledge nation policy. I will leave that to one side; I will not make a comment on that. Here is a political party which claims to believe in the knowledge nation, yet has a policy which discourages investment in education.

The member for Dobell is obviously deeply concerned that some parents on middle incomes will be working extremely hard—both parents working—to pay the school fees. This troubles him a great deal. He thinks that, if they worked really hard to send their child to a well-resourced school, then somehow or other we should cut them off at the knees and not provide them with support at the sorts of levels spelt out here. Here we have spelt out in a very transparent way a needs based funding system, which everyone can see. You could not see that with Labor’s funding system. Under the ERI you could not determine what level of support a school would get from its ERI score. Under this funding system you can determine from a school’s SES score what funding support it will get.

The government believes that that is a very fair schedule of support. Many parents would say it is not enough. They would say to me and to the member for Dobell, ‘I am paying all my taxes. I could send my child to a school in the government sector for free or for the voluntary fees that I have to pay, which are not very much. Why are you saying when I choose I am going to get very little support? When my child goes to university, I can get 70 per cent support subsidy, but when I send my child to school you are going to provide me with only 20 per cent support. Why is that fair?’ Parents say that. We believe what we have put here is a very fair funding schedule to restore equity to non-government school funding.

Mr DEPUTY SPEAKER (Mr Nehl)—I say to the House that again the last intervention by the member for Dobell and the response by the minister had absolutely nothing to do with the clauses before the House. At the moment we are dealing with government amendments Nos 1, 2, 3 and 4. The intervention by the member for Dobell and the response were on amendment No. 7. That will come up in the motion after next. I implore those participating in this debate to speak to the amendments before the House.

Mr Lee—I accept your decision, Mr Deputy Speaker.

Mr DEPUTY SPEAKER—It is not a decision.
Mr Lee—But I draw to your attention to the fact that amendments Nos 1 to 4 affect the funding for all schools because of the way the AGSRC indexation affects the funding for every school. I think we are entitled to have a broad ranging debate.

Mr DEPUTY SPEAKER—We will come to amendment No. 7 on SES funding for primary education in the motion after next. In the interests of facilitating the passage of the legislation through the House, without restricting debate try to stay where we are supposed to be.

Mr LATHAM (Werriwa) (12.21 p.m.)—I want to address amendment No. 4, in particular schedule 4, general recurrent grants for non-government schools. It provides extensive information about the funding for the non-government school sector. Almost two-thirds of that sector of course are Catholic schools. I wish to raise issues that were mentioned earlier in debate by the minister. His comments really do not stack up. He was saying that Catholic schools funding will be maintained at the equivalent of category 11 and that has nothing to do with the old ERI system. He is really presenting six of one, half a dozen of the other. His comments do not stack up. We all know that the funding maintenance of Catholic schools at category 11 is the ERI equivalent just converted, rubber-stamped, into this SES format. There is no SES application to the Catholic schools under schedule 4; they are just being rubber-stamped, duckshoved, straight over into the SES equivalent of category 11. That is the plain fact.

Then the minister went further, trying to give an explanation as to why they are being funding-maintained. It was an extraordinary statement for the minister to make. He said that the Catholic schools are being funding-maintained because they would otherwise be disadvantaged under the SES system. He has put the argument that funding maintenance of Catholic and other non-government schools is happening because they would otherwise be disadvantaged if the SES was to be applied to them. It is true of non-Catholic, non-government schools but it is not true of the Catholic sector, according to their own words. I repeat what Tom Doyle had to say at the Senate committee:

The Catholic systems would have actually benefited more from an aggregation according to SES levels … They would not be disadvantaged by the application of SES. In fact, they would benefit. They would be advantaged by this application. They do not need funding maintenance. They need their just amount under the full SES model.

Effectively, the minister is creating three classes of non-government school in this country. The first class can be described as the ‘non-Catholic winners’ under schedule 4. They are the non-Catholic schools which benefit from the SES funding application and are getting that benefit. The second class of non-government school can be described as the ‘non-Catholic no-losers’. They are non-Catholic schools that would be disadvantaged by the application of SES and they are keeping the equivalent of their ERI amount. The third class of non-government school and the most disadvantaged class in this particular schedule are the Catholic schools. They are not disadvantaged by the SES so they do not get the no-loser rule applied to them; they would in fact be winners under the SES system but they are not getting the benefits of that success. They are not getting the advantages of SES application. They are getting $100 million at their category 11 equivalent when they deserve $240 million if they went to the full SES system, as outlined by Tom Doyle. So why should Catholic schools in this country be a third-class, non-government school, the weakest class in this particular legislation? It is just not fair. It is not fair and reasonable. We all know the reason. It is because there has been a special deal behind closed doors to arrive at this arrangement set out in schedule 4.

The minister was saying, in his other defence, that if one applied the SES system to the Catholic schools it would be the end of their systemic approach. That of course is absolute nonsense. SES funding would still allow the systemic management of those schools, the systemic management of curriculum development, the systemic management of employment arrangements and the
staffing of teachers, the systemic management of the assessment and testing of students, and the systemic management of the provision of various teaching materials in the Catholic schools. There is no argument to say that SES busts up the Catholic system. They would be administered on a systemic basis. All I am asking is that those schools get their just allocation—that they get their just rewards under an SES system. If they were not to be categorised as third-class schools, if they got the same arrangements as the first-class non-government schools, they would receive $240 million additional under this bill, not the $100 million that the minister is providing.

The minister’s argument does not stand up. I ask him: why is it that the non-Catholic schools advantaged under the SES model are getting their full funding but the Catholic schools that would be advantaged under SES are not getting their full funding? Why has he created a third class of school for Catholics, and the Catholics alone? (Time expired)

Mr DEPUTY SPEAKER (Mr Nehl)—The minister?

Mr LATHAM (Werriwa) (12.26 p.m.)—I am surprised the minister won’t answer. Perhaps it is because to answer my question would be to reveal the detail of his backroom deal with the Catholic Education Commission, to reveal the detail of what happened prior to the 1998 election. Minister, it is a simple question: why is it that the non-Catholic schools advantaged under the SES model are getting their full funding but the Catholic schools that would be advantaged under SES are not getting their full funding? Why has he created a third class of school for Catholics, and the Catholics alone? (Time expired)

Mr DEPUTY SPEAKER (Mr Nehl)—The minister?

Mr LATHAM (Werriwa) (12.27 p.m.)—Unfortunately, that does not answer the legitimate question I asked of the minister. It does not answer the detail set out in schedule 4. But it does raise the question of why are we here? Why are we here debating a $2 billion allocation of public money to Catholic schools if not for the benefit of Catholic school students? Are we here to use this legislation for some political deal, some political arrangement? Are we here to use it for the particular benefit of the Catholic Education Commission, or are we here in the public interest to try and advantage Catholic school students?

The minister should not say that it is all right for the Catholic Education Commission to have signed up to this deal when the parliament now knows that they are being short-changed in their schools. Surely the first responsibility of the education minister is to the students—not the administrators in the Catholic system but the students. I, for one, and I know many other members, have been to Catholic schools and meetings with P&Cs where we would be looking at the sort of material in schedule 4. They would all be saying, ‘Why can’t we have more public money? We need more public money in our needy schools. Why can’t we have more public money?’ Well, here is an opportunity to do that. But instead of delivering the $240 million that should go to those schools under SES funding, they are getting $100 million. They are being short-changed by $140 million, the equivalent of seven per cent of their funding.

Next time we go to a Catholic P&C and talk about these matters, I will be reporting
that the Catholic Education Commission and the minister signed up for a deal which short-changed them by seven per cent of their funding, short-changed their particular school by seven per cent and the schools in aggregate by $140 million. It is not good enough. It betrays the interests of Catholic students in communities like mine in Campbelltown and Liverpool in the south-west of Sydney. It betrays their interests, all for the sake of the convenience of the Catholic Education Commission, which wants to split up this money itself rather than through the national SES system. It betrays the interests of Catholic school students for the convenience of the minister, who is able to make special arrangements and special deals prior to each federal election.

The most disturbing aspect of this is that it is not the end. When the officials of the commission were asked at the Senate committee what will happen at the end of the quadrennium, they said, ‘We’ll have another discussion with the government.’ That is code for saying, ‘We’ll have another special deal, and we’ll try and link this to some political arrangement in the future.’ Special deals should be out. Special deals are not acceptable under the principles of state aid, where every non-government school should be treated on its merits, should be treated according to a needs based assessment of its funding.

So I am dissatisfied with the information provided in schedule 4 because it short-changes those schools. They are not schools which would otherwise be disadvantaged by the application of SES. Minister, they do not fit the reason you gave the parliament earlier on. They are not going to be disadvantaged by the application of SES; in fact, they would be advantaged. A minister who cared truly about the interests of students in Catholic schools would give them that advantage, would give them their full SES funding and boost this schedule 4 funding for Catholic schools by seven per cent. Minister, you do not care about those students. No-one with a good conscience, a good heart and a good mind on these matters could sit there knowing that we are about to pass through this parliament a schedule which denies those students seven per cent of their funding, which denies in aggregate $140 million for students. In areas like Campbelltown parents are struggling to give children their best start in life, and you are sitting there willing to deny them funding under this particular schedule 4.

It is a shameful moment for the parliament to have this information before us and to know that there is a minister who will not act, a minister who puts the interests of the Catholic Education Commission and, as he described it, the Catholic Church ahead of the students themselves. There would be no church without those students. There would be no Catholic Education Commission without those students. They deserve their funding. As I pointed out earlier, they would not otherwise be disadvantaged. They should not have the application of the no-loser rule put to them because they in fact would be winners under the SES system. Of course, the Catholic schools would still be administered under systemic arrangements in all the core aspects of education. It is the running of the schools that matters in a systemic arrangement, not so much the funding methodology. The funding methodology here, Minister, is something that you have said you are very proud of and you are willing to apply to non-government schools. Why exempt two-thirds of non-government schools and basically say, ‘I’m not proud enough of this system to apply it to the Catholics’? Why downgrade the Catholics to third class non-government schools, the most disadvantaged out of this provision? (Time expired)

Mr DEPUTY SPEAKER (Mr Nehl)—In the interests of accuracy, I remind the House that, although the member for Werriwa has been referring to schedule 4, in actual fact he is debating amendment 4, which covers schedule 1.

Mr EMERSON (Rankin) (12.32 p.m.)—I am concerned about $140 million having apparently been forgone by the Catholic system. In my electorate of Rankin very recently I toured a very low income Catholic school, St Paul’s in Woodridge. This school is in a suburb where the unemployment rate is 25 per cent and where the lifetime chances of children depend crucially upon getting a
good education. In touring the school I was shown projects that have been initiated by the local parents and friends association worth in the order of hundreds of dollars. They were very proud of those improvements, and the purpose of our visit was so that the school could highlight to me the critical shortage of funding in that school.

Now we learn through the debate on this legislation, as raised by the member for Dobell, the member for Werriwa, the member for Lalor and others, that a full $140 million has apparently been forgone by the Catholic system, all under the name of being able to determine itself where the money is actually allocated amongst the various schools.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The honourable member for Rankin will resume his seat. Reluctantly, I have to start to restrict the generosity of the chair. The honourable member for Rankin is again speaking about the motion after next, and we are debating now amendments 1, 2, 3 and 4. I would be grateful if you could restrict your remarks to the contents of the amendment, which is dealing with figures—not the arguments, the contents of the amendment. Otherwise, you are out of order and I will not allow you to continue.

Mr EMERSON—Mr Deputy Speaker, I wish to address my remarks to clause 4, and I am pointing out that there has been an injustice in that schools such as St Paul’s in Woodridge are missing out on vital funding, all under the name of the government and the Catholic education system saying, ‘We will work out where this money is going and it is none of your business’—

Dr Kemp—Mr Deputy Speaker, I raise a point of order. You have laid down very clear guidelines for this debate. The member for Rankin is in breach of these guidelines. The amendment No. 4 which he claims to be debating has nothing to do with the matter that he is now discussing, and I ask you to sit him down.

Mr DEPUTY SPEAKER—I uphold the point of order. You have laid down very clear guidelines for this debate. The member for Rankin is in breach of these guidelines. The amendment No. 4 which he claims to be debating has nothing to do with the matter that he is now discussing, and I ask you to sit him down.

Mr DEPUTY SPEAKER—I will not sit the member for Rankin down. I will allow him to continue, provided he concerns himself with schedule 1, page 111, lines 1 to 7.

Mr EMERSON—Mr Deputy Speaker, the point I am making is that clause 4 does not provide sufficient funds, and in not providing sufficient funds—

Mr DEPUTY SPEAKER—I am sorry, we are not talking about clause 4.

Mr EMERSON—I am very concerned about this school. I am also resentful of being gagged on this matter.

Mr DEPUTY SPEAKER—Order! Resume your seat, and do not defy the chair. We are not talking about clause 4; we are talking about amendment 4, which is schedule 1. Please continue on amendment 4.

Mr EMERSON—Thank you, Mr Deputy Speaker. I am, of course, referring to amendment 4, though I must say that the point raised by the minister is, in my view, a pedantic one and one that is designed to stop me from raising these issues.

Mr DEPUTY SPEAKER—Order! Resume your seat. I call the honourable member for Dobell.

Mr LEE (Dobell) (12.36 p.m.)—I acknowledge that you have been very generous to us, Mr Deputy Speaker, in this debate—

Mr DEPUTY SPEAKER (Mr Nehl)—I think I have.

Mr LEE—But for the record I want to make the point that those of us who are campaigning to reform debate in this chamber do have the right to argue in favour of an amendment. We do not just have to speak about what the amendment is and how it can be improved; we can argue about the content of the amendment.

Mr DEPUTY SPEAKER—I agree totally with the honourable member but that argument must be in relevance to the amendment.

Mr LEE—For example, I could argue that amendment No. 4 does not provide sufficient funding to a school in my electorate or another electorate, because that would imply that amendment (4) could be altered to provide such funding. I am not seeking to revisit your previous ruling.

Mr DEPUTY SPEAKER—You have suggested that the minister was being pedantic and that I was therefore, by inference,
being pedantic in supporting his point of order. Let me point out to the House that amendment (4) is changing amounts of money. That is all it is doing: ‘Secondary 6,294’ up to ‘6,622’—they are probably billions—as an example. That is the only change that is taking place with this amendment. While in general terms I accept your point that argument may be advanced, the argument that you would need to advance would be the argument as to why that figure should be changed. Each figure is going up in value.

Mr LEE—Perhaps it might assist the House if you would allow amendments Nos 1 to 4 to be put to the House and we would move on to the next amendments, (5) and (6), which deal with government schools, and then on to (7) to (10), which deal with non-government schools. If that will assist the chair, I am sure that will allow a very broad debate, given that the amendments cover such wide ranging figures for many schools. So perhaps we will let the House make a decision on amendments (1) to (4) if that will assist you, Mr Deputy Speaker.

Mr DEPUTY SPEAKER—I thank the honourable member for Dobell, and I will pay attention to the next motion when we get to it.

Amendments agreed to.

Amendments (by Dr Kemp)—by leave—proposed:

(5) Schedule 2, page 112 (lines 1 to 8), omit the Schedule, substitute:

SCHEDULE 2—GENERAL RECURRENT GRANTS FOR GOVERNMENT SCHOOLS

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Note: The operation of sections 102, 103 and 104 may affect the amounts in columns 3, 4, 5 and 6.

(5) Schedule 3, page 113 (lines 1 to 9), omit the Schedule, substitute:
### SCHEDULE 3—CAPITAL GRANTS FOR GOVERNMENT SCHOOLS

Note: See section 54.

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Note 1: Amounts for 2005, 2006 and 2007 will be inserted by an amending Act.

Note 2: The operation of section 106 may affect the amount of the grants.

Mr LEE (Dobell) (12.39 p.m.)—Amendments (5) and (6) provide for both recurrent and capital funding for government schools, and I would like to put a few questions to the minister through you, Mr Deputy Speaker. First of all, in schedule 2 it is clear that in column 2 recurrent grant funding for government schools for primary education is 8.9 per cent of AGSRC; for secondary education it is 10 per cent of AGSRC. They are different figures and, given the fact that the government has decided in its new funding system for non-government schools to have a minimum funding level of 13.7 per cent for both primary and secondary non-government schools, I am wondering why the government has not given consideration to doing the same thing for government schools, which would provide a significant increase to funding for many needy primary schools throughout the country.

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (12.40 p.m.)—The point I am trying to make is that, if the government saw fit to bring the figures together for non-government schools, why not bring the figures together—raise the figures up—for primary education so that government schools are treated in the same way as non-government schools? It would provide a very needed increase in funding for public primary schools right across the country. Minister, why should there be one rule for government schools and a different rule for non-government schools? Why should government schools be treated less well than the private schools?

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (12.41 p.m.)—I may ask the member for Dobell whether it is now Labor Party policy to bring the funding levels for primary and secondary education together.

Mr Lee—For government schools, yes.

Dr KEMP—No, let us be precise about it. Is it now Labor Party policy to have primary education and secondary education funded at the same levels so that the percentage of AGSRC that the government schools receive is 13.7 per cent?
Commonwealth provides is identical for both sectors?

Mr LEE (Dobell) (12.41 p.m.)—I do not need to ask the minister if it is his government’s policy to have identical levels for non-government schools, because it is doing that in this bill. The question that I am putting to Australia’s minister for education is this: if you are going to change it for non-government schools, why don’t you change it for government schools at the same time? Why should government schools be treated less well than private schools? That is the question for the minister.

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (12.42 p.m.)—The funding distribution between primary and secondary education, as I have said, is traditional and the government is maintaining the same approach as that when the Labor Party was in office. However, if the member for Dobell is proposing now that the Labor Party has changed its position on that matter, I dare say that will have a substantial cost which he may care to detail at some time in the Labor Party’s education policy.

Mr DEPUTY SPEAKER (Mr Nehl)—Before I call the honourable member for Dobell, I again put it to the chamber that we are in the consideration in detail stage and that any debate must be relevant to the actual amendments being discussed. In schedule 2 and schedule 3 in amendments (5) and (6) we are talking about general recurrent grants for government schools, capital grants for government schools, and the effect of these amendments is to change—to increase in general—the amounts going to them. There is no reference to private schools and we should be confining our debate to the issue in these two amendments.

Mr LEE (Dobell) (12.43 p.m.)—What you have just said, Mr Deputy Speaker, raises a number of very important questions for those of us who want detailed debate in this chamber in the consideration in detail stage. Perhaps I might pursue this later privately with you and the Speaker, but for the record I strongly disagree with your suggestion that the House should not be able to talk about funding for non-government schools if a certain change has been made to non-government schools but the same change has not been made in schedule 2 that affects government schools. I would argue very strongly that it is completely within the standing orders for me to argue that a change that has taken place in another part of the bill should also take place in schedule 2, the schedule that is currently before the House.

Mr DEPUTY SPEAKER (Mr Nehl)—I think your proposition is fair and I will allow you to continue.

Mr LEE—The point we are seeking to make is that the funding for government schools is not adequate. One way to improve funding for government schools is to have primary and secondary schools funded at the same rate. The government has done that with its minimum AGSRC funding for non-government schools and it should be giving consideration to having the same thing here. The other way that the government is reducing funding for government schools is through the continuation of the enrolment benchmark adjustment system, which has already taken $60 million away from government schools.

Dr Kemp—Mr Deputy Speaker, I rise on a point of order. This amendment has nothing whatever to do with the enrolment benchmark adjustment. The member for Dobell is now being irrelevant, and I suggest that you ask him to bring his remarks to a conclusion.

Mr DEPUTY SPEAKER—The chair throughout this debate has endeavoured to be fair and to allow the opportunity for all members to put their view. I think I shall have to go back to what I said earlier: the debate took place in the second reading debate, and these two amendments do nothing but change the amounts of money. They have no impact on the philosophy or the way in which the money is allocated. All they do is substitute one
schedule for another. I come back in a general way to the point that I am making, which is that debate should be confined to the content of the amendments.

**Mr LEE**—I know you have to enforce the standing orders, and of course I will always accept your rulings and perhaps discuss with you privately my views on how we can improve the debate in the chamber. But perhaps it could assist the House if I could move that in schedule 2, column 3, primary education be increased by $1, from $450 to $451. I am making that proposal because I believe that that will provide additional funding to government schools throughout the country. The reason why government schools should receive additional funding throughout the country is that this government is using the enrolment benchmark adjustment to unfairly remove funding from government schools. The enrolment benchmark adjustment is completely unfair, and it is unfair in several ways—

**Mr DEPUTY SPEAKER**—Before we proceed, I have to say to the honourable member for Dobell that his amendment is out of order. It is out of order because you have not submitted it in writing—but that is only nitpicking. More importantly, it is totally outside the standing orders to move to increase funding. To do that, you have to have a message from the Governor-General, and, while you might have an outstanding future in front of you, you are not in that position yet. Therefore your amendment is out of order.

**Mr LEE**—It was a good try, Mr Deputy Speaker. Perhaps I could say that amendments 5 and 6—

**Mr DEPUTY SPEAKER**—I should mention that you may move to reduce the funding, but you cannot move to increase it.

**Mr LEE**—That is not my intention.

**Mr DEPUTY SPEAKER**—I thought not.

**Mr LEE**—My argument is that in schedule 2, amendments 5 and 6—

Motion (by Mr Ronaldson) put:

That the question be now put.

The House divided. [12.52 p.m.]

(Mr Deputy Speaker—Mr G.B. Nehl)

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Billson, B.F.  
Bishop, J.J.  
Cadmam, A.G.  
Causley, L.R.  
Costello, P.H.  
Elson, K.S.  
Fahey, J.J.  
Forrest, J.A.  
Gambard, T.  
Georgiou, P.  
Hardgrave, G.D.  
Hockey, J.B.  
Jull, D.P.  
Kelly, D.M.  
Lawler, A.J.  
Lindsay, P.J.  
Macfarlane, I.E.  
McArthur, S*  
Moore, J.C.  
Nairn, G. R.  
Neville, P.C.  
Prosser, G.D.  
Reith, P.K.  
Schultz, A.  
Slipper, P.N.  
Southcott, A.J.  
Stone, S.N.  
Thompson, C.P.  
Truss, W.E.  
Vale, D.S.  
Washer, M.J.  
Wooldridge, M.R.L.  

**NOES**

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Andren, P.J.  
Burke, A.E.  
Corcoran, A.  
Crean, S.F.  
Edwards, G.J.  
Emerson, C.A.  
Ferguson, L.D.T.  
Fitzgibbon, J.A.  
Gibbons, S.W.  
Griffin, A.P.  
Hatton, M.J.  
Horne, R.  
Jenkins, H.A.  
Kerr, D.J.C.  
Lawrence, C.M.  

Abbott, A.J.  
Andrews, K.J.  
Bailey, P.E.  
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Billson, B.F.  
Bishop, J.J.  
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Hockey, J.B.  
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Adams, D.G.H.  
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Edwards, G.J.  
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Bishop, B.K.  
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Cameron, R.A.  
Charles, R.E.P.  
Draper, P.  
Entsch, W.G.  
Fischer, T.A.  
Gallus, C.A.  
Gash, J.  
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Hull, K.E.  
Katter, R.C.  
Kemp, D.A.  
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Pyne, C.  
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Secker, P.D.  
Somlyay, A.M.  
St Clair, S.R.  
Sullivan, K.J.M.  
Thomson, A.P.  
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Wakelin, B.H.  
Williams, D.R.  
Worth, P.M.  

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O’CONNOR, G.M.  
PlIBERSK, T.  
QUICK, H.V.  
ROXON, N.L.  
Sawford, R.W.*  
Sercome, R.C.G.*  
SMITH, S.F.  
Swan, W.M.  
Thomson, K.J.  
Zahra, C.J.  

MARTIN, S.P.  
McFARLANE, J.S.  
MELHAM, D.  
MOSSFIELD, F.W.  
O’BYRNE, M.A.  
O’KEEFE, N.P.  
Price, L.R.S.  
Ripoll, B.F.  
Rudd, K.M.  
Sciacca, C.A.  
Sidebottom, P.S.  
Snowdon, W.E.  
Tanner, L.  
Wilkie, K.  

PAIRS  
Howard, J.W.  
Beazley, K.C.  

* denotes teller  

Question so resolved in the affirmative.  
Amendments agreed to.  
Amendments (by Dr Kemp)—by leave—proposed:  

(7) Schedule 4, page 114 (line 1) to page 119 (line 5), omit the Schedule, substitute:

SCHEDULE 4—GENERAL RECURRENT GRANTS FOR NON-GOVERNMENT SCHOOLS

Note: See subsection 4(1) and sections 59, 60, 61, 62, 63, 72, 125, 126, 127, 128 and 129.

PART 1—SES FUNDING FOR PRIMARY EDUCATION

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Note: The operation of sections 102 and 103 may affect the amounts in columns 3, 4, 5 and 6.
### SES funding for secondary education

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Note: The operation of sections 102 and 104 may affect the amounts in columns 3, 4, 5 and 6.

### PART 3—YEAR 2000 FUNDING FOR PRIMARY EDUCATION

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### Year 2000 funding for primary education

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Note: The operation of sections 102 and 103 may affect the amounts in columns 2, 3, 4 and 5.

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Note: The operation of sections 102 and 104 may affect the amounts in columns 2, 3, 4 and 5.

(8) Schedule 5, page 120 (lines 1 to 9), omit the Schedule, substitute:
SCHEDULE 5—CAPITAL GRANTS FOR NON-GOVERNMENT SCHOOLS

Note: See section 73.

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<td>76,940</td>
</tr>
<tr>
<td>2005</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
</tr>
</tbody>
</table>

Note 1: Amounts for 2005, 2006 and 2007 will be inserted by an amending Act.

Note 2: The operation of section 106 may affect the amount of the grants.

(9) Schedule 6, page 121 (lines 1 to 8), omit the Schedule, substitute:

SCHEDULE 6—GRANTS OF TRANSITIONAL EMERGENCY ASSISTANCE FOR NON-GOVERNMENT SCHOOLS

Note: See section 74.

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program year</td>
<td>Amount of grants ($'000)</td>
</tr>
<tr>
<td>2001</td>
<td>2,200</td>
</tr>
<tr>
<td>2002</td>
<td>2,131</td>
</tr>
<tr>
<td>2003</td>
<td>696</td>
</tr>
<tr>
<td>2004</td>
<td>696</td>
</tr>
</tbody>
</table>

Note: The operation of section 105 may affect the amount of the grants.

(10) Schedule 7, page 122 (lines 1 to 7), omit the Schedule, substitute:

SCHEDULE 7—GRANTS FOR ESTABLISHMENT ASSISTANCE

Note: See section 75.

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program year</td>
<td>Amount of grants ($'000)</td>
</tr>
<tr>
<td>2001</td>
<td>859</td>
</tr>
<tr>
<td>2002</td>
<td>1,289</td>
</tr>
<tr>
<td>2003</td>
<td>1,289</td>
</tr>
<tr>
<td>2004</td>
<td>1,289</td>
</tr>
</tbody>
</table>

Note: The operation of section 105 may affect the amount of the grants.
Mr LEE (Dobell) (12.58 p.m.)—The government moved the gag as soon as the enrolment benchmark adjustment was mentioned. We are not surprised that the government is embarrassed by any debate about the impact of the enrolment benchmark adjustment—the unfair EBA—on government schools. We are dealing with amendments 7 to 10, which provide funding for non-government schools across the country under the new funding mechanisms. The point we make here is that the little information that we have on the funding scheme as proposed in these amendments suggests that it is a very unfair allocation of funding to schools across the country. If you look at the funding that is provided in the schedules for SES 119, which is the average SES level for the category 1 schools—the 62 wealthiest schools in the country—you will see that they receive substantial increases.

Basically, in summary, it is an average increase of $820,000 a year for the 62 wealthiest category 1 schools in the country—an average $60,000 a year increase for the Catholic schools and only $4,000 a year for government schools after you have allowed for cost indexation. That is why we believe that the scheme that is implemented with these amendments by the Minister for Education, Training and Youth Affairs is unfair. Our problem is that we do not have the final figures—the scores for each school. We do not know how much of an increase will be going to the various non-government schools throughout the country. The minister expects the parliament to rubberstamp this before we have that information and that is something which we argue is untenable and we will continue to argue as untenable.

When this debate resumes in the Senate, when it passes this chamber, Labor will be seeking the support of other parties in the Senate to adjourn debate until the figures are provided by the government and the minister. They have advised us that this information—the final SES scores for every non-government school in the country—will be provided by late September or early October. That should give the parliament plenty of time to have a detailed and a necessary debate about the impact of the changes this minister is making to funding for non-government schools.

Earlier in the debate in the House we had some focus on what was the real level of funding for the category 1 schools. If you look at schedule 4 part 1 for primary education and part 2 for secondary education, you can see that schools that have an SES ranking of 119 under the new funding mechanism will receive 27.5 per cent of the average costs of government schools. On Radio National this morning the minister was claiming that the wealthier 62 schools, the wealthiest schools in the country, would receive only 13, 14, 15 or 16 per cent of average government school costs. We argue on this side of the House that the minister, in those comments this morning, clearly misled the Australian people. The minister, in the comments he made earlier in the debate, also raised many questions because the schedule before the House makes it clear that schools that have a score of 119 will receive 27.5 per cent, hence our arguments that the average increase for schools having a ranking of 119 will be hundreds of thousands of dollars—more than half a million dollars a year in 2004.

The reason we have these concerns is that we know there are needy government schools. There are needy non-government schools—Catholic, non-Catholic—that could do a great deal to help kids in their schools if they got a decent, fair allocation of federal funding. Our complaints about this schedule and this legislation are that the richer schools get the most money. We believe that the schedule should be withdrawn and redone to ensure that there is a fairer allocation of funding to the needy government and the needy non-government schools. That is what this debate is all about.

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (1.03 p.m.)—This is another mulberry bush that the opposition delights in running around. Just let me refute the last comment that was made by the member for Dobell that the schools serving the wealthiest communities get the most money. Nothing
could be more absurd. The table before the House in amendment 7 to schedule 4 clearly shows that the least money goes to the schools with the wealthiest school communities and that the most money—a significant increase in money—goes to the school communities with the lowest incomes. Indeed, they will receive from the Commonwealth 70 per cent of the average government school recurrent costs that, at the primary level, will be a figure under this amendment of $3,540 per student for the year 2001. For secondary students, it will be a figure of $4,636.

This is the most substantial funding that has ever been provided to the schools used by the lowest income families in Australia. It is a very substantial increase over the funding that the Labor Party provided to non-government students in these very needy schools. It just shows the fraudulence of the Labor Party’s approach to this that the member for Dobell would claim the opposite.

Mr LEE (Dobell) (1.04 p.m.)—We know who is using the fraudulent approach, and it is not us on this side of the House. The minister on a number of occasions refers to his brilliant new socioeconomic status funding model, which is implemented in these schedules. I challenge you to dispute the figures that are behind this pie chart. Is it not a fact that 61 per cent of schools, the Catholic systemic schools do not have their funding determined by your new SES funding system, which is outlined in the schedule, because they are going to be funded at a set rate indexed by AGSRC? Is it not also true that there is another 10 per cent of Australian schools, the non-Catholic grant maintained schools, that do not have their funding determined by your new SES funding system, which is outlined in the schedule, because they are going to be funded at a set rate indexed by AGSRC? Is it not also true that there are 765 schools, 29 per cent of non-Catholic schools, funded under this new SES model? If it is such a great system, why is it that less than a third of Australian schools will have their funding determined by your new SES model? Is it not a fact that what you have really done is provide justified increases to some needy non-government schools—the low fee Christian and independent schools, some of the other religious denomination schools with low fees—and you have wrapped up with that a massive increase to the category 1 schools? You have wrapped up with the justified increase to the needy non-government schools an average increase of $820,000 a year to the wealthiest 62 schools in the country.

I challenge the minister once again to tell us: will he assure us—that is the assurance we know he will not give us—that no school that charges $10,000 a year in school fees will get a big increase in the funding provided in the schedule? We asked the minister that earlier in this debate and we ask it again, given the table that is before the House during this consideration in detail. Minister, will you give the House an assurance that no school that charges more than $10,000 a year will get massive increases in its funding because of your new funding system? The truth is we already know that some of those schools have already gone public and confirmed that under the SES modelling they receive very substantial increases, seven figure sums a year in some cases. We say to the minister, if you really want to argue that your new funding system is fair and it does not provide the biggest increases to the category 1 schools, then give us that guarantee. Give us the guarantee that the schools that charge $10,000 a year do not get massive increases. We challenge you to give us that guarantee, Minister. Because you will sit on your hands and not respond, because you will not give us that guarantee, we know that is the proof.

The minister is not giving us the figures before this debate is finished in the House to allow us to make a judgment about how fair the system is because he does not want us to know how large the increases will be to those category 1 schools. The minister does not want us to know that these schedules deliver average increases of $800,000 a year in 2004 to the 62 wealthiest schools in Australia. You know that there are government schools and low fee Catholic and independent schools that have a much greater need for that $50 million that will be given to the category 1 schools. Is it some of the schools in your own city? Look at the research that has been done by Professor Richard Teese about the fact that the failure rates in the
government high schools in the outer western suburbs of Melbourne are ten times as high as they are in the category 1 schools. Your response is to provide an $800,000 increase to the schools that are charging $10,000 a year. Minister, we are saying, rather than you seeking to put the blame onto someone else, how about you trying to do something to fix the problem? How about employing more remedial literacy teachers in the schools in the outer western suburbs of Melbourne? How about providing more professional development to the teachers that are working in the western suburbs of Sydney, Melbourne and regional Australia? How about making sure that, rather than shove all the largest amounts of money to the richer schools, you provide a fairer distribution of funding to non-government schools?

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (1.09 p.m.)—Let me make a couple of points. First of all there is absolutely no secrecy about the funding that will go to particular schools.

Mr Sawford—Well, declare it.

Dr KEMP—I have already made it clear that as soon as this data is available it will be made available to the parliament. We are currently analysing the data from the non-government schools who will be funded under the SES model. When that data analysis is complete and we have final information, as I have said before, it will be made available to the parliament.

We already have before the parliament, in a quite transparent manner, the intended funding levels for schools according to their SES score. The SES model that we are using is accepted throughout the non-government sector. The member for Dobell keeps getting up and saying, ‘It is unfair to non-government schools.’ If it is so unfair, why is it that everyone in the non-government sector accepts it? The Labor Party is totally isolated on this point, and nothing underscores the lack of credibility that the Labor Party has on this than the fact that all the major elements of the non-government sector endorse this legislation and want it passed through the parliament as quickly as possible.

The member for Dobell refers to some totally unacceptable results achieved by government schools in Victoria in 1994 as a result of Richard Thees’ studies. These results were obtained after 11 or 12 years of federal Labor government, 11 or 12 years in which the Labor Party sat on the literacy studies, refused to publish the results, 11 or 12 years under which it distributed money under the disadvantaged schools program according to an index of needs but failed to monitor the outcomes and 11 or 12 years in which it failed to do anything to help the 70 per cent of young people not going straight from school to university—in other words, 11 or 12 years of abysmal failure in educational policy.

In some of those years, it is worth making the point, the present Leader of the Opposition was actually the education minister and he did nothing about those schools during that period in office. This is the government which has put social justice back into education policy. We are the government that have actually established, for the first time, national literacy standards and are having assessments done of every young person to make sure that no young person misses out on these standards as they did during the Labor years in office. We are the government that have put in place the vocational education programs and school to work programs in the later years of schooling that about 167,000 students are now participating in. There were barely 26,000 students in these programs in Labor’s last year in office, after 13 years. The Labor Party has absolutely no record in education; it lives in a world of self-delusion. It appeals to a terribly narrow base in the community, and that is the base really that is represented by the Australian Education Union—a very ideological group that in fact does not like any choice in schooling at all.

The member for Port Adelaide has made it quite clear that he is absolutely opposed. He takes the pure line. He is an ex-union official probably, an ex-teacher’s union member, who is absolutely opposed to choice in edu-
cation. That puts him offside, of course, with the great bulk of the Australian community and it just shows how narrow the ideological base of the present day Labor Party is.

Mr LEE (Dobell) (1.13 p.m.)—I say to my friend the member for Port Adelaide that the Minister for Education, Training and Youth Affairs is more to be pitied than despised. Do not get upset by anything he says. The minister quoted a number of things that were just completely and utterly untrue. The minister claimed that the new funding model that he proposes is supported by all the groups—it has universal support, according to this minister. I ask the minister how he can make that claim when Father Doyle told the Senate committee:

We would maintain that the SES model in itself is not sufficient and it needs modification with the factors you have just mentioned.

We would also say that, realistically, we accepted the political reality of the situation as it is. That is the reason the Catholic Church have accepted that. Father Doyle went on to say:

We would be saying that the SES needs to be modified.

He also said:

That is where we talk about SES plus things like resource indicators and resource availabilities. The pure SES model does not allow for that anomaly. We would like to see it modified to avoid that sort of anomaly.

That is what Father Doyle said, that is what the Catholic school system’s representative said, when he appeared before the Senate committee.

The minister also referred to Professor Richard Teese’s research. What did he say about the new SES funding model that the minister has proposed to us? He said this on Radio National:

Well, the impact of the formula—it is unsound and it is unjust. It is very inconsistent and it hasn’t been properly thought out. It is going to widen divisions within the non-government sector as well as bleeding further resources out of the government system.

Mr Emerson—Sounds like a ringing endorsement to me.

Mr LEE—That is not exactly a ringing endorsement. The academic who has done a great deal of excellent research about the needs in the government system today, especially in Victoria, is saying that the minister’s new funding formula is actually going to widen the divisions. It will mean that more kids are going to be failing in those schools that need our help and that should not be ignored by this minister. It is also going to do other things that raise deep concern.

I might also remind the minister of what the Australian said in an editorial on Friday, 25 August. The heading is ‘Kemp should revise school funding plans’—he probably thinks that is a ringing endorsement too. The editorial says:

Education Minister David Kemp wants us to believe his planned changes to funding non-government education aim to give low-income families greater access to the schools of their choice. He wants us to think the neediest school communities will benefit. In light of the windfall his latest funding reforms give elite schools, it’s more than a bit rich.

The Australian—it is often out there promoting many of these so-called market reforms, some of the government’s agenda—concludes with these two sentences:

The Government has a duty to spend taxpayers’ money where it does most good, for those who need it most. Dr Kemp’s system leaves the elite the richer and education the poorer.

Our concern is the fact that this new funding regime does not address the real concerns that are there in schools across the country. In the Catholic school system, on average, half of their schools have more than 15 students per computer. In the government school system, only a quarter of their schools have more than 15 students per computer. In the independent sector, according to the government’s own report, only one in 10 of their schools have a higher ratio of 15 students per computer. But, in the Catholic system, it is half of their schools. Many of the kids in working-class areas, from low and middle income families, attending Catholic schools in regional Australia, do not have computers at home. The only place they will get a chance to use computers is at their Catholic school, and that is why needy Catholic schools, needy independent schools and es-
pecially needy government schools are entitled to a fair funding regime. It is wrong for this minister to be providing the largest increases to the wealthiest schools. It is wrong for this minister to be giving category 1 schools, the richest 62 schools in the country, an average increase of $820,000 a year. That is what is unfair and that is what we will continue to point out is the flaw in this minister’s new funding mechanism.

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (1.18 p.m.)—I think the fraudulent character of the claims that the member for Dobell makes would now be obvious to anybody who has listened to the debate and heard the points raised on both sides. I just want to draw attention to the fact that the member for Dobell is probably one of the experts in this House at selective quotation. Anyone listening to his last remarks will think, ‘Oh well, Father Doyle must be against the legislation.’ Let me just read the media release from the National Catholic Education Commission on this point. Reverend Doyle, who addressed the Senate Employment, Workplace Relations, Small Business and Education Legislation Committee in Canberra yesterday, said:

The National Catholic Education Commission supports the proposed draft legislation, endorses the Commonwealth government’s application of the principle of need in making grants to Catholic systemically funded schools and accepts the Commonwealth’s decision in its determination of the present levels of funding to government schools.

Father Doyle also said some other things about this package, which the selective quotation from the member for Dobell might try to distract attention from. He said:

This is a very good and equitable package. The new system is fair, open to scrutiny. It does not drain resources away from government schools. In a caring and democratic Australia, it is vital that we recognise everyone’s right to choice.

I think the listeners to this debate will draw their own conclusions about the selective quotation of the member for Dobell.

This is very fair legislation. It is transparent legislation. In its transparency it is dramatically different from what the Labor party had in place. The reason the Labor Party has been completely abandoned by every significant sector in the non-government schools is that they were fed up with the political manipulation of its highly complex, inequitable funding arrangements. The reason they are now supporting the government is because the government has put in place a fair system at long last.

Mr LATHAM (Werriwa) (1.20 p.m.)—If the minister is so proud of his new SES system it begs the question, of course, whether he is going to phase down over time the non-Catholic funding maintained schools—that is, those schools that have received a lower SES ranking and under the pure model would lose funding. We know that, under the no-losers rule, they are being funding maintained at the moment but, if the minister is so proud of his system, is he planning over several years to phase down that funding to the pure model? We know he has made an exemption for the Catholic system—two-thirds of the non-government schools exempted from the model of which the minister is so proud. We know he has a no-losers rule in the transition phase for those non-Catholic funding maintained schools. Is he going to phase down their funding to move to a pure model, the model which he has so proudly presented to the House of Representatives?

The other issue I would raise on this question of general recurrent grants for non-government schools is one on which the minister has had a lot to say in the past, and that is literacy and numeracy. We know that the former Labor government started a program in years 3 and 5 for national testing and benchmarking. I will give the minister credit for carrying on the Labor program and introducing those literacy initiatives in primary schools.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The honourable member for Werriwa will resume his seat. I would like to draw to his attention the fact that in the next amendment we will be dealing with numeracy and literacy—not in this particular one. So could you restrict your remarks to the amendments before the chair.
Mr LATHAM—I was under the impression, because the minister had mentioned these issues, Mr Deputy Speaker, it must have been in order, given that you did not bring him to the point you have just brought me to.

Mr DEPUTY SPEAKER—The reason I did not bring him to order is that I did not actually hear or notice it. I was paying much more attention to you. So, for the rest of this debate, I ask that any reference to numeracy and literacy be left until the next amendment, which is the one that is relevant to it.

Mr LATHAM—Mr Deputy Speaker, I am so flattered that you—

Motion (by Mr Ronaldson) put:
That the question be now put.
The House divided. [1.27 p.m.]

(Amendment (by Dr Kemp) proposed:
(11) Schedule 8, page 123 (line 1) to page 125 (line 4), omit the Schedule, substitute:

AYES
Abbott, A.J. Anderson, J.D. Tuckey, C.W.
Andrews, K.J. Anthony, L.J. Wakefield, B.H.
Bailey, F.E. Bartlett, K.J. Williams, D.R.
Billson, B.F. Bishop, B.K. Worth, P.M.
Bishop, J.I. Brough, M.T. Lockyer, L.J.
Cadman, A.G. Cameron, R.A. Lyburn, G.
Causley, I.R. Charles, R.E. Macfarlane, R.B.
Costello, P.H. Draper, P. McCartney, P.J.
Elsen, K.S. Entsch, W.G. Metcalfe, L.
Fehey, J.J. Fischer, T.A. McMillan, J.A.
Forrest, J.A. Galiwanga, C. McVeigh, T.
Gaetjens, T.* Gash, J. McVeigh, T.*
Gibson, J.* Gellibrand, M. Meier, T.
Gilchrist, P. Gillard, T. Minter, R.
Gooding, D.G. Gillies, S. Mirror, J.
Hardgrave, G.D. Gilmore, C. Moore, M.
Hockey, J.B. Gough, G. Mullenders, J.
Jull, D.F. Haase, B.W. Munro, A.
Kelly, D.M. Hawker, D.P.M. Munro, A.*
Laws, A. Kemp, D.A. Naylor, R.
Lindsay, P.J. Ketter, R.C. Neumann, P.
Macfarlane, I.E. Lloyd, I.E. Newton, J.
McArthur, S * May, M.A. Nielson, B.J.
McEvoy, C. McCaul, C. Ng, C.
McGurk, G. McClelland, J.A. Nunan, J.
McMullen, B. McCutcheon, C. O’Brien, J.
McPhee, R. McCormack, M. Olsson, S.
Meehan, C. McVeigh, T. O’Connor, P.
Moodie, J. McCredie, D. O’Sullivan, C.
Nairn, G.R. McGurk, G. Osborne, J.
Neville, P.C. McLean, L. O’Toole, M.
Prosser, G.D. McLean, L. O’Toole, M.
Reith, P.K. McDonald, P. O’Toole, M.
Ruddock, P.M. Rees, D. O’Toole, M.
Secker, P.D. Ronaldson, R.G. O’Toole, M.
Simmons, A.M. Schultz, A. O’Toole, M.
St Clair, S.R. Slipper, P.N. O’Toole, M.
Sullivan, K.J.M. Southcott, A.J. O’Toole, M.*
Thomson, A.P. Stone, S.N. O’Toole, M.*
Tuckey, C.W. Truss, W.E.

NOES
Adams, D.G.H. Albanese, A.N. Vale, D.S.
Andrews, P.J. Beazley, K.C. Washer, M.J.
Berenten, L.J. Beswick, R. Wooldridge, M.R.L.
Byrne, A.M. Burke, A.E. Corcoran, A.K.
Cox, D.A. Crean, S.F. Cross, R.B.
Croser, J.A. Edwards, G.J. Dorney, K.
Evans, M.J. Emerson, C.A. Fahey, J.J.
Ferguson, M.J. Ferguson, L.D.T. Fischer, T.A.
Gerck, J.F. Fitzgibbon, J.A. Forrest, J.A.
Gillard, J.E. Gibbons, S.W. Gallus, C.A.
Hall, J.G. Griffin, A.P. Gash, J.
Hoare, K.J. Hatton, M.J. Gallus, C.A.
Irwin, J. Horne, R. Gallus, C.A.
Kernot, C. Jenkins, H.A. Gallus, C.A.
Latham, M.W. Kerr, D.J.C. Gallus, C.A.
Lee, M.J. Lawrence, C.M. Gallop, B.
Macklin, J.L. Martin, S.P. Gallop, B.
McClelland, R.B. McFarlane, J.S. Gallop, B.
McLeay, L.B. McMullan, R.F. Gallop, B.
Morris, A.A. Mossfield, F.W. Gallop, B.
Murphy, J.P. O’Byrne, M.A. Gallop, B.
O’Connor, G.M. O’Keefe, N.P. Gallop, B.
Pibersek, T. Price, L.R.S. Gallop, B.
Quick, H.V. Ripoll, B.F. Gallop, B.
Roxon, N.I. Rudd, K. Gallop, B.
Sawford, R.W * Sercombe, R.C.G * Gallop, B.
Snowdon, W.E. Smith, S.F. Gallop, B.
Tanner, L. Thomson, K.J. Gallop, B.*
Wilkie, K. Zahra, C.J. Gallop, B.*

PAIRS
Howard, J.W. * Beazley, K.C.
*K denotes teller

Question so resolved in the affirmative.

Amendments agreed to.

Mr DEPUTY SPEAKER (Mr Nehl)—Before I call the honourable minister, I advise the House that amendment 11 deals with grants for targeted assistance only and, therefore, all debate should be directed at targeted assistance.

Amendment (by Dr Kemp) proposed:
(11) Schedule 8, page 123 (line 1) to page 125 (line 4), omit the Schedule, substitute:
**SCHEDULE 8—GRANTS FOR TARGETED ASSISTANCE**

Note: See sections 76 to 100.

**PART 1—GRANTS FOR TARGETED ASSISTANCE**

<table>
<thead>
<tr>
<th>Column 1 Program year</th>
<th>Column 2 Grants for strategic assistance ($'000)</th>
<th>Column 3 Grants for education in country areas ($'000)</th>
<th>Column 4 Grants for literacy and numeracy ($'000)</th>
<th>Column 5 Grants for special education at non-gov’t centres ($'000)</th>
<th>Column 6 Grants to foster learning of languages other than English ($'000)</th>
<th>Column 7 Grants to foster the learning of Asian languages and studies of Asia ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
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<td>20,092</td>
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<td>24,307</td>
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<td>Nil</td>
<td>24,307</td>
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<td>Nil</td>
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</table>

Note: The operation of section 105 may affect the amount of the grants.

**PART 2—STRATEGIC ASSISTANCE AMOUNTS**

<table>
<thead>
<tr>
<th>Column 1 Program year</th>
<th>Column 2 Government schools ($)</th>
<th>Column 3 Non-government schools ($)</th>
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<tbody>
<tr>
<td>2001</td>
<td>110</td>
<td>527</td>
</tr>
<tr>
<td>2002</td>
<td>110</td>
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</tr>
<tr>
<td>2004</td>
<td>110</td>
<td>527</td>
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</table>

Note: The operation of section 105 may affect the amount of the grants.

**PART 3—ESL NEW ARRIVALS AMOUNT**

<table>
<thead>
<tr>
<th>Column 1 Program year</th>
<th>Column 2 Amount ($)</th>
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<tbody>
<tr>
<td>2001</td>
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</tr>
<tr>
<td>2002</td>
<td>3,810</td>
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</tr>
<tr>
<td>2004</td>
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</tbody>
</table>

Note: The operation of section 105 may affect the amount of the grants.
Mr LEE (Dobell) (1.31 p.m.)—Amendment 11 deals with grants for targeted assistance and I want to make a few remarks about the government’s proposals for funding special education, and in particular funding for special education to government schools. The Minister for Education, Training and Youth Affairs would be aware that we have raised our concerns about the fact that, while the government has maintained funding for pretty well every category, every class of school or people in this bill, the one category of losers is a group of Australians that do not deserve to be worse off as a result of the changes the government is making. The category I can identify is disabled students in government secondary schools. It is the special education students at government schools that will be the only group that is worse off under this bill, and they will be worse off because of schedule 8, part 2, column 2.

I accept that the government has maintained special education funding in total to government schools, because there has been an increase in funding for special education students in primary schools, but why couldn’t you have treated the special education students in government secondary schools in the same way that every other group was treated in the bill? Every other group had their funding maintained. Why should the government special assistance to disabled kids in government secondary schools be reduced from $126 a student to $110 a student?

This does not involve a large sum of money. There are only 30,000 students in this category throughout the country—that is, disabled and special ed students in government secondary schools. It would cost the government $700,000 to $800,000 to treat these students the same as every other one—less than $1 million to actually have their funding maintained so that the minister would not be cutting back the funding provided to disabled students in government secondary schools. When you contrast that with the fact that there will be some category 1 schools which have already admitted in public that their funding increase alone will be several times that, how can the government claim that it is sufficient to provide only $110 per student in government secondary schools when it is providing a much greater sum of money to those category 1 schools? When one category 1 school gets an average increase of more than $800,000, how can you deny 30,000 special education students in government secondary schools at least the comfort of having their funding maintained at $126 per student, as it is now? I would ask the minister, if he is not prepared to reconsider this issue today, between now and when the issue comes before the Senate to consider going back to cabinet and asking if the government could at least find a measly $800,000 to ensure those disabled students in government secondary schools have their funding maintained like every other category in this bill.

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (1.36 p.m.)—This is yet another matter on which the Member for Dobell is mistaken. He has been fully briefed on this matter. He ought not to be mistaken. He has no excuse for coming into the House and making the sorts of statements that he is making that the government is cutting funding for disabled students. The fact is that we
are providing a figure which is a weighted average of students in the primary and secondary sector. The result is that there is no net effect from these changes to Commonwealth funding to government school authorities. Government authorities will receive the same special education per capita funding as they do now. It is simply that we are expressing this funding as a weighted average. The government intentionally used a weighted average to ensure that government schools would not be disadvantaged. The member for Dobell has had this explained to him. This is the second time he has raised this point. This is the second time I have corrected it. It is quite clear that debate means nothing to the member for Dobell. He does not listen to these corrections. It does not matter how many times you give them, he simply makes the same errors again and again. It is clear that he has very little contribution to make to a sensible debate on these issues.

Mr LEE (Dobell) (1.38 p.m.)—I cannot believe you would gag a debate about funding for disabled—

Motion (by Mr Ronaldson) put:
That the question be now put.

The House divided. [1.42 p.m.]

(Mr Deputy Speaker—Mr G.B. Nehl)

Ayes---------------72
Noes---------------62
Majority----------10

AYES

NOES

PAIRS
Howard, J.W. Beazley, K.C. * denotes teller

Question so resolved in the affirmative.
Amendment agreed to.

Mr DEPUTY SPEAKER (Mr Nehl)—The question now is that the bill, as amended, be agreed to.

Mr LEE (Dobell) (1.46 p.m.)—It is an outrage that we have the government gagging debate on whether there should be extra funding for disabled students.
Motion (by Mr Ronaldson) proposed:
That the question be now put.

Mr DEPUTY SPEAKER (Mr Nehl)—A division is required. Ring the bells for one minute. Members must remain in their seats unless they are leaving the chamber or they did not vote in the previous division or they are changing their vote, in which case they must report to the tellers.

The bells being rung—

Mr Lee—Mr Deputy Speaker, has there been intervening debate between those two divisions?

Mr DEPUTY SPEAKER (Mr Nehl)—For the benefit of the chamber, I have been asked by the honourable member for Dobell to clarify whether there was intervening debate between the previous division and this one. The answer is no.

Mr McMullan—Mr Deputy Speaker, I understand the basis on which you make that assertion, but how can you propose that under this division everybody should stay in the same seats when a significant number of people had actually left the chamber before the bells were rung again? This procedure was not designed to cover the circumstances in which some people had left and have had to come back. It is just inconceivable that you can operate on the basis that people have to stay in their seats when at least a significant number had already left the chamber when the bells were going to ring again.

Mr DEPUTY SPEAKER—Of course those who left the chamber had the opportunity to return and did so.

Question put.

The House divided. [1.48 p.m.]

(Mr Deputy Speaker—Mr G.B. Nehl)

Ayes………….. 72
Noes………….. 62
Majority………. 10

AYES


NOES


PAIRS

Beazley, K.C.
* denotes teller

Question so resolved in the affirmative.

Bill, as amended, agreed to.

Dr Kemp—I make available the supplementary explanatory memorandum to the bill.

Mr Lee—Mr Deputy Speaker, could I clarify what has just happened. Is the minister telling us that after we have concluded the debate the minister is providing us with a supplementary explanatory memorandum? Is that what he has done—at the conclusion of the debate?

Mr DEPUTY SPEAKER (Mr Nehl)—I thank the honourable member for Dobell. He is completely aware of what has happened, as I am. The minister provided the supplementary explanatory memorandum. I might say to the House and those on my left who are becoming excited that we are now going to the third reading. The debate is not concluded.

Dr Kemp—I seek leave of the House to move the third reading forthwith.

Leave not granted.

Suspension of Standing and Sessional Orders

Motion (by Dr Kemp) proposed:

That so much of the standing orders be suspended as would prevent the motion for the third reading being moved without delay.

Mr LEE (Dobell) (1.51 p.m.)—This is an outrage because this government has already moved four gags preventing us debating a bill that provides more than $800,000 a year to the wealthiest schools, $60,000 a year to Catholic schools and, after cost indexation, less than $4,000 a year for government schools across the system. It is an outrage and that is why we are determined to ensure that this minister is held to account—

Motion (by Mr Ronaldson) proposed:

That the question be now put.

Mr DEPUTY SPEAKER (Mr Nehl)—A division is required. Ring the bells.

The bells being rung—

Mr Leo McLeay—Ring the bells for four minutes, you dill!

Mr DEPUTY SPEAKER—The honourable member for Watson will apologise for that and withdraw. You will not reflect upon the chair.

Mr Leo McLeay—Mr Deputy Speaker, I am most happy to apologise for suggesting you are a dill. That was most unfair of me.

Mr DEPUTY SPEAKER—You were also out of order in suggesting that I had not called for the bells to be rung for four minutes. The call is, ‘Ring the bells’, or, ‘Ring the bells for one minute.’ I called, ‘Ring the bells,’ and somebody with your experience should know that.

Question put.

The House divided. [1.56 p.m.]

(Mr Deputy Speaker—Mr G.B. Nehl)

Ayes……….. 74

Noes……….. 62

Majority……… 12

AYES

Representatives Wednesday, 6 September 2000

Noes

Adams, D.G.H.
Bevis, A.R.
Burke, A.E.
Corcoran, A.K.
Crean, S.F.
Edwards, G.J.
Emerson, C.A.
Ferguson, L.D.T.
Fitzgibbon, J.A.
Gibbons, S.W.
Griffin, A.P.
Hatton, M.J.
Horne, R.
Jenkins, H.A.
Kerr, D.J.C.
Lawrence, C.M.
Livermore, K.F.
Martin, S.P.
McFarlane, J.S.
McMullan, R.F.
Morris, A.A.
Murphy, J. P.
O'Connor, G.M.
Quick, H.V.
Roxon, N.L.
Sawford, R.W.
Sidebottom, P.S.
Tanner, L.
Wilkie, K.

Bevanese, A.N.
Brereton, L.J.
Byrne, A.M.
Cox, D.A.
Crosio, J.A.
Ellis, A.L.
Evans, M.J.
Ferguson, M.J.
Gerick, J.F.
Gillard, J.E.
Hall, J.G.
Hoare, K.J.
Irwin, J.
Kerr, D.J.C.
Lawrence, C.M.
Lee, M.J.
Macklin, J.L.
McClelland, R.B.
McLeay, L.B.
Melham, D.
Mossfield, F.W.
O'Byrne, M.A.
O'Keefe, N.P.
Price, L.R.S.
Ripoll, B.F.
Rudd, K.M.
Sercombe, R.C.G.
Smith, S.F.
Swan, W.M.
Thomson, K.J.
Zahra, C.J.

Pairs

Howard, J.W.
*Beazley, K.C.

Question so resolved in the affirmative.

Mr Deputy Speaker (Mr Nehl)—Order! It being past 2 p.m., the debate is interrupted in accordance with standing order 101A. The debate may be resumed at a later hour. Order! I regret to inform the House that I have made an error. I must put the subsequent motion, which is that standing orders be suspended. The question is that the motion be agreed to. All those of that opinion say aye, to the contrary no. The ayes have it.

Mr Lee—I know there was a lot of noise, Mr Deputy Speaker, but I was trying to take a point of order for about 30 seconds. My point is that before you put the motion that standing orders be suspended it turned 2 o'clock. Under the standing orders, before they are suspended surely the debate is interrupted.

Mr Deputy Speaker—I thank the honourable member for his point, but I am reliably informed that, even though it was past 2 o'clock, the subsequent motion had to be put under the standing orders.

Mr Bevis—You said ‘the debate is interrupted’.

Mr Deputy Speaker—I did say that. I was wrong and I have changed it.

Opposition members interjecting—

Mr Deputy Speaker—For the benefit of the House, the suspension motion was put. A division was not called for.

Mr Leo McLeay—It was!

Mr Deputy Speaker—A division was called for?

Mr Leo McLeay—Yes.

Mr Deputy Speaker—I thank the honourable member for Watson for his advice.

Mr McMullan—Mr Deputy Speaker, I wish to raise a point of order. What I wish to ensure is that if we proceed with the vote for the suspension you will not then be in a position to move the third reading. That will be adjourned until after question time. I understand the motion for the suspension has to be put.

Mr Deputy Speaker—I thank the honourable member. If this next motion to suspend standing orders is successful, the third reading motion has to be put. The question is that the motion to suspend standing orders be agreed to. All of those opinion say aye, the contrary no. I think the ayes have it. Division required? Ring the bells—one minute.

A division having been called and the bells being rung—

Mr Lee—Mr Speaker, my point of order is that in calling that division the Deputy Speaker said ‘Ring the bells’ and then after a lapse of some time said ‘one minute’. Surely there was intervening debate. Surely this should be a four-minute division.

Mr Speaker—The Deputy Speaker, nonetheless, has called the division for one minute. I hear what the member for Dobell has said. Given that it is after 2 o’clock and members would expect to be in the chamber, I do not feel members are disadvantaged by the Deputy Speaker’s ruling. Members must
remain in their seats unless they are leaving the chamber, they did not vote in the previous division or they are changing their vote, in which case they must approach the tellers.

Mr Lee—The minute is up, Mr Speaker.

Mrs Crosio—Mr Speaker, the doors are still open.

Mr SPEAKER—Lock the doors!

Mrs Crosio—Mr Speaker, when you called to lock the doors, the doors did not lock and at least three members on the government side came in after the call was given.

Mr Tanner interjecting—

Mr SPEAKER—The member for Melbourne is not assisting me in responding to the member for Prospect. The member for Prospect is aware that I came into the chair after the bells had been rung. I concede that she may well have a valid point of order. The point nonetheless stands that until I call ‘Lock the doors’ there is no obligation on those minding the doors to lock them.

The House divided. [2.06 p.m.]

(Mr Speaker—Mr Neil Andrew)

Ayes…………. 75

Noes…………. 57

Majority………. 18

AYES

Abbott, A.J.  Anderson, J.D.
Andrews, K.J.  Anthony, L.J.
Bailey, P.E.  Baird, B.G.
Barresi, P.A.  Bartlett, K.J.
Billson, B.F.  Bishop, B.K.
Bishop, J.J.  Brough, M.T.
Cadman, A.G.  Causley, I.R.
Charles, R.E.  Costello, P.H.
Downer, A.J.G.  Draper, P.
Elson, K.S.  Entsch, W.G.
Fahey, J.J.  Fischer, T.A.
Forrest, J.A.  Gallas, C.A.
Gambarno, T.  Gash, J.
Georgiou, P.  Haase, B.W.
Hardgrave, G.D.  Hawker, D.P.M.
Hockey, J.B.  Hull, K.E.
Jull, D.F.  Katter, R.C.
Kelly, D.M.  Kelly, J.M.
Kemp, D.A.  Lawler, A.J.
Lieberman, L.S.  Lindsay, P.J.
Lloyd, J.E.  May, M.A.
McArthur, S.  McGauran, P.J.
Moore, J.C.  Moylan, J. E.
Nairn, G. R.  Nehl, G. B.
Nelson, B.J.  Neville, P.C.
Nugent, P.E.  Prosser, G.D.

NOES

Adams, D.G.H.  Albanese, A.N.
Bevis, A.R.  Brereton, L.J.
Burke, A.E.  Byrne, A.M.
Corcoran, A.K.  Crosio, J.A.
Crean, S.F.  Ellis, A.L.
Edwards, G.J.  Ferguson, M.J.
Emerson, C.A.  Gerick, J.F.
Fitzgibbon, J.A.  Gillard, J.E.
Gibbons, S.W.  Hall, J.G.
Griffin, A.P.  Hoare, K.J.
Hatton, M.J.  Irwin, J.
Horne, R.  Kernot, C.
Jenkins, H.A.  Latham, M.W.
Kerr, D.J.C.  Lee, M.J.
Lawrence, C.M.  Macklin, J.L.
Livermore, K.F.  McClelland, R.B.
Martin, S.P.  McMillan, R.F.
McLeay, L.B.  Morris, A.A.
Melham, D.  Murphy, J. P.
Mossfield, F.W.  O’Connor, G.M.
O’Byrne, M.A.  Pilbersiek, T.
O’Keefe, N.P.  Quick, H.V.
Price, L.R.S.  Roxon, N.L.
Ripoll, B.F.  Sercombe, R.C.G *
Sawford, R.W *  Snowdon, W.E.
Sidebottom, P.S.  Tanner, L.
Swan, W.M.  Wilkie, K.
Thomson, K.J.  Thomson, K.J.
Zahra, C.J.

PAIRS

Howard, J.W.  Beazley, K.C.

* denotes teller

Question so resolved in the affirmative.

Third Reading

Motion (by Dr Kemp) proposed:

That the bill be now read a third time.

Mr SPEAKER—Order, it being past 2 p.m., the debate is interrupted.

Mr McMullan—Mr Speaker, I rise on a point of order. Have we put the third reading?

Mr SPEAKER—If the Manager of Opposition Business had referred to the Notice Paper, he would have been aware of the fact that the motion said:
That so much of the standing orders be sus-
pended as would prevent the motion for the third
reading being moved without delay.

I have allowed that to happen. The motion
has been proposed, but it has not been put.

Mr McMullan—Thank you. I am happy
with that ruling—

Honourable members interjecting—

Mr SPEAKER—Order! Members on
both sides of the House! Particularly when a
statement is being made from the chair, at
least the courtesy of silence might be ex-
tended.

Mr McMullan—The reason I am on my
feet is with regard to a ruling about which the
opposition is not happy. It relates to the one-
minute bell. At least eight members—on
both sides—were not here to vote and were
not recorded in that division. I think they
would not want their constituents to think
they did not care about the procedural out-
rage that was being performed. I ask you to
reconsider and to consult with the Deputy
Speaker about such arrangements in future.

Mr SPEAKER—I am happy to respond
to the Manager of Opposition Business’s
point of order. The Manager of Opposition
Business is better aware than most in the
House—and I say that because I recognise
his familiarity with the standing orders—that
the question before the chair was that the
motion be put. There could be no intervening
debate, so the Deputy Speaker’s suggestion
of a one-minute division was entirely appro-
priate. If any members were denied the right
to attend the House, I also remind the House
of the member for Prospect’s rightful inter-
vention when she said that the doors had not
been locked. If anything, they were advant-
gaged rather than disadvantaged in the proc-
cess.

QUESTIONS WITHOUT NOTICE
Aboriginal and Torres Strait Islander
Affairs: Ministry

Mr BEAZLEY (2.16 p.m.)—My question
is to the Acting Prime Minister. Are you
aware that the House of Representatives
Standing Committee on Family and Commu-
nity Affairs, chaired by the member for Gray,
released a report into indigenous health in
May this year which recommended:

In recognition of the importance of the Minister
for Aboriginal and Torres Strait Islander Affairs,
that minister be included as a member of the cabi-
net.

Do you agree with this unanimous recom-
modation of the committee, which included
your fellow National Party member the
member for Dawson? If so, will you now
match the commitment I gave yesterday and
elevate the Aboriginal Affairs portfolio to the
cabinet?

Mr ANDERSON—We noticed what
could only be described as a fairly transpar-
ent attempt, given the commitments you
made about making the member for Fraser a
member of cabinet should the unlikely hap-
pen and somehow or other you stumble into
government. It was obviously meant in one
way or another to repair some bridges, which
I suspect have been very badly damaged in
recent days between your side of politics and
the indigenous people of this country—
whom you proclaim so loudly that you care
about and yet for whom your quite
extraordinary contempt has been unveiled in
recent days.

Mr Downer—He’s still there on the front
bench.

Mr ANDERSON—That is right. They are
still there somewhere. We do not know who
they are—they are certainly not putting their
hands up. It is a bit like Mr Della Bosca. He
discovered that you do not tell the truth if
you want to go anywhere in the ALP. Let me
make a couple of very important points about
this. The first is that the minister responsible
for reconciliation on our side— that is, the
Minister for Immigration and Multicultural
Affairs—is a member of cabinet. The second
point is that we have a stand-alone Minister
for Aboriginal and Torres Strait Islander Af-
fairs who is directly accountable to the Prime
Minister. The Prime Minister does take a
very real and ongoing interest in these mat-
ters.

The next point I would make is that there
is probably no-one in this place who has
spent as much time working with Aboriginal
communities and who understands important
issues like health more than the minister for
health. The next point I would make is that,
unlike you, we represent a lot of constitu-
encies, particularly rural and regional constitu-
encies, where there are many Aboriginal communities facing disadvantage and we are all actively involved in trying to meet their needs. Mr Speaker, I actually think your question reveals a great superficiality and is almost contemptible.

Mr SPEAKER—The Acting Prime Minister does force me to remind him of his obligations to address his remarks through the chair, particularly as the latter part of his question would have read in a most uncharitable way, and I am sure that was not his intent.

Aviation: Audible Warning Systems

Mr JULL (2.19 p.m.)—My question is also addressed to the Acting Prime Minister, in his capacity as Minister for Transport and Regional Services, and it refers to the Beech Super King Air accident in North Queensland. Will the Acting Prime Minister confirm the accuracy of today’s media reports of the incident? What is his reaction to these reports?

Mr ANDERSON—I thank the honourable member for his question. I certainly want to say at the outset that I have no doubt that every member of this House would join with me in expressing sympathy to the families and loved ones of the victims. We are all deeply saddened to learn of the Beech Super King Air accident in Queensland. The Australian Transport Safety Bureau is investigating the accident. Four investigators are currently at the crash site, and the bureau’s investigation will be thorough, independent and incisive. It is, of course, far too early to know what caused the accident and I think it is timely to remind ourselves that early speculation about air accidents is very often wrong. The ATSB issued recommendations last year to CASA, which have been the subject of some comment. They also issued recommendations to the American Federal Aviation Administration and Raytheon, the manufacturers of the Beech aircraft, last year about the pressurisation of these aircraft. CASA and the FAA did not accept the recommendation about installing an audible warning system in the planes. I have told CASA and the ATSB today to urgently revisit the audible warning system issue as a way of improving the safety of these particular aircraft.

To make some other points, there is an ongoing investigation into a Beech Super King Air pressurisation incident that occurred in June last year. In that case it was an aircraft being used by the military en route from Edinburgh in South Australia to Oakey, Queensland. They have not issued their final report on the incident. The report is due shortly, although it may be delayed because the person responsible for it will now be tied up for a while with the incident that took place yesterday morning. However, they did put out several interim recommendations last year. One of those recommendations went to the Civil Aviation Safety Authority and, as I said, to the US Federal Aviation Administration, and that was that they should consider incorporating an audible warning system to operate in conjunction with the cabin altitude system on Beech aircraft and other similar aircraft. It did not make the recommendation just to CASA; it also made the recommendation to the US Federal Aviation Administration, which of course is recognised as the world’s leading air safety regulator.

CASA determined that they would await the outcome of two related recommendations before contemplating further action on the audible warning system. The FAA said, however, that an audible warning system was not warranted. They stated that, in their view, such a warning for the existing fleet was not considered necessary, and they went on to say that the existing visual warning system for high cabin altitude was deemed acceptable.

In view of the public interest in the matter, I table that letter from the United States. I want to stress again that it is too early to know what caused this tragic incident. Honourable members who have followed other safety investigations will know that early speculation about accidents is often wrong. However, in view of the outstanding interim recommendation, I have told CASA and the ATSB to urgently revisit the audible warning system issue as a way of improving the safety of these aircraft. At the same time, I have told the agencies to keep the FAA and the manu-
facturers of the plane informed of the progress of the investigation into this week’s accident.

DISTINGUISHED VISITORS

Mr SPEAKER—It is my pleasure to inform the House that we have present in the gallery this afternoon members of a delegation from the Japanese Centre for International Exchange. The majority of the members—more than seven of them—are members of the Japanese Diet, and they are led by Diet member Mr Kosaka. On behalf of all members of the House, I extend to our Japanese visitors a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Taxation: Trusts

Mr CREAN (2.23 p.m.)—My question is to the Treasurer. Didn’t you announce back in August 1998 that you would introduce legislation to tax trusts as companies, an integrity measure worth more than $2 billion? Didn’t you announce in November 1999 that this was still policy but that you wanted to put it off for another year? Didn’t you guarantee that your legislation on trusts would be introduced in time to be through the parliament by the end of June 2000? Didn’t you miss that deadline and haven’t you still failed to introduce the legislation? Treasurer, isn’t your slipping and sliding on trusts legislation because almost half of the government front bench have their own family trusts?

Mr SPEAKER—I call the Treasurer, but I do not call him to respond to the latter part of that question.

Mr COSTELLO—Of course, Mr Speaker, the last part of the question was absolutely wrong and just one of the tried and true tactics of trade union bosses who try to impugn the integrity of people—the old trade union trick which, of course, the member for Hotham has never risen above.

Mr SPEAKER—I indicated to the Treasurer that he need not respond to the latter part of that question.

Mr COSTELLO—Mr Speaker, that is the part of the question that was absolutely wrong and just one of the tried and true tactics of trade union bosses who try to impugn the integrity of people—

Mr MOSSFIELD—Mr Speaker, I raise a point of order. That remark is insulting to me and to many trade union officials, and I ask you to ask the Treasurer to withdraw it.

Mr SPEAKER—The remark was not unparliamentary—that is a double negative but you know what I mean, I am sure—and the Treasurer will respond to the question as required by the chair.

Mr COSTELLO—The government’s proposals to tax trusts like companies are due to commence on 1 July 2001. The government will be introducing legislation to that effect. Of course, we would expect the Australian Labor Party to vote for it so we do not expect any difficulty in passing it through the parliament. In response to the allegations put forward by the member for Hotham: was the Labor Party not in office for 13 years? Did it ever introduce this legislation? Did the Labor Party, after 13 years of office, ever do anything on this issue? Here is the Labor Party, after 13 years of masterly inactivity, suddenly interested in this particular issue. We know that it is just hypocrisy. We know that this is an allegation which is thrown by a group of people who had no ability to do anything in this area. We know this is another area where the coalition must lead and, when we lead, we expect the Labor Party to follow.


Mrs GALLUS (2.27 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House if the Prime Minister has discussed with the Secretary-General of the United Nations, at their meeting a few hours ago, Australia’s approach to the United Nations human rights treaty system? If so, what is the attitude of the UN Secretary-General and others?

Mr DOWNER—First of all, I thank the honourable member for Hindmarsh for her question. I recognise the great interest she shows on behalf of the people of Hindmarsh, particularly with regard to human rights issues nationally and internationally. It is a very genuine concern. A few hours ago, the Prime Minister met with the Secretary-General of the United Nations, Kofi Annan. The Prime Minister and Mr Annan discussed a number of topics. Among those topics was the Australian government’s position on the
United Nations human rights treaty committee system. The Prime Minister took the opportunity of saying to the Secretary-General that Australia had no quarrel with the United Nations human rights goals and objectives. He made it perfectly clear, nevertheless, that Australia is unhappy with the way the treaty committee system works and believes that the system needs very substantial reform. I think it is fair to say, from my conversation with the Prime Minister, that the Secretary-General was interested and happy with what the Prime Minister said, and he responded that no part of the United Nations is immune from criticism and no part of the United Nations is immune from reform.

The discussion between the Prime Minister and the Secretary General was a constructive discussion, and I regard it as a useful early contact in Australia’s campaign to achieve reform of the United Nations Human Rights Committee system. A number of others over the last few days have expressed their support for reform of that system. Mary Robinson, the United Nations High Commissioner on Human Rights, has supported the objective of reform, and a number of member states have, frankly, for many years been working towards reform. Insofar as other people’s views on this issue are concerned, I noticed yesterday in a press conference that the Leader of the Opposition said:

We have the detailed policies in now from all the shadow ministers. All the policies are now in. Were an election to be called this year, we would be ready to fight it.

Opposition members interjecting—

Mr DOWNER—Why is this relevant to this question? It is relevant to this—

Mr Beazley interjecting—

Mr DOWNER—I am going to help you out here. It is relevant to this question because one of the numerous comments made recently by the opposition spokesman for foreign affairs has been that he supports reform of the United Nations Human Rights Committee system. So the Labor Party apparently—of course—oppose what the government have been saying and expresses outrage at the totally atrocious position of the Howard government but all the time run around saying that they support reform of the Human Rights Committee system. What reforms do the Labor Party support? Name one reform articulated in your policies—which are apparently sitting in the Leader of the Opposition’s drawer. The simple fact is that the Labor Party says they support reform, but they never say what reform they support. Of course, it is exactly the Labor Party’s tactic to walk both sides of the street, to tell every constituency in the country precisely what they want to hear. How weak is that!

Taxation: Employee Benefit Schemes

Mr KELVIN THOMSON (2.32 p.m.)—My question is to the Treasurer. Do you recall last month being asked why you have failed to act on tax abuse through sham employee benefit schemes? Now that you have had time to check, are you aware that Second Commissioner of Taxation Mr Michael D’Ascenzo recently told a House committee:

... some of the arrangements that have emerged over recent years smack very much of the ingredients that were the tax avoidance paper scheme rorts of the 1970s and early 1980s.

He went on to say that they would have kept the government informed all the way through the process. Treasurer, why won’t you admit that you were kept informed all the way through? Why did you do nothing to stop these new bottom-of-the-harbour tax avoidance schemes?

Mr COSTELLO—Again, the member for Wills makes a false assertion in his question. It works on the principle that if he states a false assertion then some people might be beguiled into thinking it were fact. The Australian Taxation Office has always made it clear—and I think the honourable member should be aware of it—that those abusive employee share schemes which it is worried about and which it considers to be against the law are being prosecuted in the courts. The Taxation Office is prosecuting them in the courts under part IVA, which was introduced to prevent contrived schemes. If I am right, I think part IVA was actually introduced under a coalition government.

Mr Crean interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition is defying the chair. The Treasurer has the call.
Mr COSTELLO—It was introduced by the coalition government to deal with avoidance schemes and it empowers the tax office to attack a contrived scheme and empowers the courts to declare it down. That is a matter which the commissioner has briefed counsel on and which he is taking proceedings on.

Mr Crean—Why don’t you legislate!

Mr COSTELLO—The Deputy Leader of the Opposition volubly interjects again. I presume he would prefer that the courts were not able to enforce the law.

Mr Crean—But if they were given more power—

Mr COSTELLO—In a democratic society—if I can go through the principle—the parliament makes the law and the courts interpret it. The law in this case—

Mr Crean interjecting—

Mr SPEAKER—I have just drawn the Deputy Leader of the Opposition’s attention to the fact that interjections are out of order, and he deliberately continues to interject. I would not allow that level of interjection from his opposite number and I do not expect to allow it from him.

Mr COSTELLO—I will go through it from first principles. The parliament makes the laws and the courts enforce them. In this case the law the parliament made was that part IVA would hit paper schemes—this was introduced by a coalition government. The tax commissioner prosecutes, the courts interpret the law and, if the tax commissioner wins, as he believes he will, the courts will then determine that more tax is payable. If you were to suspend the operation of the courts you could do that, but I doubt that a party that believes in human rights as strongly as the Australian Labor Party does would want to suspend the operation of the courts or the enforcement of the law. The tax commissioner’s position has always been that he will be enforcing the law, that part IVA is there for that purpose. The allegation in the question, notwithstanding the fact that it is repeated, does not make it a fact. The premise is wrong and the commissioner is enforcing the law.

Indonesia: Relations with Australia

Mr ROSS CAMERON (2.36 p.m.)—My question is to the Minister for Foreign Affairs. Following the Prime Minister’s meeting in New York yesterday with Indonesian President Wahid, could the minister update the House on developments in Australia’s relationship with Indonesia.

Mr DOWNER—I thank the member for Parramatta for his question. I appreciate the interest he shows in the important relationship between Australia and Indonesia. As the House knows, the government regards our relationship with Indonesia as one of our most important bilateral relationships and, as the House also knows, that relationship has been through a difficult period as a result of events in East Timor last year.

Nevertheless, during this year there have been numerous contacts between this government and the government of Indonesia. The latest of those contacts was a meeting between the Prime Minister and President Wahid of Indonesia yesterday in New York. At this meeting both the Prime Minister and President Wahid recognised the good progress Australia and Indonesia have made in their trade and economic relationships. It is worth reporting that President Wahid welcomed our highly constructive approach, as indeed the Australian government welcomes the highly constructive approach of President Wahid, President Wahid said that he shared Australia’s deep concern about militia activity on the East-West Timor border and indicated that he would do all he could in this regard. He also underlined the need for repatriation and resettlement of refugees. We regard this matter as particularly important in the context of security in East Timor, the future direction of East Timor and the security of our very own Australian citizens working as civilian police, peacekeepers and in other capacities in East Timor.

I know the House will be interested in this. President Wahid proposed a quadrilateral meeting involving Australia, Indonesia, East Timor and Portugal to further cooperation on East Timor. Certainly that is a suggestion that this government believes is constructive. We look forward to the meeting taking place before too long. President Wahid also agreed—this is a matter of great concern to the gov-
his is a matter of great concern to the government in our international dealings—that oil prices were currently too high and that international oil prices should be stabilised at around US$25 per barrel, which is more or less the view of the OPEC countries.

President Wahid raised his desire to visit Australia in the second half of October. He also proposed that the ministerial forum which is planned for this year between Australian and Indonesian ministers, to be held in Australia, be held before the presidential visit. Therefore, we would be looking at this ministerial forum possibly being held in the first two weeks or so of October. Let me hasten to add that the quadrilateral meeting that was proposed by President Wahid would take place after the visit to Australia, President Wahid’s proposition being one that we warmly embrace. This meeting demonstrates the great importance of our bilateral relationship with Indonesia and the positive steps that both countries are now taking to revitalise that relationship and advance our cooperation across a whole range of areas. I am confident that over the next few weeks the relationship will get back onto a sound footing.

DISTINGUISHED VISITORS

Mr SPEAKER—Members of the parliament will have noted that on the floor of the House this afternoon we have a delegation from the Parliament of Papua New Guinea. On behalf of all members of the parliament I extend a very warm welcome to our nearest neighbours in parliamentary terms.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Taxation: Employee Benefits

Mr MURPHY (2.40 p.m.)—My question is to the Treasurer. I refer to the evidence to a House committee inquiry by the firm Remuneration Planning Corporation that they lobbied for the reinstatement of private rulings concerning employee benefit tax avoidance arrangements in 1999. Wasn’t this lobbying campaign successful? What meetings or other contact did you, your staff or Senator Kemp and his staff have with the Remuneration Planning Corporation or its representatives concerning the taxation of employee benefits?

Mr COSTELLO—If somebody was lobbying for a tax avoidance scheme in 1999, obviously they were unsuccessful, weren’t they? I would have thought that even your tactics committee would have been able to tell that there was no legislative change subsequent to 1999 in this area, which was the point of the last question. If you had thought about it, you would have realised that in 1999 there was no prospect whatsoever.

Mr Beazley—Mr Speaker, I take a point of order. The question was not about legislation. It was about the reinstatement of private rulings. That was what the question was about. If the Treasurer did not hear it maybe he would like it repeated.

Mr SPEAKER—The Leader of the Opposition has made his point. He will resume his seat. The Treasurer has been on his feet for barely 30 seconds. I will listen to his reply.

Mr COSTELLO—As I said in response to the last question in this area, it was as a result of contrived schemes in the 1980s that the then government—I believe it was the now Prime Minister—introduced part IV A of the Income Tax Assessment Act, which was to my knowledge never amended in 13 years of Labor government. Part IV A was a general anti-avoidance legislative provision which could be used to attack contrived schemes.

Mr Beazley—Mr Speaker, I take a further point of order. This is a question about the visit of a firm to the Treasurer’s office, or to any other person associated with him, in regard to lobbying efforts on their part for a reinstatement of private rulings. That is what it is about. It has nothing to do with what the Treasurer is talking about.

Mr SPEAKER—The Leader of the Opposition will resume his seat. The Treasurer is relevant to the question asked and has the call.

Mr COSTELLO—So a contrived scheme of any kind or other can be attacked under part IV A as an avoidance measure. It is attacked by the commissioner through the courts. Those schemes which the commissioner believes are contrived avoidance
schemes are being attacked through the courts by the commissioner under part IVA, which was the legislative provision put in place to deal with this. If they are contrived schemes—and that is a matter for the courts—they will be struck down under part IVA and the courts will decide they are contrary to law.

Mr Crean—Mr Speaker, I have a point of order.

Mr Speaker—Has the Treasurer concluded his answer?

Mr Costello—Yes, I have.

Mr Speaker—The Treasurer has concluded his answer. The Deputy Leader of the Opposition will resume his seat.

Goods and Services Tax: Alternative Policy

Mr Barresi (2.45 p.m.)—My question is addressed to the Treasurer. Has the Treasurer seen reports of proposed policy changes to Australia’s tax system? What would be the effect of alternative tax policies on Australia’s families and businesses?

Mr Costello—I thank the honourable member for Deakin for his question. I do see reports from time to time of proposed changes to Australia’s tax system. They go under the name of roll-back—a word which the Leader of the Opposition has not uttered since 16 July and a word which has not been uttered by the opposition in this parliament since 1 July this year. While we are on the subject of tax avoidance, I make the point that the most significant crackdown on the black economy in Australia’s history was the introduction of the goods and services tax. The most significant crackdown on the black economy in Australia’s history—the goods and services tax—was opposed by the Labor Party. Because of the goods and services tax, which is now not only making people pay tax as they buy but also with the Australian business number bringing firms into the tax system for the first time, and because of the good work of the coalition, those honest Australians who have always been paying their tax are now finding the black economy is being picked up. The people of Australia are grateful that the Labor Party’s campaign did not succeed.

Are there alternative policies to the current taxation system? Apparently there are because yesterday the Leader of the Opposition was asked:

Down at your ALP conference you said the detailed policies would be ready in three weeks. Are they ready now? Are you ready to fight an election?

Beazley: We have the detailed policies in now from all shadow ministers.

Presumably, roll-back has been sent in by the shadow Treasurer, who has been working hard on roll-back, to the Leader of the Opposition. If that is the case, as was said yesterday, we ask one simple question: why don’t you release it? The people of Australia are entitled to see the roll-back policy which is now sitting with the Leader of the Opposition. He said on 23 February 2000:

... people are entitled to know where the Labor Party stands on the GST and the direction in which we’re going.

They’re also entitled to know exactly what we’d do in the next term of government with a GST ... People are entitled to know it and not be deceived.

The roll-back policy is now with the Leader of the Opposition. The Leader of the Opposition says people are entitled to know what it is. Why will the Leader of the Opposition not release this afternoon the roll-back policy so that the people of Australia can know where he stands on the GST? As he said, the people of Australia are entitled to know it and not be deceived.

There is a new socialist frontbencher in the industry portfolio, which has now gone to the Socialist Left.

Mr Tanner interjecting—

Mr Costello—Yes, I said that yesterday. Socialist Left in industry, Socialist Left in finance and an ACTU boss in Treasury—that is Labor’s economic team. You have heard of *Four Weddings and a Funeral*; this is two socialists and a shop steward—Labor’s economic team.

Opposition members interjecting—

Mr Costello—They enjoy it. As the socialists go around the boardrooms of Australia led by their shop steward, they can be disclosing their policy. Now with the Leader of the Opposition is the famous policy of
rollback. From this side of parliament can I also say that we are very anxious to see rollback too. We would like to see the rollback policy as much as the people of Australia. It is with you; now, Leader of the Opposition, it is up to you.

Tax Avoidance Schemes

Ms GILLARD (2.49 p.m.)—My question is to the Treasurer. Given your complete failure to tell this House what advice you have had on the threat to revenue from abuse of employee benefit schemes since 1996, do you deny receiving advice from aggressive tax planners prior to 1996, when you decided to oppose ‘root and branch’ Labor’s crackdown on these schemes?

Mr SPEAKER—I will allow the question to stand, but I do not believe the introduction to the question reflected the way in which it ought to have been framed.

Mr COSTELLO—Again it is the tactic of stating a false premise in a question with the hope that, if you state it often enough, you could at least convince the Labor Party backbench, if not those who understand. As I said in answer to the last two questions, the advice of the Commissioner of Taxation is that those schemes which are avoidance schemes are contrary to part IVA, and part IVA will be enforced through the courts. I am also asked about a policy that the Australian Labor Party had in 1994 which was to wipe out all employee share schemes by applying fringe benefits tax to all employee share schemes—which would have made illegal every employee share scheme or rather would have made it, from a tax point of view, uncommercial to have any employee share scheme. The advice of the taxation commissioner was that they would be proscribed through the courts, which is what will happen.

Ms Gillard—Mr Speaker—

Mr COSTELLO—What? Relevance?

Mr SPEAKER—The member for Lalor.

Ms Gillard—It is a point of order on relevance, the Treasurer is right about that. My question was directed to whether or not he denies receiving advice from aggressive tax planners prior to 1996. It requires a yes or no answer.

Mr SPEAKER—The member for Lalor is well aware that she is not in a position to dictate the way in which a question will be answered. The standing orders require only that the answer be relevant to the question. The question asked was about whether or not the Treasurer had been lobbied about various tax minimisation and evasion schemes and he was responding to that question.

Mr COSTELLO—I was also asked about measures which, back in 1994 as I recall, were defeated in the Senate, and I was coming directly to that point. How could they have been defeated in the Senate on the votes of the coalition alone? No, they were not. They were defeated in the Senate on the votes of the coalition and the now Labor member for Dickson, who stated in the Senate, quite rightly, that the proposal to apply fringe benefits tax to all employee share schemes—which would have made illegal every employee share scheme or rather would have made it, from a tax point of view, uncommercial to have any employee share scheme—was an attempt to use a sledgehammer to crack a walnut, which was the view of the coalition. To put fringe benefits tax on every employee share scheme was taking a sledgehammer to a walnut and would have made it impossible to have employee share schemes in Australia. No; a much better way of doing things was to allow legitimate employee share schemes. And I must say, from the coalition’s point of view, we actually want to encourage employee share schemes. We want to encourage them, and we were not going to let the Australian Labor Party wipe them all out in 1994 under misguided socialist principles. The way in which those ones which were contrived or abusive could and should be handled would be under part IVA. The advice of the taxation commissioner was that they would be proscribed through the courts, which is what will happen.

Workplace Relations: Alternative Policy

Mr ST CLAIR (2.54 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Minister, would you inform the House of the latest development in agreement making un-
der the Workplace Relations Act. Are you aware of any alternative policies?

Mr REITH—I thank the member for New England for his question. I am able to advise the House that a report is now available which gives a detailed assessment of the operation of the Workplace Relations Act in respect of agreement making in the last couple of years, in particular over the period 1998-99. This gives the parliament the first and most comprehensive advice on the operation of agreement making. It gives some detail which has not as yet been able to be provided to members. Members know that we have been able to create 800,000 jobs or thereabouts, productivity is the best it has been for 30 years and wages have been rising, particularly for low income people. The member for New England will be interested to know that when you look at the details of the agreement making you can see how the system is working to provide real benefits, particularly to workers.

For example, what it shows is that family friendly provisions in collective agreements have been available in something like 76 per cent of all agreements. That shows you the flexibility of the system. It is becoming more comprehensive. I would hope that there would be wide support for that, although I would have to say from the noises being made by the opposition that it is clear that they would like to get rid of a lot of those options available for workers. The non-union or collective agreements, which we describe as ‘direct agreements’ between employers and employees, have been widely used and there are real benefits for workers there. One in five in the private sector are in a union, but the non-union collective agreement provides a choice for people who are not in a union, which is about 80 per cent of that private sector work force.

I am asked if there are any alternative policies. I was amazed to hear the Leader of the Opposition, after he had been telling us for ages we would not have any policies till next year because ‘you could not have a policy until close to the election; otherwise they would not be relevant’, finally say yesterday that he has actually received a whole lot of policies—in fact, from all of his shadow ministers. He says, ‘We have the detailed policies in now from all the shadow ministers.’ All the policies are now in. This is good news for the small business community—the shadow minister for small business has finally produced a policy and it is with the Leader of the Opposition. The shadow minister for industrial relations has finally produced a policy—this is incredible news—and it is with the Leader of the Opposition. And from the shadow minister for employment, the long lost, missing employment policy, often promised, has finally arrived. It is now with the Leader of the Opposition.

I do not think it would take much now. We are getting close. It is quite clear that the Leader of the Opposition has got these policies. I presume he has got them in his basement. He is the only one with the key. All we say to him is, ‘Why don’t you let us into your policies?’ For people who have signed non-union agreements, I do not think there is any doubt the Labor Party is going to get rid of those agreements. The Leader of the Opposition has a policy. I think people are entitled to see it. I say to the shadow ministers: don’t be shy about your policies. If you believe in your policies you should be proud of your policies and you should want to have the time to go out and show people how good they are.

I know the Leader of the Opposition has had a bad week, as the Treasurer demonstrated yesterday. He is still looking for the person who made the remarks about the indigines, or trying to hear about the person it might have been. He at least now has these policies. Don’t hide your light under a bushel. Get the key out. Go down to the basement. Don’t bring up the mushrooms, bring out the policies.

Mr Edwards—Mr Speaker, I raise a point of order. I believe that the minister is reflecting on the chair. He does it constantly, and I believe he ought to be pulled into gear.

Mr SPEAKER—The member for Cowan makes a valid point of order. The Minister for Employment, Workplace Relations and Small Business did from time to time speak directly to members instead of through the chair. However, he is not the only offender. Has he concluded his answer?
Mr Reith—Yes, I have.

Taxation: Employee Benefit Schemes

Mr CREAN (3.00 p.m.)—My question again is to the Treasurer, and it is further to his answer to the question from the member for Lowe. Treasurer, was the embargo on private binding rulings regarding employee benefits tax avoidance schemes lifted on 19 May 1999?

Mr COSTELLO—Since I neither give private binding rulings nor lift embargoes or put embargoes in, that is a matter for the Commissioner of Taxation.

Mr Crean interjecting—

Mr SPEAKER—The deputy leader has asked his question.

Opposition members interjecting—

Mr SPEAKER—The Treasurer is entitled to be heard without perpetual interjection.

Mr COSTELLO—Whether the commissioner put an embargo in place, whether he gave out rulings or whether he lifted an embargo is a matter for the Commissioner of Taxation, who is an independent statutory officer.

Mr Crean—Mr Speaker, I raise a point of order. It goes to relevance.

Mr SPEAKER—The Deputy Leader of the Opposition will resume his seat.

Health: Policies

Mr McARTHRU (3.02 p.m.)—My question is addressed to the Minister for Health and Aged Care. Would the minister outline to the House how the government has improved Medicare, the public health system and the opportunities for medical research? Is the minister aware of recent comments claiming that the government is not committed to these three important areas?

Dr WOOLDRIDGE—I thank the honourable member for his question and his interest. It is pleasant to have the member for Fremantle back on the frontbench; we have the benefit of her wisdom again. But the member for Fremantle also has a track record in this area, and we should be prepared to look at it when she is making comments on the government’s health policy. Yesterday during her media conference in relation to the government’s position on the 30 per cent rebate the member for Fremantle said, ‘The decision has been made and we move on.’ The decision she must have been talking about was Labor’s decision to roll back the 30 per cent rebate, thereby increasing premiums for older people and leading to a decline in private health insurance. But we can hardly move on while the Labor Party are not prepared to give details of it and think they are going to surf into government and hide this one. The fact is that there are eight million Australians who are going to be disadvantaged by this particular decision. The member for Fremantle also claimed:

I mean, I am very concerned, for instance, that the government hasn’t the necessary energy or interest in the public health system.

She went on to say:

We are about adding value to Medicare, not rebuilding it.

We can have a look at the member for Fremantle’s record in this area. After all, she was health minister for two years, between March 1994 and March 1996. When the member for Fremantle was health minister under a Labor government, Australia ranked third last in the Western world for childhood immunisation. Rather than address the problem, she used the issue as leverage in Commonwealth-state funding negotiations. There was a complete lack of coordination between the Commonwealth and states on Aboriginal health matters.

Mr Horne—Mr Speaker, I raise a point of order. It goes to relevance. The minister was asked a question—

Mr SPEAKER—The member for Paterson will resume his seat. I noted the question as it was asked and I am in a position to rule on what the minister is having to say. I am having difficulty hearing the minister, and I concede that it would be easier to rule with assurance if I could hear the minister more clearly, but I believe that what the minister has said is relevant to the question as I noted it.

Dr WOOLDRIDGE—There were 38 Aboriginal communities of over 200 people with no access to health care whatsoever and no plans for such services. Doctor numbers in
rural Australia were in decline, and Labor’s answer was to establish a committee. The cost of Medicare was spiralling out of control and, rather than deal with it, the member for Fremantle and the then Minister for Finance increased the Medicare levy, having denied that they would do so. Fourteen hundred people a day were leaving private health insurance.

The honourable member asked about the government’s commitment to these areas, and it is very clear. We have increased funding to public hospitals by $6 billion over five years, dramatically improved immunisation levels, turned around private health insurance and increased funding to Aboriginal health in a way that has never happened before in this country. We have made the single largest commitment to rural health ever and brought important issues like mental health, diabetes, asthma and Aboriginal health under the umbrella of Medicare—something Labor failed to do. Bulk-billing rates today are higher than they were under Labor, doctors are more appropriately remunerated for after-hours work and Medicare Easyclaim facilities give people very substantially increased access to Medicare.

Perhaps the area where there is the greatest contrast in what the member for Fremantle raised yesterday was lecturing the government on research and development. For two years the member for Fremantle was responsible for research and development in the National Health and Medical Research Council. The member for Fremantle oversaw an increase in funding in the 1994 budget. There was a very specific commitment given, that the level of funding was consistent with the commitment to lift health and medical research to two per cent of the total health expenditure by the year 2000.

I have sat on five expenditure review committees and I know that you make a very major decision, when you have new funding, as to whether it is short term or long term. In spite of the specific commitments in the 1994 budget for health and medical research, these were four-year commitments and their funding dropped off in mid-1998. So what you had is the National Health and Medical Research Council making three- to five-year funding commitments on the basis of funding they were led to believe was continuing but which dropped off in mid-1998 in a smoke and mirrors trick. This was something that the government had to address when it came into government, something that was difficult to find the money to plug, and it shows that when it comes to an issue of innovation—and the only track record we have for the member for Fremantle is in this area—the money ran out in mid-1998, the National Health and Medical Research Council was in crisis and they remember very well the sort of commitment that they got from the Labor Party.

**Taxation: Private Rulings**

Mr CREAN (3.08 p.m.)—My question is again to the Treasurer. Treasurer, you claimed in a previous answer that you are dealing with employee benefit schemes tax avoidance through the courts. Are you aware of recent comments by Mr D’Ascenzo to a House committee in which he said it has taken too long to get some cases into the courts? Treasurer, could you tell the House the number of employee benefit tax avoidance court cases on employee benefit arrangements that were instituted and determined in 1996, 1997, 1998, 1999 and this year, 2000? How many?

Mr COSTELLO—Mr Speaker, could I say how many cases were instituted by the tax commissioner in 1996, 1997, 1998, 1999 and 2000? No, of course I could not. Would anybody be expected to know how many cases the commissioner had brought? No, of course they would not.

**Opposition members interjecting—**

Mr SPEAKER—The member for Lalor!

Ms Gillard interjecting—

Mr SPEAKER—The Treasurer has the call.

Ms Gillard interjecting—

Mr SPEAKER—The member for Lalor!

Mr COSTELLO—But who would decide whether or not to bring cases in the courts to enforce the law? The tax commissioner—the Commissioner of Taxation, who is an independent statutory officer vested with the responsibility of enforcing the law; the same Commissioner of Taxation whose advice is that abusive employee share schemes are contrary to part IVA and should be prosecuted in the courts.
Ms Gillard interjecting—

Mr SPEAKER—The member for Lalor is warned.

Mr COSTELLO—Does the commissioner have control over the court lists? Would he be frustrated by court delays? Most probably he would. But can the Commissioner of Taxation jump the court lists? He cannot. Has the commissioner been given full resources to prosecute these matters in the courts? Yes, he has. The government has authorised a special counsel, who has been advising in relation to a number of these matters, at the request of the Commissioner of Taxation so that he has full resources. Why do the Labor Party get interested in this today?

Mr Crean interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition! The Treasurer has the call.

Mr COSTELLO—I will make a prediction—because they know I am going to the APEC finance ministers meeting tomorrow, and they will stand up tomorrow and they will say, ‘Where is he? He’s not here to answer questions.’ It is the same as when I went off to the OECD: they had thousands of questions they wanted to ask me the moment I left and when I came back—not one question. So much for all of these questions that they said they would have wanted to ask! So they find out in their tactics meeting—’Oh, the Treasurer’s going up to the APEC finance ministers meeting on Thursday; let’s ask a whole lot of questions and then on Thursday we can get up and say, “Where is he? He’s not here to answer the questions.” ’ In relation to the employee share schemes—

Mr Beazley—Mr Speaker, I rise on a point of order.

Mr SPEAKER—The Leader of the Opposition, I am happy to comment on this. I am happy to rule on the matter of relevancy, because in fact the Leader of the Opposition is correct: the Treasurer’s remarks in the last 15 seconds were not relevant to the question.

Mr Beazley—But I also want to—

Mr SPEAKER—The Leader of the Opposition will resume his seat. The Treasurer had in fact indicated, as the point of order was called, that he was returning to the question. The Treasurer has the call.

Mr Crean—Respond to it!

Mr SPEAKER—The Deputy Leader of the Opposition!

Mr COSTELLO—As I said earlier, does the government support employee share schemes? Yes, it does. Does it believe that fringe benefits tax should be used to wipe them out? No, it does not. Does it believe that, if there are abusive schemes, action should be taken? Yes, it does. Has it received advice? Yes, it has. If its advice is that those abusive schemes have been contrary to part IVA and should be prosecuted under part IVA, who has the responsibility for bringing actions in the court? The Commissioner of Taxation. I also table the minority report in relation to the 1994 legislation. It starts off by saying:

I wish to dissent from the recommendation of the Committee ... During these hearings, the Government had failed to identify the exact nature of the abuses of the current taxation law. As a matter of policy, these abuses should have been dealt with using specific anti-avoidance measures rather than through a further inappropriate extension of the Fringe Benefits tax.

It concludes by saying this:

While it is clear that some anti-avoidance measures will be needed to supplement ... 26AAC and part IVA, the proposed legislation appears to be a sledgehammer to crack a walnut.

I table it. It was the report of former Senator Kernot, now the Labor member for Dickson. Unless the Labor Party wants to allege that that was evidence of some kind of connivance in tax avoidance, it was the same view that the coalition took at the time.

Indigenous Australians: Education

Mr NUGENT (3.13 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Minister, what has been the role of independent Aboriginal community controlled schools in lifting standards for indigenous students? Is the minister aware of recent comments about education and Aboriginal affairs? What is his response?

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the
Public Service) (3.14 p.m.)—I thank the honourable member for Aston for his question, and I acknowledge his very great interest in indigenous education and Aboriginal affairs generally. This government is strongly committed to the right of all parents to choose their own school, to get schooling for their children which reflects their values and their cultural background. The Labor Party at the moment is under huge pressure from the Australian Education Union to vote against education choice. It has found a spokesman in this House in the member for Port Adelaide, whose views about choice have been put clearly on the record on behalf of the Australian Education Union. The member for Port Adelaide said:

Choice in its raw form means segregation, not freedom. ... It has nothing to do with freedom. He says that increasing parental choice will deprive ‘children who live in socioeconomically depressed areas and children in rural Australia’. Nothing refutes more clearly these absurd remarks than the Aboriginal community controlled schools. There are some 26 of these schools, and they are often the only option that young indigenous students have in remote and traditional areas.

Mr Lee—Mr Speaker, I rise on a point of order. I draw your attention to the fact that the minister made very similar remarks during the debate on the legislation, which—

Mr SPEAKER—The member for Dobell will resume his seat. That has nothing to do with freedom.

Mr McMullan—Mr Speaker, on the point of order: I apologise for having to do this because I am sure you are aware that it is actually standing order 82 with which we are dealing, not the one to which the member for Menzies referred. Standing order 82 says: No Member—

Mr Reith—Mr Speaker, I rise on the point of order. The standing orders and the practice of this House have never prevented a minister talking about policy for which he has portfolio responsibility. They wasted 15 minutes at the start of question time, there have been a series of disruptions—

Mr Reith—My point of order is that their point of order—

Mr Wilkie interjecting—

Mr SPEAKER—The member for Swan is warned!
Mr Reith—I conclude by saying that this is a transparent attempt, as usual, to prevent a minister from answering a question. He is answering it relevantly, and there is no reason to prevent him from answering it. There has been no reference to the legislation. If you take the interpretation put by the Manager of Opposition Business, a minister for education could basically never answer questions on education.

Mr Leo McLeay—Further to the point of order, Mr Speaker: in normal circumstances what the Leader of the House said would probably be true, but in this circumstance the debate was interrupted just before question time and one assumes that the next item of business after question time is the third reading debate on that bill. If the minister is not anticipating that debate under these circumstances, I do not know what is. It is clear. If the minister had got his tactics right and had the bill been dealt with before question time, he would not have this problem.

Mr SPEAKER—The Chief Opposition Whip will resume his seat. He has made his point of order.

Mr Reith—Mr Speaker, I refer you to a similar situation which arose at the end of 1998 on tax matters. At that time there was a series of tax bills before the chamber, as you might remember, and the opposition were very anxious to ask detailed questions. With regard to one on 2 December, Mr Speaker, you said:

I will allow the question. It is clearly not necessary for the Treasurer to respond in detail, but the general principles of the tax reform may be addressed.

In other words, in that example—which, I am sure, is fresh in your memory—a minister talking about general principles in a portfolio area for which he was responsible was entirely in order. If the opposition want any more questions, I think we ought to allow ministers to answer questions.

Mr McMullan interjecting—

Mr SPEAKER—The Manager of Opposition Business is denying the Leader of the Opposition the opportunity to address the House.

Mr Beazley—To that point of order, Mr Speaker, in support of your very correct ruling—

Mr SPEAKER—I have not as yet given a ruling, I might point out to the Leader of the Opposition.

Mr Beazley—I can see where you are going. You will recollect that in the answer the minister gave he referred explicitly to matters raised in the debate by the member for Port Adelaide. That is the debate that we are talking about, which is yet to have its third reading, though that will come on immediately government business resumes.

Mr SPEAKER—The Leader of the Opposition and all members may be relieved to discover that among the notes I have made from those who were speaking was a note about the rulings made on the new tax system. As the member for Menzies has pointed out, and as I was aware, the standing orders do not restrict so much the way in which an answer is given as the way in which the question is asked. In my view, the question did not oblige the minister to make any reference to the legislation currently before the House. The answer the minister has given, however, could reasonably be seen to be anticipating debate. The minister therefore has an obligation to talk specifically about the general policy that rural and Aboriginal schools face, but if he is any more focused than that then he clearly is anticipating what could be the third reading debate. That is consistent with what I was saying some minutes ago. The minister may respond, but he must talk in general terms, as was obliged in the ruling on the new tax system.

Dr KEMP—Mr Speaker, I thank you for your ruling and of course I would not anticipate debate. The point I am making in response to the question is that Aboriginal community controlled schools show the value of choice to the most disadvantaged members of the community. The annual reports on these schools show that they consistently show high levels of indigenous employment. They show indigenous input into curriculum design and implementation, and involvement in decision making. They also help non-indigenous staff to understand the needs of indigenous students. That is the
value of educational choice, which is a general policy principle that this government is strongly committed to. The government’s attitude to indigenous matters is very different to that of the Labor Party. As the question asked, I am aware of other comments. The opposition leader should get serious in trying to find out who on his frontbench made those comments about indigenous affairs. Yesterday I thought that the member for Dobell had narrowed the matter to the Left.

Mr Beazley—Mr Speaker, I raise a point of order. This is not even remotely relevant to the question that has been asked of him.

Mr Downer interjecting—

Mr Speaker interjecting—

Mr SPEAKER—The member for Melbourne is warned.

Opposition members interjecting—

Mr SPEAKER—The comments made by the minister were not relevant to the question asked.

Dr KEMP—Mr Speaker, the question specifically asked me about comments on Aboriginal affairs, and I am now making reference to comments on Aboriginal affairs. I was just saying that we had comments which pointed to particular members of the Labor frontbench who had made those comments. Last night on the 7.30 Report—

Mr McMullan—Mr Speaker, I raise a point of order. The minister is pursuing exactly the point which you said was not relevant. You were correct then, you are correct now and you should sit him down again.

Mr SPEAKER—I thank the Manager of Opposition Business for his support but I do not need it. The minister in fact had not indicated what particular program on the 7.30 Report he was referring to. If in fact he was defying my ruling, I will deal with him. But I have no reason to believe that that is what he is doing until I have heard from the minister.

Dr KEMP—The question asked me specifically whether I had heard comments on Aboriginal affairs. On the 7.30 Report last night the new shadow minister for indigenous affairs made these comments:

It’s a passing thing but it’s a shocking thing—

that is, these comments that had apparently come from the frontbench of the Labor Party—

but people eventually will judge me on whether I do a good job or not, not whether some idiot made a mistake the day before I took it.

Mr SPEAKER—The minister for education will resume his seat. I do not see how his comments are relevant to the question of education, which is what the question was about.

Opposition members interjecting—

Mr SPEAKER—I have asked the minister to resume his seat and I call the member for Fremantle.

Mrs Crosio interjecting—

Mr SPEAKER—The member for Prospect will discover just how accurate that particular interjection is.

Research and Development: Funding

Dr LA WRENCE (3.28 p.m.)—My question is to the Acting Prime Minister and I again refer him to the final report of the Innovation Summit Implementation Group released on Monday. I ask the minister if he is aware that the final report recommends that the government develop a coordinated set of goals in innovation policy? I ask the Acting Prime Minister: will you endorse Labor’s commitment to reach at least the OECD average of business expenditure on research and development as a percentage of GDP by 2010 and, if not, why the government does not consider this an important goal?

Mr ANDERSON—I thank the honourable member for her question. I make the observation that we have indicated that we will respond fully and properly in due course, once we have had an opportunity to consider what has been put before us. I cannot help taking the opportunity, though, to add to my earlier comments in response to the question from the Leader of the Opposition and in making some remarks that go to the matter of the new shadow minister’s capacity to deliver in cabinet. I can only say that I sincerely hope the outcomes she achieves in future are better than those which happened the last time she went to her colleagues, in 1994, seeking an expansion of some $800 million expenditure on Aboriginal health. On that
particular occasion she was stymied by an interesting collection of people. At the time, Minister Howe thought that the submission was sloppy and he was strongly backed by Crean—interestingly enough—Beazley and Baldwin. In other words—

Mr Speaker— Acting Prime Minister—

Mr Beazley—I rise on a point of order, Mr Speaker.

Mr Speaker— As the Leader of the Opposition should surely be able to observe, I have just intervened. The chair is having a great deal of difficulty in finding any relevance between the remarks made by the Acting Prime Minister and the question asked about innovation funding.

Mr Crean interjecting—

Mr Speaker—The Deputy Leader of the Opposition is warned.

Mr Nairn—It took 16 times.

Mr Speaker—The member for Eden-Monaro will get similar treatment.

Forestry and Wood Products Industry: Research and Development

FRAN BAILEY (3.31 p.m.)—I address my question to the Minister for Forestry and Conservation. Would the minister—

Mr Sercombe interjecting—

Mr Speaker—The member for Moruya will excuse himself from the chamber.

The member for Moruya then left the chamber.

Mr Speaker—The member for McEwen will start her question again.

FRAN BAILEY—Thank you, Mr Speaker. My question without notice is addressed to the Minister for Forestry and Conservation. Would the minister advise the House of any recent initiatives in research and development for the forest and wood products industry? Is the minister aware of any impediments to an increase in the industry’s research and development effort?

Mr Tuckey—This week, after considerable consultation with the forest industries, this government has increased the matching funding for research and development in the forest products industry to the national primary industry standard of dollar for dollar of industry levies. Such research moneys are desperately needed from the plantation sector right through to the manufacturing sector of the industry. There has been an anomaly in this particular funding because historically the amount of funding provided has been 50 cents in the dollar and the cap that that could go to, which is 0.5 per cent of GVP in other industries, was also 0.25 per cent. There was a reason for that—that is, the Labor Party made that decision. At a time when the new shadow minister for industry and innovation was a member of cabinet, the Labor Party decided that research into the forestry sector was worth only a pittance, worth only half the money. And she comes in here and asks questions about our commitment!

Furthermore, yesterday, the Minister for Agriculture, Fisheries and Forestry launched the strategies associated with management of the Murray-Darling Basin salinity problem. Those sorts of projects do not come to fruition without substantial expenditure in research and appropriate issues. More importantly, as recognised publicly by scientists, a new form of technology has been developed by government agencies which I choose to call the ‘ultrasound of the earth’. Through research, we have created a new technology which tells us where the salt is, how deep it is under the ground, in which direction it is flowing and how much is there. That represents expenditure and outcome but, further, it will save billions of dollars to be diverted to other needy causes because we now know where to address our funding in this regard. That is an outcome. It is vastly different from the new shadow minister’s idea that you can measure excellence by expenditure. That is all she is on about: spend the money and do not care where it goes. Of course, her leader will borrow the money for her, as he has in the past.

There are some grave issues arising from this. We do need research in industry, we do need contributions from industry and we do need cooperation from government. What encouragement do industries and other people have when we now have an shadow industry minister who hates industry, a shadow...
knowledge minister who has amnesia and a shadow spokesperson for women who has taken dreadful action against a woman in my state?

Mr Anderson—Mr Speaker, in recognition of our having had a very extensive question time today, I ask that further questions be placed on the Notice Paper.

QUESTIONS TO MR SPEAKER
Matters of Public Importance: Independent Members

Dr THEOPHANOUS (3.36 p.m.)—Mr Speaker, yesterday I rose to speak on the matter of public importance. I understand that the normal procedure is for there to be two speakers on both sides, but there has always been provision for Independents to be able to speak on the MPI when required. The time allotted in the standing orders is two hours, even though regularly only 50 minutes are taken. Yesterday, when I rose to speak, the Minister for Foreign Affairs blocked me from speaking by moving that the business of the House be brought on. I ask you whether some provision can be made in discussion with the whips to ensure that Mr Anderson and I are able to speak on MPIs, not every day but on those important issues on which we wish to speak. The foreign minister knew very well that I have a longstanding interest in the matter of the United Nations, and he should have allowed me to speak. It is something that should not recur in this House, if the rights of Mr Anderson and I are to be protected.

Mr SPEAKER—The rights of members of the frontbench to move such a motion are laid down in the standing orders. The opportunity for Independent members to participate in the MPI is a current matter for negotiation between the whips.

Questions on Notice

Ms MACKLIN (3.38 p.m.)—Mr Speaker, on 27 June this year I raised with you for the second time, in accordance with standing order 150, the failure of the Minister for Health and Aged Care to answer questions on notice Nos 460 and 461, which I asked on 8 March 1999. Eighteen months have passed since these questions were placed on notice, and I have not received an answer from the minister despite the two letters you have written to him. The minister is treating the parliament with contempt. What sanctions can you impose to get ministers like the Minister for Health and Aged Care to respond to your requests?

Mr SPEAKER—The chair is confined by precisely the same standing orders as confined its predecessors. I have been in the chamber for 17 years, but I am not sure that it has been in place for the 17 years. The chair has a right and an obligation to ask that the question be responded to but, beyond that, the chair has no other authority.

Questions on Notice

Ms MACKLIN (3.39 p.m.)—Mr Speaker, I have another matter that I would like to raise. A number of my colleagues have drawn my attention to the fact that, of the 36 outstanding questions on notice made before 10 May this year, 14 were directed to the Minister for Health and Aged Care and remain unanswered. Will you check the Notice Paper and draw this to the minister’s attention? I also ask that you follow up this situation with the Minister for Health and Aged Care, in accordance with standing order 150, and seek from him a commitment to provide responses in accordance with the norms of the parliament observed by other ministers. I seek leave to table a list of outstanding questions that have been placed before the Minister for Health and Aged Care.

Leave not granted.

Mr SPEAKER—I respond to the member for Jagajaga’s question by pointing out to her that the chair will facilitate her request as the standing orders provide. If she wishes the standing orders be amended in order to allow the chair to take some other action, she had best talk to the Procedure Committee, because these arrangements have been in place for a number of parliaments.

Questions on Notice

Mr MCCLELLAND (3.41 p.m.)—Mr Speaker, in terms of matters that affect me, under standing order 150, would you please write to the Minister for Health and Aged Care in respect of question No. 1041, which I asked on 22 November last year and also
questions Nos 1473 and 1476, which have been outstanding since 9 May this year.

Mr SPEAKER—I will follow up the matters raised by the member for Barton.

Questions on Notice

Mr MARTIN FERGUSON (3.41 p.m.)—Like the members for Barton and Jagajaga, I have previously requested that, in accordance with standing order 150, you follow up outstanding questions to the Minister for Health and Aged Care, namely questions 827 of 9 August 1999—I previously referred to the fact that that question was placed on notice last century—and question No. 1366 of 6 April 2000. In raising this matter, perhaps it might be appropriate that you table the minister’s response.

Mr SPEAKER—The honourable member for Batman has raised the point and will resume his seat.

Questions on Notice

Ms BURKE (3.42 p.m.)—I also add with my colleagues a request under standing order No. 150 to the Minister for Health and Aged Care that he respond to my question 1280, which was submitted on 16 March 2000.

Questions on Notice

Joint House Department: Parliamentary Hospitality

Mr PRICE (3.43 p.m.)—Mr Speaker, I raise two matters. Again, like my colleagues, I placed on the Notice Paper question No. 1499 to the Minister for Health and Aged Care on 10 May 2000. Consistent with standing order 150, I ask that you write to him and seek a response.

The second matter I wish to raise with you is this. One of the things I like about this place is that lots of schoolchildren visit and that we have a dedicated hospitality area. Today at lunchtime King Abdul Aziz Primary School visited this parliament. I was delighted, but I was rather shocked that their hospitality was going to be provided in the non-members bar. I do not think it is appropriate for any primary school students to receive hospitality in the non-members bar, much less a Muslim school. I was advised that the hospitality would be provided in the Terrace and that the reason they were kicked out was that Minister Larry Anthony had booked a function in the hospitality area used for the schoolchildren. Mr Speaker, when were these new procedures put in place whereby a minister, ministers or coalition members can now book an area specifically dedicated for the schoolchildren of Australia who visit this parliament? Mr Speaker, will you investigate this matter and give the House an assurance that, if this is a one-off occurrence, it certainly will not happen again?

Mr SPEAKER—I can respond to the member for Chifley by indicating to him that, without even investigating the matter, I know those who run the Joint House Department well enough to know that there is no way any arrangements or favouritism are extended to any one parliamentarian over others. I will follow up the matters he has raised but, as he is well aware, there is a real effort made to ensure that the hospitality for all visiting schools is met as ably can be within the confines that result from the number of schools now fortunately visiting Parliament House.

Mr Price—I was not aware that Mr Anthony had booked this for a school. Can you please ascertain that—

Mr SPEAKER—I have indicated to the member for Chifley that I will follow up the matter.

Questions on Notice

Mr KELVIN THOMSON (3.45 p.m.)—Like a number of my colleagues, I make a request pursuant to standing order No. 150 that you write to the Minister for Health and Aged Care seeking a response, or the reason for the delay in providing a response, to question No. 404, which I asked of him on 10 February 1999; therefore, I believe an answer is even more pressing than those for my colleagues.

Mr SPEAKER—I will follow up the matter raised by the member for Wills.

Questions on Notice

Mr LAURIE FERGUSON (3.46 p.m.)—It does seem a bit of a problem, but could I also raise through you, Mr Speaker, the matter of question No. 1501 of 10 May this year and ask that you obtain an answer for me under standing order No. 150.
Mr SPEAKER—I will follow up the matter raised by the member for Reid, as I have for all others.

Unparliamentary Language
Mr MOSSFIELD (3.46 p.m.)—I seek clarification on standing order No. 78. If members on this side of the House referred to members of the AMA in the derogatory way that the Treasurer continues to refer to trade union leaders and members, would they be out of order?

Mr SPEAKER—I am happy to respond to the member for Greenway. No matter who occupies this chair, whether it is the Speaker, the deputy speakers or a member of the speaker’s panel, everyone is obliged to ensure that the language is parliamentary, as has always been the case.

Questions on Notice
Dr LAWRENCE (3.47 p.m.)—Mr Speaker, I want to add to the list you will be compiling and ask that you write to the Minister for Health and Aged Care regarding question No. 1218, which I submitted on 6 March 2000.

Mr SPEAKER—I will follow up the matter raised by the member for Fremantle.

PERSONAL EXPLANATIONS
Mr PYNE (Sturt) (3.47 p.m.)—Mr Speaker, I have no questions for the Minister for Health and Aged Care, I am glad to say.

Opposition members interjecting—

Mr SPEAKER—There are members on my left who clearly seem to imagine that they have the call regardless of whether they are recognised or not. There ought to be sufficient evidence of the fact that the silence we expect in this House and that we have seen for the last five minutes should be the norm not the exception.

Mr PYNE—Mr Speaker, I seek leave to make a personal explanation.

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

Mr PYNE—I do most grievously, Mr Speaker.

Mr SPEAKER—Please proceed.

Mr PYNE—Thank you. In the Sydney Morning Herald today there was a report that said Michael Lee:

... showed two Government members of parliament, Peter Reith and Christopher Pyne, also used the cliches.

He was referring to the cliched use of ‘the Titanic,’ in Hansard. Mr Speaker, I have never used the term ‘the Titanic’ in Hansard.

In fact, ‘the Titanic’ appears in only one question of mine, and that was by way of an interjection. The interjector himself was in fact the Leader of the Opposition. So what the member for Dobell has managed to actually do is name as the suspect—

Mr SPEAKER—The member for Sturt has indicated where he was misrepresented and will resume his seat.

DAYS AND HOURS OF MEETING
Mr REITH (Flinders—Leader of the House) (3.48 p.m.)—Mr Speaker, just before the formalities of papers, I want to advise the House that the Senate has before it a bill in respect of Defence that has implications for the Olympics. We are not in a position to know when the Senate will conclude its deliberations on that bill. On that basis, we have had to make arrangements and put people on notice that the House may have to sit on Friday. Obviously we are keen to encourage the Senate to sit as late as is necessary to conclude matters on Thursday night. On that basis, I would expect that, after discussions between the whips, we would sit as late as is possible and necessary on Thursday. Even if we could finish it in the wee hours of Friday morning, I think most members would prefer to be on planes on Friday morning rather than having the whole day lost as many of them have electorate commitments. The government has proposed a guillotine in the Senate. The Labor Party has not accepted the guillotine and so we are not in a position to decide the matter or have any greater certainty. Obviously we are very keen for people to get home as they have made arrangements, but it is more in the hands of others, not us.

AUDITOR-GENERAL’S REPORTS
Report No. 9 of 2000-01
Mr SPEAKER—I present the Auditor-General’s audit report No. 9 of 2000-2001,
entitled *Performance audit—implementation of whole-of-government information technology infrastructure consolidation and outstanding initiative*.

Ordered that the report be printed.

**PAPERS**

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

Motion (by Mr Reith) proposed:

That the House take note of the following papers:

- Agreement Making Under the Workplace Relations Act 1998 and 1999

Debate (on motion by Mr McMullan) adjourned.

**MINISTERIAL STATEMENTS**

**Natural Heritage Trust: Mid-Term Review**

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (3.51 p.m.)—by leave—On behalf of the Natural Heritage Trust Ministerial Board, I would like to report to the House on the mid-term review of the Natural Heritage Trust. The government designed the Natural Heritage Trust to promote the conservation, sustainable use and repair of Australia’s natural environment in the national interest.

The government established the trust in 1997 with a budget of $1.25 billion, most of it to be spent over five years. It later extended the life of the trust by a year with additional funding of $250 million. The main source of funds was $1.35 billion from the proceeds of the partial sale of Telstra. The trust has turned the nation’s investment in infrastructure to investment in its natural capital. At 30 June this year, the Natural Heritage Trust’s ministerial board had approved investment of $870 million from trust and related programs in about 9,000 projects. In 1999, the board commissioned an independent review of the trust’s performance and administration.

I am pleased to report that the review commended the achievements of the trust—‘a great deal has been achieved in a very short time’, it said—particularly in implementing the strategies needed to achieve the trust’s objectives. The review found that the trust was successful not only in stimulating the level of investment in the natural environment but also in enhancing the contribution of community and state government stakeholders.

Some 300,000 people have been involved in trust projects. Voluntary community activities are the driving force in most trust funded projects, and benefits flow into day-to-day resource management. The trust established innovative models for natural resource management. A joint ministerial board was formed to integrate programs of the Environment and Heritage portfolio and the Agriculture, Fisheries and Forestry portfolio. The Commonwealth and the states signed partnership agreements, which have been very effective in defining Commonwealth and state objectives and in implementing administration and financial arrangements. Also, the introduction of a ‘one stop shop’ process allowed faster, seamless access to the trust’s programs and was well received by the community, and regional and state assessment panels strengthened the model by ensuring local input to decision making.

Some important lessons emerged from the review. The review found, for instance, that although the trust has been successful, the magnitude of the problems being addressed requires long-term government commitment and greater security of funding. The review recommended more emphasis on strategic targeting of investment and more emphasis on regional delivery, and it noted that the trust should be used strategically as a part of a wider spectrum of interventions such as capacity building, regional planning, research, institutional reform, regulation and market based mechanisms. Significantly, the review did not identify any fundamental failings in the administration of the trust, including financial accountability.

The board will make changes to the trust following the review. Increased funding will be devoted to integrated regional projects. Administrative procedures already have been simplified to lessen the load for small projects, and more emphasis is being put on...
monitoring and reporting the trust’s achievements. This will require the assistance of the states and the Commonwealth looks forward to their co-operation.

Importantly, and perhaps most valuably, the review’s advice on natural resource management will inform the Commonwealth’s policy development. The Prime Minister has formed a high level ministerial group to consider the government’s long-term response to natural resource management. The ministerial group is using the findings of the mid-term review. In this way, it will assist the government to build on the achievements of the Natural Heritage Trust, the largest and most successful environmental initiative by a government in this nation’s history. I commend the report to the House.

Mr O’CONNOR (Corio) (3.56 p.m.)—by leave—In this ministerial statement on the review of the Natural Heritage Trust, we would have expected the Minister for Agriculture, Fisheries and Forestry to attempt to put the best possible spin on what is a very poor review of this important government initiative. The minister has pointed to the success of the Natural Heritage Trust in leveraging additional investment in the natural resource management area, and he has pointed to the fact that the review does point to an increasing awareness in the community of the importance of these issues to Australia’s future.

I would have expected, with expenditure in the order of $1½ billion over a period of five or six years, that the community would at least get those two outcomes that the minister has described. But the fact is that this is a rather damming report on several fronts. It is clear in reading the report that there is an ongoing lack of coordination in bringing programs together under the NHT to effectively address the enormous environmental problems that it seeks to address. At the heart of the review is the lack of strategic focus and direction that is evident in the government programs that have been put to the task at this point.

The minister has not really pointed to the positive outcomes of this particular trust activity, and in addition there are the major criticisms that have been levelled at the Natural Heritage Trust. There have been two major criticisms. One relates to the administration of the NHT, and I am speaking broadly. There are some 53 recommendations in that administrative review, and the minister has not addressed those particular points. Secondly, there were some very substantial criticisms of the outcomes of Natural Heritage Trust expenditures, and of course the minister has not alluded to that area today in his ministerial statement. I put this question to the minister: why do we have these reviews if you are not going to address, in your ministerial statement to this House, the key recommendations that have been made? There are some 600 recommendations and there is little evidence in the ministerial statement that the government is serious about addressing those recommendations. After all, we have had 10 months to consider the issues that have been raised in this review, and the government response today is entirely inadequate.

We ought to call this particular program for what it is—a massive exercise in pork-barrelling by the government to disguise the fact that, under the cuts that it instituted in its early budgets, there was a 30 per cent decrease in expenditures related to natural resource management areas. That is the record of this government. The fact that these cuts were instituted while the government proceeded to sell one-third of Telstra and to apply those particular funds points to a real difference that exists between the coalition and the Australian Labor Party. We do not see the sale of public assets as the solution long term to the problems that have been alluded to in this particular review. I ought to point out to the House that, in the sale of the first tranche of Telstra, the market estimates that the government lost some $13 billion. That is the price that Australia has paid for the incompetence of the government.

Mr Truss interjecting—

Mr O’CONNOR—That is not my assessment, Minister; that is the assessment of reports from the marketplace on your incompetence in handling that particular sale. I point out that we opposed the sale, but as a proponent of the sale you should be appalled at your own incompetence, in particular when that extends to the funding of the Natural
Heritage Trust. Here we have a very damning report that you have not bothered to address in your ministerial statement. In South Australia recently, the Leader of the Opposition outlined Labor’s approach to this whole area of natural resource management.

Mr Truss interjecting—

Mr O’CONNOR—I must say, Minister, that when you were challenged about what you, as a government, were going to do about this issue all you said was: ‘Well, the four ministers involved are very busy and it is difficult to get them in the one room at the one time to discuss this issue.’ That is not good enough. Your response to this review today is not good enough. We know what this program is. And the Australian public now know that you have spent $1.2 billion on a myriad programs. Some of those programs have been good—we concede that, of course we do; we would be silly not to—and some of those programs have been effective because through the NHT you continued programs that we instituted while we were in government, and we commend you for that. But people in the public arena have been complaining that, in addressing these major problems, your particular programs have lacked strategic focus. They have lacked targets. They have lacked action programs on a regional level to address some very major environmental issues. Those particular criticisms were made in the 600 recommendations. In your ministerial statement today, you have not alluded to them. You have given us no comfort that you really understand or that the government understands the urgency of the task. We sincerely hope that, in future funding of programs, you do not waste money as you have the $1.2 billion up to this point.

MATTERS OF PUBLIC IMPORTANCE

Research and Development: Knowledge Nation

Mr SPEAKER—I have received a letter from the Leader of the Opposition (Mr Beazley) proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The need for the government to respond positively to the series of current reports which are recommending ways for Australia to develop itself as a Knowledge Nation.

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 BEAZLEY (Brand—Leader of the Opposition) (4.04 p.m.)—We have witnessed a series of extraordinary question times during this week—extraordinary bungling by the government, personal abuse from the government, personal attacks on people on this side of the House by the government, and a complete incapacity to remain within standing orders. So we have seen the unprecedented situation of two ministers—one of them intimately connected with the knowledge nation—sit down. We have seen, too, in answer to questions specifically on what sorts of targets the government would be prepared to set up, or commit themselves to, in relation to critical matters of research and development in this country, nothing back but personal abuse. That is what this government are about. They are about personal abuse and the past, as opposed to the needs of the nation now and in the future.

We are putting forward policies which meet the needs of the nation now. It is also a pretty interesting indication that, really, without the Prime Minister present in question time, they are bereft. They are bereft tactically; they are bereft in relation to their comprehension of standing orders; they are bereft in their capacity to handle a sensible forensic attack upon us—and this man is retiring. He will not serve another term in this parliament. He is already headed for the golf course. This will be his last parliament, no matter what. And what will they be left with then? But this same Prime Minister has himself been completely incapable of addressing this agenda which is central to the needs of our nation now and for this century.

The government has received five reports in the last 15 months, detailing the urgent need for improved research and development in this country. We have heard the calls from scientific institutions, from academics and industrialists, and now it is the government’s
own experts demanding change. The government received a green paper on research last June, a white paper on research last December, a discussion paper from the chief scientist last February, another discussion paper from the chief scientist this month, and now we have this week’s report from the Innovation Summit Implementation Group warning that Australia is about to become a branch office economy. These reports outline in depressing detail the complete failure of this government to respond to the research and innovation needs of industry in order to set ourselves on the road to being the knowledge nation before it is too late.

Report after report has come in and the government has made absolutely no response. We heard in this place yesterday from the Deputy Prime Minister that there was yet another report to come—a science capability review to be brought down in October. The government would ‘respond in due course’, was his lazy reply. Even the wider community now understands the urgent need for reform. Newspaper headlines over the last week tell the story: ‘Dire warning on R&D levels’, said the Canberra Times on 3 September. ‘To get ahead we must become the smart country’, said the Financial Review last week. ‘Research spending plunge a global worst’, said the Australian. ‘Howard must take a chance to get smart’, said its weekend counterpart. My favourite, the Melbourne Age editorial headline of 21 August, takes up our theme: ‘The Gap in the Knowledge Nation’.

I note that even our opponents are starting to use our term. The member for Groom, Ian Macfarlane, speaking after my education speech yesterday, actually agreed with me that we should be aspiring to be a knowledge nation. Today the failing education minister let it slip out as well. There is a growing understanding in this country at all levels that we can no longer sit back and watch smaller economies accelerate past us with their sensible investments in the building blocks of future prosperity. That is what research and development and innovation mean—jobs for our people, security for our future and ensuring that we do not slip back into a derivative, second-class culture.

The most chilling warning came from our Chief Scientist when he warned recently that the Australian dollar could slip to 30c against the US dollar if we did not take urgent action. This man knows what he is talking about. It is a supreme irony that the government made this position a part-time one. Labor had a full-time Chief Scientist doing important work for the government. The Howard government turned it into a part-time affair. The irony is that they argued that by so doing they would have a Chief Scientist with links with industry. That was their excuse. A respectable government would always have a Chief Scientist and a panoply of people to support him, to ensure that critical attention was given to our situation. But I suppose at least in leaving him in industry it adds force to the report that came back from industry at the beginning of this week—which was a further amplification of the effective condemnation of the government’s activities in failing to foster the knowledge economy, innovation in industry and opportunities for our knowledge workers. There is no doubt at all, as the Chief Scientist points out, that our currency would be less exposed on international markets if we were commonly recognised around the globe as an economy of the future and not an economy of the past. Let us hear what Peter Costello, in charge of the value of our currency, had to say on this issue just before he got into government. This is Peter Costello when he was in opposition, on 30 June 1995:

A nation’s currency is a mark of how its economy is perceived in international markets. The mark that has been given to our currency and to this Prime Minister’s—that is, Paul Keating’s—economic management is a fail—an absolute fail. Do you know what the value of the Australian dollar was at the time he made that remark? It was US70c. What is it today? It is US56c. Those international markets do not sit around and listen to the Treasurer’s self-congratulation. They look at the character of our economy and whether it will succeed this century and then they make their judgment. The government has simply not taken the issue of research and development seriously. It does not believe that government has a role
to play. It saw in the debate on this issue an opportunity to attack us, rather than an opportunity to address this issue, of vital concern to the government as the people who are now the keepers of the key to the kingdom of the future of this nation, and their responsibility in that regard.

On coming to office, Mr Costello and Mr Howard cut the R&D tax incentives to a point where they are no longer doing the job. This is acknowledged by everybody, most lately in the report by Miles at the beginning of this week. Then the government cut funding to universities substantially. So our science, engineering and technology sectors are now really struggling. Then they cut the industry placement schemes for university students. They were going to cut the cooperative research centres. We know they considered cutting those cooperative research centres. We know of the desperate pleas of industry, the vice-chancellors and the scientists that, were the government to do this, they would completely ruin the performance of this nation in research and development. Labor’s initiative of those cooperative research centres was saved by the diligent activity of those scientists, who saw the rest of their activity going down the drain, and those in business, who saw that basically a branch office attitude now prevails in research and development. They do their research elsewhere, and no research is done at branch level. The business community said: ‘For God’s sake, don’t let that one go. Even though it is a Labor initiative, keep it. Even though you can barely bring yourselves to admit that it was right, do not follow up on your intentions.’

If the government wants to know what damage it has done all it needs to do is to look at the Miles report and the others I have referred to. ‘Unless we generate more Australian ideas which can create wealth, our international competitiveness will deteriorate’, said Miles in the Financial Review, on releasing his report. Only a week ago we received the latest figures from the Australian Bureau of Statistics showing that we now rank below Iceland, Denmark, Canada and Austria in gross expenditure on research and development as a proportion of GDP. Australia’s spending has fallen a hefty 10 per cent in only two years—the worst fall amongst 17 other OECD countries.

The Chief Scientist had already detailed the upshot of these appalling figures in his report. While our trading partners are forging ahead with big new investments in these areas, Australia is below the OECD average in growth and in knowledge investment as a percentage of GDP—and falling. Australia ranks 19th amongst OECD countries—again below the OECD average—in terms of business research and development intensity as a percentage of industrial value added. Our high-tech exports as a percentage of merchandise exports are lower than those of Finland and Canada, both of whose economies were formerly heavily reliant on commodity exports, like Australia.

Perhaps more worrying because it is a pointer to the future is the trend the report found that children in our schools are less interested in studying science and mathematics, the building blocks for careers in the new economy. The report found that many teachers in these areas were not properly qualified and were failing to excite students about careers in those subjects. The report found the number of graduates at our universities with science, engineering and technology skills is insufficient to support growing knowledge based industries in Australia. We are short 30,000 technologists now. I believe that to be a gross underestimate and an estimate that I believe is going to change dramatically with a few more reports in the course of the next couple of weeks. The Chief Scientist’s most worrying finding was that we did not have much time to turn around this woeful performance. He said:

The windows of opportunity to benefit from the current revolution in information technology and biotechnology are at a maximum over the next few years. There are big opportunities based on these technologies, other technologies and telecommunications where explosive growth creates niches for Australia not only as market opportunities in themselves, but also as a means for greatly enhancing the existing industry base. It is likely that entering the field at a later time will take greater investment and the available rates of return and benefits will be diminished.
On the crucial issue of encouraging private investment in innovation, the report had more bad news. While in most industrial nations investment in R&D increased markedly in recent years, Australia has been on a downward slide since 1996. It is worth remembering—and I am very proud of this fact—that, under Labor, R&D was made a major priority. There was a 10 per cent real increase per year through most of the 1990s on R&D spending when we were in office, even through the worldwide recession of the early 1990s.

It is worth noting that among the major recommendations of both Batterham and Miles are many that we in the Labor Party have already proposed. These include the doubling of research grants and doing more to improve teachers’ skills, particularly in science, maths and information technology. I issue my challenge again to the government to double the number of postgraduate research fellowships at our universities and to introduce a new set of fellowships, such as the ones we are proposing, to keep our best and brightest onshore.

Now the government must set aside their prejudices and start working out an urgent response to these crucial questions about the future of our country. We know they have never liked schoolteachers. This minister is always criticising them. Far from wanting to help to improve their skills with the sorts of propositions we have put forward for through life training for teachers to ensure that their skills remain current, he wishes to abuse them and exploit them as a political opportunity. That is his vision for the school teaching profession. Though, when I look at public opinion on education, I see there is one thing that sticks out in every survey. When you talk about whether there should be computers in classes or whether there should be smaller classes—the whole gamut of issues you might see in education—the one that shines through is: we need well-qualified, well-motivated, happy and higher morale teachers. If we do not have them, we do not have a decent education system.

We have had a minister who has spent five years demonising. That is him. It is now the same, apparently, with academics. We have an extraordinary statement by the Prime Minister in this morning’s press. John Howard is quoted, at the opening of the Quadrant magazine’s Sydney office, as criticising what he called ‘the idleness of so many in academia’. These are people whose contact hours are going up and who are overrun with extreme numbers in the universities now, where quality has come into question in the minds of many as spending on their research has plummeted and as their capacity to innovate as well as teach has been seriously curtailed by the way the government has slashed the universities. These have to be the fountainhead of research and development effort in a nation which to some extent has become branch office, particularly in the last five years. These people are slandered by the Prime Minister as lazy. Imagine him calling them lazy when you look at his supine backbench. This is a crisis and it is a crisis that must be addressed. (Time expired)

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (4.19 p.m.)—We have had yet another demonstration of the Leader of the Opposition’s incapacity to come to grips with these issues in any practical way. The topic for debate this afternoon is two reports commissioned by the government on innovation. Neither of those reports contains the spin that the Leader of the Opposition attempted to put on them. In fact this government has been promoting innovation and knowledge throughout its time in office. The problem with the Leader of the Opposition is that he can come up with the empty rhetoric but he seems incapable of realising this either in policy or in practical terms.

Much of his speech was about the significance of the research effort in universities for the knowledge nation. Yet when he appointed a committee to draw up the policy for the knowledge nation, he failed to include the shadow minister for education. Presumably, the Labor Party’s policy for the knowledge nation will not contain an education component or, if it does, it will not be written by the shadow minister. The Leader of the Opposi-
tion had a chance to do something. He decided to set up a committee, because that is always the Labor approach. Their first approach is to promise to spend more money. You never find out exactly how much that is until they finally get there and they are prepared to run the nation into deficit. Their first approach is to spend more money. Their second approach is to set up a committee. Unfortunately, the committee does not contain the relevant shadow minister.

Mr Leo McLeay—Mr Deputy Speaker, could you remind the adviser lolling around in the advisers’ box that he is no longer a member of the Victorian parliament and, therefore, his role is not to hang over into the chamber, his role is to sit there.

Mr DEPUTY SPEAKER (Mr Nehl)—I thank the Chief Opposition Whip. The minister has the call.

Mr Leo McLeay—Mr Deputy Speaker, I am quite serious about the matter. The government and the opposition have continually had the view that the job of officials is not to partake in the process by sitting there laughing at what their minister says or what someone else says or by putting their arms into the chamber. What is good for one side should be good for the other. I ask you to draw this to his attention.

Mr DEPUTY SPEAKER—I thank the Chief Opposition Whip. I have to say that I have not been aware of any lolling or any other inappropriate activity by the gentleman in question. I agree with the general proposition that people in the advisers’ boxes should not behave in any of the ways you have suggested. I must say that I have at times seen instances of that sort of behaviour on both sides and I would ask all members of the parliament to get their advisers to behave appropriately.

Dr Kemp—As I say, the Leader of the Opposition has no idea how to put in place a practical policy in this area. When he last tried, and issued a higher education policy at the last election campaign, we all recall that it was considered to be so bad by the then shadow minister that he walked away from it and resigned. It is worth remembering just how incompetent this policy was. The Labor Party promised to spend an additional $57 million over three years for the Australian Research Council. That might sound generous to those who do not know. The problem was that it fell $91.6 million short of the amount needed to even sustain research spending. In other words, the policy was so incompetently drafted that it would have meant, if implemented, a cut in research expenditure. This government has in fact boosted research expenditure in universities and leveraged a great deal more industry money going into research in higher education. The Australian Bureau of Statistics states that Australia’s higher education research and development as a proportion of gross domestic product compares favourably with those available for other OECD countries, being higher than those for Germany, the United States of America, France and Canada’. In 1998, higher education research and development in Australia was estimated to be $2.6 billion at current prices, an increase of 13 per cent over 1996—13 per cent up on the amount that Labor was spending in universities. We now see total university revenues at almost a billion dollars higher than when we came to office. We have seen higher education research and development as a percentage of GDP remain steady at 0.44 per cent of GDP in 1998 compared with 0.43 per cent in 1996. It is remaining steady at a time when GDP is growing rapidly and therefore the real value of this expenditure is growing rapidly. So let us have none of this empty and fallacious rhetoric from the Leader of the Opposition. His lack of interest in education is well known. I will not go over what I said to the House yesterday, but we remember that this was visible to everybody who watched his performance when he was minister for education and had a chance to do something about it that he was not interested in the portfolio and it was the greatest relief to him to finally have to leave the portfolio for another office.

The next practical step the Leader of the Opposition has tried to take is to appoint a new industry shadow minister, who presumably will be responsible for industrial research and development and responsible for policy concerned with the information technology revolution and with the biotechnology
revolution. This is one of the most extraordinary appointments to an industry portfolio in Australian history, because the person that the Leader of the Opposition has appointed is somebody with a record of continual opposition to industry development in these areas.

The Leader of the Opposition just told the House how important the biotechnology revolution was for Australia. Certainly the government believes that. We have a ministerial council on biotechnology. And yet the new shadow minister for industry and innovation has spent her political time questioning in the parliament the benefits of biotechnology. She has put herself directly opposed to gene technology and she has actually called for GM-free agriculture in her state of Western Australia. She is already opposed, on the record, to the position that the Leader of the Opposition has advocated. More than that, she has actively attacked biotechnology companies by saying that ‘innovations have very often been driven by profit more than need’. She is a member of the socialist left. She does not like the profit motive. She does not want biotechnology companies to be profitable. In fact, the mere fact that they should even contemplate profits in the area of biotechnology she finds deeply offensive. And that puts her in a completely different court from the one in which the Leader of the Opposition was trying to place the Labor Party. She also has a record in the area of information technology. When she was Premier of Western Australia, she announced—

Dr Lawrence interjecting—

Dr KEMP—Well, it is true, isn’t it, that she closed down the department of computing and information technology. A very informative letter in the Australian this morning tells us that she announced that she saved $130 million by doing so. Doubtless she will get up and deny that she closed it—or will you? You did close it down.

Mr DEPUTY SPEAKER—Address your remarks through the chair.

Dr KEMP—Or perhaps the shadow minister does not remember. Perhaps the shadow minister has an attack of amnesia in the area and although she is responsible for the knowledge nation she cannot remember what actually happened.

Mr Swan—Mr Deputy Speaker, I rise on a point of order under standing order 75. It is not in order for the minister to use insulting words about another member in this House. I ask you to bring him into order.

Mr DEPUTY SPEAKER—Let me say to the member for Lilley that I am paying close attention to what is being said. Had there been a need to call the minister to order I would have done so.

Dr KEMP—There is a very big record here. We are talking now about whether Australia can reap the industrial benefits and the jobs from revolutions in science and technology like biotechnology and information technology. It is a bad start that the new shadow minister is actually opposed to companies making profits and to developments in both these areas. She closed down the relevant agency when she was premier. But she has a broader record in the industry area. It is very interesting to see what the various industries in Western Australia thought of her when she was Premier. If you go through these industries, you find one after the other that they were absolutely appalled at the impact on industry of the policies she championed. For example, the chief executive of the chamber of mines and industry, Peter Ellery, said in 1993:

We have said often enough that we believe that the Lawrence government does not have the management ability or the understanding of the mining industry which is necessary for it to effectively run this state’s biggest industry.

So there you are. She had a chance as Premier and she fluffed it. She fluffed it because basically she is a member of the socialist left and she does not really like industry. She does not even like small business, and small businesses will be very important as start-up companies to take full advantage of these revolutions which the government is actively promoting. Philip A. Church, executive director of the Western Australian Small Business Enterprise Association, in the lead-up to the 1993 election said of the ALP industrial relations policy:

A desperate Premier. She is in the last few days of a discredited government. I think she will stop at
nothing to try to get re-elected. She will enter into character assassination and her government will mislead, unfortunately, many employees through a scare campaign. That is, quite frankly, unforgivable.

That was the view of small business in Western Australia after long experience of this shadow minister when she was Premier. He also said of the ALP small business policy:

I am not really impressed. Overall, you have got to look at the track record. For 10 years the management has not been there. The real understanding of small business problems has not been there.

The Chamber of Commerce and Industry said before the 1993 election:

It is no longer good enough to fiddle at the edges. We have to make some genuine changes. Our existing system has delivered us 11 per cent unemployment.

What that illustrates is that the Labor Party is a party that not only cannot manage money but also whose policies lead to high unemployment. High unemployment is the record of the Labor Party in the state and at the federal level. I quote the spokesman for the Forest Industry Jobs Crisis Committee—and it was a jobs crisis in the forest industry under this shadow minister when she was Premier. Terry O’Brien said:

Labor lacks guts. It will not provide security for investment or the right climate for investment, which means jobs in the south-west.

So here we have a condemnation of this shadow minister on the basis of her experience, and she is condemned out of her own mouth and from her own actions in relation to the two major technological revolutions which are taking place at the moment and where this government is actively promoting research and development. I repeat that these two reports that are being considered today are reports of this government, because we are determined to remedy the neglect of the Labor years. When Labor tried to introduce a research and development policy, it was utterly rorted by the syndication rort. That is exactly what happened when they were in office and tried to frame a policy that would work: they could not do it. So they have never had a successful policy in this area.

As I was reflecting on whether or not the Labor policy in industry was likely to have been delivered by the new shadow minister, I realised out of fairness to her that she probably has not had time yet to put into the Leader of the Opposition’s hands a fully drafted industry policy. Then I recalled that the Labor Party already has an industry policy, right up at the front of its platform: the democratic socialisation of the means of industry production, distribution and exchange. That was what attracted Carmen Lawrence into the position of the shadow ministry. That is the policy she has always wanted to advocate, and that is the policy she will no doubt be advocating in her document when she finally gives it to the Leader of the Opposition. That is why this government has credibility in this area and the Labor Party does not.

Dr Lawrence (Fremantle) (4.34 p.m)—I might suggest to the member opposite that he has missed his vocation. I never picked him for a comedian. He should enter the Melbourne Comedy Festival next time around—I am sure he would get a good few laughs. This from the minister too who took $1 billion out of university funding. I do not know how you can boast about that or even make a joke about it, frankly. This from the minister who introduced the enrolment benchmark adjustment. But that is not education policy of course; it is a ‘relationship with the states’ question. It just takes a lot of money away from government schools and gives it to privileged schools. It actually makes our system less equitable, but it is not an education policy. It has educational outcomes, but that is really an accident. This is the minister who has presided over the greatest ever decline in research and development in our tertiary institutions. Well done!

I think the Minister for Education, Training and Youth Affairs should heed the warning of the chief scientist, the one they employ part time, in his report Chance to change. He describes innovation as the only way forward. He rightly says that innovation is the driver of every modern economy. It is the key to competitiveness, to employment growth and to our social wellbeing. As he points out, the cycle of innovation has to be fed by new ideas as well as by basic knowledge. We have to be capable of transferring this knowledge and having it accepted by end users.
That means, by the way, that you have to have a social environment for new technologies; it does not stand out there by itself.

The speeches of mine he has been misquoting are actually about that rather more complex question that the minister opposite is not prepared to address. The chief scientist warns us that we are missing out because there is a very rapid pace of development globally. He has tried to issue a wake-up call to this somnolent government. They are basically all asleep on this issue. The Prime Minister went to sleep on these issues some time in the 1960s and, like Rip Van Winkle, is still asleep. We still have not seen him wake up. He said to the Innovation Summit that he wanted to be judged by his actions in this area of innovation and research and development. Well, we do, and so does the community, and so does his chief scientist, and so does his implementation group on innovation. They judge the performance to be deficient.

In all of this the chief scientist points out that people matter. It is not just some people, it is not just the ones who manage to go to private schools; it is everybody. We need a supportive education system with well trained teachers. We need to develop communication skills among scientists. We need a culture of innovation, in other words. We also need the science, engineering and technological skills. We have to cultivate those ideas and reward them, not abuse the people who are doing the work—the teachers, the academics. It surprises me that this minister was formerly involved in academia and yet he seems to have no respect at all for his colleagues; certainly the Prime Minister does not appear to respect his colleagues or the minister as well. We need to have a changed culture which enables us to translate these good ideas into products, services and policies—and that is what these reports have all been about.

What sort of response have we had from the two ministers responsible? Public enemy number one in terms of the knowledge nation at the moment is the Howard government, you would have to say. The Howard government has embarked on a course of shrinking Australia—making it smaller and smaller and smaller. We get less investment in education, less investment in research and development and less engagement with the rest of the world. Don’t worry about globalisation; this is an isolationist policy that we are seeing from this government. The United Nations? Don’t want to talk to them! So shrinking the nation is what they are on about.

The ministers responsible—Minchin and Kemp—are on a unity ticket here. It is no wonder these ministers want to talk about anything but the real issues surrounding the knowledge nation. They will talk about anything else: they will talk about the personalities of members opposite and their perceived failings. But don’t talk about the policy—that seems to be the number one story here. Don’t mention the policy! Don’t actually talk about the problems that we confront! We have all these reports, but don’t talk about the policy!

The minister opposite has never really seen himself as the minister for education, in any case. As I said earlier, he missed his calling. I had not really thought before about the comic connection but it is certainly there. He is really the ‘Minister for the Preservation of Private Privilege’, the old Scotch boy—that is what he is on about. That is what the whole thing is about—education for the few, education for the privileged. Senator Minchin has never really seen himself as the minister for industry. Today he finally puts out a press release suggesting that they might do something, that something might be done. But really this is the ‘Minister for Backroom Political Fixes’. I do not doubt the talents of the ministers involved in either of their chosen areas—in fact, they are abundantly obvious, whether they are for comedy, privilege or backroom deals—but they are not about the policies of the knowledge nation.

Let me focus on Senator Minchin for a little bit longer. He inherited Industry from that master of ministerial inaction himself, John Moore—now the Minister for Defence—and Senator Minchin has since proved himself a worthy apprentice. He inherited a decision that he was extremely comfortable with and has resisted changing—the abolition of the 150 per cent tax concession for business expenditure on research and development. We have seen the results of that: it has gone
south. What does this minister do about it? Nothing. What does he say about it? Even less, and the minister responsible cannot avoid them anymore—but they have been around for a long time. Real expenditure on business research and development has fallen by 15 per cent since the Howard government was elected. It has fallen every year since the concession was dropped. As a percentage of GDP it has fallen each year from the election of the Howard government. It was 0.86 per cent in 1995-96 and fell to 0.67 per cent in 1998-99. It had been rising over the previous period, so this was not an accident brought on by the previous government’s policies; we had been working hard to increase it.

What do we get as a response from the minister responsible, Senator Minchin? He says, first of all, the decline was not his government’s responsibility and that—guess what?—it was Labor’s fault. We were ‘responsible’ for the decline that started when they got into government. Then, of course, he blamed business: they were not pulling their weight. The big question for a policy maker is: why? What’s going on that they are not investing in research and development. Finally, he said the massive decline in business expenditure on R&D was not attributable to the coalition cutting the R&D tax concession, that it was rather due to something else which he has not yet been able to fully specify. At least he is one up on Dr Kemp, the minister opposite, because Senator Minchin did at least acknowledge that there was a decline. He finally got around to saying yes, there was a decline and maybe they needed to do something about it. But the minister who is at the table basically denied it. He said, as he often does in these areas, that black is white and that ‘Australia’s public investment in research is large by world standards and private investment is growing’. What a funny definition of growth! That is how he describes a 15 per cent decline.

The minister responsible then decided to tough it out, to loudly assert that it was not his fault. That is now the line he has decided to stick with and to prosecute the way he would in the average preselection stoush back home in South Australia. The senator sees himself as a political fixer. We know that in this case he has tried to stifle the information that is now out in the public arena, whether it is the chief scientist’s report or the innovation group’s report. In the case of the innovation summit, it is very clear that he did not want to hold it in the first place, because he knew it was actually drawing attention to the deficiencies in his own management of the portfolio and the government’s inattention to this important area. I am quite sure he would have tried to stop the implementation group being set up after the summit, that he would have loved it just to recede into the mists of time. He would have allowed it to drop away.

What we know for sure is that he refused to cooperate with the implementation group, as is evident from the fact that the group could not cost its recommendations. It did make some recommendations that the government is not listening to. It actually made a few recommendations particularly on the R&D tax incentives. Surprise, surprise! They do not want to know what the cost is, so they prevent the group from actually getting access to the government resources necessary to model those R&D tax incentives. And when that report comes out with useful recommendations despite his opposition, what does Senator Minchin say? I am going to quote him to conclude, because his response is truly masterful: it is tepid, dismissive and typical of this government. He said:

This report presents the Government with a series of recommendations aimed at enhancing Australia’s innovation capabilities.

Well, thank you very much, Minister, we can read. What we want to know is what you are going to do about it. Which of those recommendations are you going to implement? When? What targets are you going to set for yourselves? When are you likely to do something to improve this knowledge nation? I am tired of seeing Australia shrink before our very eyes to actually match the size of the Prime Minister.
Mrs DE-ANNE KELLY (Dawson) (4.44 p.m.)—The previous speaker, the member for Fremantle, mentioned talent—unfortunately, the opening gambit of her address indicated what she has a talent for. But I will leave that topic to Mr Cartledge, who wrote to the editor of the Australian. Mr Cartledge is a former Western Australian public servant. According to his letter, when he heard about the appointment to the shadow industry portfolio of the member for Fremantle he felt ‘an all-enveloping sense of deja vu’. My goodness! I think the Minister for Education, Training and Youth Affairs and I shared that feeling. Mr Cartledge was the gentleman that the minister referred to when speaking about how the new shadow minister for industry, the then Premier of Western Australia, abolished the Western Australian Department of Computing and Information Technology, where Mr Cartledge had worked for three years.

Remembering what Mr Cartledge said about deja vu, I think the kindest description I could make about the member for Fremantle’s address is ‘inaccurate’. The inaccuracies in the shadow minister’s address—or perhaps her lack of memory—covered two assertions. The first was that $1 billion had been cut from higher education and university grants. Allow me to give the accurate figures after the shadow minister’s ‘lapse of memory’. The reality is that total revenue available to higher education institutions from all sources will be a record $9 billion, which is $900 million more than was available in 1995 under the Labor government. The total number of students is estimated at 464,700—an increase of 42,000. The inaccuracy of her statement is plain for all to see.

The other inaccuracy was the claim that the enrolment benchmark adjustment advantages non-government schools over government schools. The truth is that non-government schools receive not one dollar more than government schools from the operation of the EBA. The EBA addresses cost shifting between the states and the Commonwealth. Allow me to give the real funds, the truthful figures, for school funding. In the year 2000 Australian schools will receive over $5 billion in direct Commonwealth funding—an increase of 8.5 per cent. Government schools will receive $2 billion in direct Commonwealth funding in 2000—an increase of 5.8 per cent. Non-government schools will receive $3 billion—an increase of 10.4 per cent. Direct Commonwealth funding for Australian schools in 2000 has increased by over $1.4 billion, or 39.7 per cent of the level during the last year of Labor. That is the truth. In the shadow minister’s own state of Western Australia, for government schools the increase has been 26.5 per cent. For non-government schools, there has been an increase of 49.3 per cent. That is the truth.

The reality of funding under Labor is something that we do not hear much about. We do not hear, for instance, that when the Leader of the Opposition was minister for education 30 per cent of young Australians could not read and write properly. They talk about innovation; people cannot be involved in innovation if they cannot read and write. Dr Kemp, the Minister for Education, Training and Youth Affairs, is addressing the real problems at the grassroots level. Apprentice-ships under the Labor Party in 1995 had fallen to a 30-year low of 135,000. Under our minister, there are now 264,000 apprenticeships. The truth is that the government is delivering.

Allow me to refer to the report Innovation: Unlocking the future. It is extremely helpful. The report delineates three areas where innovation performance can be improved. The first is vision, attitude and a strategic approach to innovation, the second is the entrepreneurial expertise of managers and the third is education. The truth is that education is being addressed, as we can see by the figures I have just quoted. The government has committed funding in a constructive, grassroots approach so that our young people can read and write.

I would like to speak now about the first point from the report that I referred to, which is vision, attitude and a strategic approach to innovation. I would like to refer to information from the Minister for Industry, Science and Resources. Today he announced that the Industrial Research and Development Board has allocated Commonwealth funding of
$177 million to cover 219 innovative projects. These range in cost from $70,000 to $9 million and are spread across all sectors of Australian industry. We are looking at projects in information technology, biological engineering and manufacturing sectors. The funding also covers projects such as mobile telephony banking, satellite technology for harvesting crops, a new class of anticlotting drug and a system to harvest the braking energy of heavy vehicles.

For the record, in my electorate under this initiative $329,750 will be allocated to Giles Contracting at Slade Point to produce the Giles 1000 hard rock drill rig through R&D START. It will be the only drill rig in the world that actually goes through solid rock. That is pretty good for a little company in Mackay at Slade Point, all done with the assistance of the Commonwealth government. They are employing 15 people and have interest from right around the world for exports of the drill. The claim that there is no innovation is simply false. When I look around my own electorate, I see what is being done. But let us look at R&D under the R&D START program. There has been $400 million in total R&D support from the Commonwealth. The COMET program, Commercialising Emerging Technologies, is another new program from the Commonwealth. We are looking at 157 projects to the end of the financial year, over the next seven months, totalling $8.2 million. The IR&D Board also reported that the number of investee companies receiving venture capital rose from 15 to 29. In fact, Commonwealth support rose from $18.5 million under the previous government to $30.9 under this government. The truth is that the Commonwealth is delivering under this government.

I would like to speak about funding for science and innovation. The truth is that there is a record level of $4.5 billion and funding for education has gone to $11.6 billion. Our proportion of world research publication stands at 2.7 per cent—its highest ever level. Let me tell you of some of the companies, because it is out at the coalface in commercial Australia that you see the results. The results include the IBM centre for e-business innovation, which will generate over $23 million in new e-business information infrastructure and 340 new IT jobs over five years. That has been attracted to Australia and will take a lead role in e-business in the Asia-Pacific. Oracle recently announced that it has chosen Sydney as its Asian business service centre, ahead of 13 other cities. The government responded vigorously to the Wills report on medical research and has announced a massive $600 million boost to support medical science over a six-year period.

I cannot go past mentioning the achievements of the previous government. It will not take long. All the Labor Party offered at the last election was extra capital gains tax and increased tax on four-wheel drives. I must say that the shadow minister has a fair amount of groundwork to do before she is able to develop a policy that will exceed that. The fact is that the R&D rorts under the previous government were manifest. That was not in fact said by this government but by no less than the Australian Financial Review. In a recent article in an editorial, it said:

Increasing the R&D tax concession comes with some risk because it is open-ended and has been subject to rorts in the past ...

We know when that was. It has also warned: Before embarking on a new round of direct government spending and tax concessions, it is important for the Government to establish whether Australia’s slippage in the international tables is due to uncompetitive government incentive arrangements or other factors in the way Australian business approaches R&D.

(Time expired)

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

THERAPEUTIC GOODS AMENDMENT BILL (No. 3) 2000

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy presented.

Ordered that the bill be taken into consideration forthwith.

Bill agreed to.
Third Reading

Bill (on motion by Mr Bruce Scott)—by leave—read a third time.

CRIMINAL CODE AMENDMENT (UNITED NATIONS AND ASSOCIATED PERSONNEL) BILL 2000

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy presented.

Ordered that the bill be taken into consideration forthwith.

Bill agreed to.

Third Reading

Bill (on motion by Mr Bruce Scott)—by leave—read a third time.

STATES GRANTS (PRIMARY AND SECONDARY EDUCATION ASSISTANCE) BILL 2000

Third Reading

Debate resumed.

Mr LEE (Dobell) (4.57 p.m.)—I have given the government an assurance that I will not take more than five minutes for my contribution. The points I would like to make in the third reading of the States Grants (Primary and Secondary Education Assistance) Bill 2000 are these. The debate has been very revealing. Firstly, on five occasions, when questioned, the Minister for Education, Training and Youth Affairs refused to provide us with the latest costing for the changes he is making to funding for private schools. Secondly, the minister has refused to rule out that the largest increases are going to the schools that are going to charge $10,000 or more in school fees. Thirdly, the government gagged debate in this House so that we could not even discuss the enrolment benchmark adjustment that is continued for another four years under this legislation. So the government, through its numbers in this House, has gagged debate on the EBA, it has gagged debate on the detail of the legislation and it has demonstrated that the minister, far from having a transparent and fair process for funding non-government schools, is trying to deny the parliament information on how this new system will allocate funding to government schools right across the country.

The minister could not even maintain the same line throughout the last 12 hours. He was on ABC Radio National this morning saying that the wealthiest school communities would receive between 13 and 16 per cent of the cost of sending a child to a government school and a few hours later, speaking in the debate on this legislation, he said that the wealthier schools would receive no more than 25 per cent. So we are entitled to ask: is it 13 to 16 per cent or is it 25 per cent? It makes a big difference. The difference is $800,000 a year extra that the category 1 schools will be receiving because of the changes this minister is making. The Labor Party has made its position on this legislation clear from the very beginning. We support extra funding for needy non-government schools, but we argue that there should be a matching significant increase in funding for government schools to accompany this legislation. We also argue that this government should be repealing the enrolment benchmark adjustment—the unfair EBA that has taken $60 million away from needy government schools at the same time as there are 26,000 more students at government schools around the country. That EBA is unfair and the EBA will go under a Beazley Labor government.

The problem we face in dealing with this legislation is that the minister has not been prepared to provide us with the information we need to make a judgment about whether his claim that this is a fairer way to distribute funding to non-government schools is correct. The few crumbs of information that have fallen off the table suggest to us that, while there is an increase in funding for some needy, non-government schools, it is accompanied by a $50 million increase in funding for the category 1 schools—the 62 wealthier schools in the country. How can you argue that this is a fair way to fund non-government schools if the richer schools get the greatest increases, those $820,000 a year increases, under the plan of the Minister for Education, Training and Youth Affairs? It is an outrage that, in putting questions to him in parliament today, we have seen the minister refuse five times to even tell us what this new bill will cost. He has refused to rule out the fact that the schools that charge $10,000 a year get the biggest increases and he has refused to even
discuss the unfair enrolment benchmark adjustment which takes money from government schools. For these reasons, the Labor Party will be using its numbers in the Senate to seek to adjourn debate on this legislation until the government provides us with detail of the effect of this legislation on non-government schools throughout the country. That is not unreasonable because at the moment each year the government gazettes the category under ERI that determines the funding for every non-government school in the country. That is public information today and it should be public information before this parliament makes a decision as to whether this minister’s new funding proposal will pass.

The final point I make is that the Labor Party recognises that this bill contains funding for every government and non-government school in the country—public or private, in every state and territory. That is why we are trying to be cooperative in this debate. The government announced this proposal in May 1999. The minister sat on his hands for 416 days before the bill was even introduced to the House. Now he is trying to suggest that in some way the opposition is responsible for it not being debated in a speedy manner. We are certainly going to ensure that the debate takes place in an informed manner because we will be using our numbers in the Senate to adjourn the debate until we know what the real position is and, if this legislation passes, whether this legislation actually will provide that massive increase to those category 1 schools.

Question resolved in the affirmative.

Bill read a third time.

COMMITTEES

Public Works Committee

Referral

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.03 p.m.)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Proposed Reserve Bank of Australia Head Office Building Works, Sydney, New South Wales.

The Reserve Bank of Australia proposes to reconfigure and consolidate its functions in its head office building located at 65 Martin Place, Sydney. This building forms an integral part of the Martin Place precinct which is recognised as a significant component of the urban fabric of the Sydney central business district. It was constructed in 1965 and extended in 1980, undergoing a major refurbishment following examination by the Public Works Committee in 1990. To date, the Reserve Bank has been the sole occupant.

This current proposal is not a further refurbishment but, rather, the response of the bank to organisational changes in the bank resulting in increasing vacant areas in the building. This proposal stems from two primary factors: changes within the Reserve Bank of Australia during the last decade, particularly in its head office, which have resulted in a need to consolidate functions to achieve greater space efficiency and a more effective internal layout; and the need to use underutilised and surplus space more effectively.

The proposed works will involve reconfiguring bank areas to permit the commercial leasing out of surplus space. The estimated out-turn cost of these works is $21.5 million. In planning for the work, the Reserve Bank of Australia is being advised by private sector building consultants. Subject to parliamentary approval, it is planned to commence detailed design in January 2001 and start work on the base building and tenancy works packages simultaneously in April 2001. Completion of the last of the tenancy consolidation work is scheduled for late 2002. I commend the motion to the House.

Question resolved in the affirmative.

National Crime Authority Committee

Referral

Mr NUGENT (Aston) (5.05 p.m.)—On behalf of the Joint Committee on the National Crime Authority, I present the report of the committee entitled Witnesses for the prosecution: Protected witnesses in the National Crime Authority, together with evidence received by the committee.
Ordered that the report be printed.

Mr NUGENT—by leave—The report I have tabled today follows the committee’s review of the National Crime Authority’s arrangements for witness protection. The committee’s reasons for conducting this inquiry are set out in detail in the report, but suffice to say here that there are a number. In particular, there had been a number of unfortunate incidents involving witnesses, both protected and unprotected, in the period immediately preceding the committee’s decision to conduct its inquiry—for example, the brutal murder of Vicki Jacobs in Bendigo in June 1999 after she had given evidence against her former husband and an accomplice in a murder case. This was one of the more dramatic demonstrations of the value of the witness protection program. Miss Jacobs paid the ultimate price for her brave or perhaps foolhardy decision to decline witness protection. She did this because she did not wish to be subjected to the lifestyle restrictions that would come with living under protection for herself and her six-year-old son.

There had also been an item on the Sunday program in November 1999 which made a number of claims about the NCA’s mishandling of one of its protected witnesses. Given the committee’s statutory duty to monitor the NCA’s operations, and given that effective witness protection is vital to the operation of law enforcement agencies such as the NCA, the committee felt that it was a matter which required its attention. In the event, the committee was able to substantiate very few of the details of the case raised on the Sunday program. This was in part because of the death of the witness in question, Mr William Sommerville—from natural causes, I should stress—and in part because of a suppression order on the parties, arising from a longstanding action against the NCA by Mr and Mrs Sommerville in the equity division of the New South Wales Supreme Court. Accordingly, the committee was forced to rely for information on the Sunday program and revelations contained in two print media items on the Sommerville matter, which were published despite the operation of the suppression order. However, it should be noted that the Sommerville case occurred before the present NCA witness protection program was put in place.

The committee’s principal finding was that the national witness protection program, which provides witness protection services for the NCA, is well run by the Australian Federal Police, which is the NCA’s administering agency, and that there were only a small number of areas of its administration in need of attention. The introduction of the current legislative scheme in 1994 by my committee colleague the member for Denison in his then capacity as the Minister for Justice—which itself followed the holding of a comprehensive inquiry into witness protection by this committee’s predecessor in 1998—seems to have led to a commendable level of efficiency being introduced into the administration of witness protection at the Commonwealth level. In particular, the requirement for participants to enter into a memorandum of understanding with the program’s administrators appears to have overcome past confusion on both sides. If the administrators of Mr Sommerville’s witness protection program had similarly entered into such a memorandum of understanding with him, his claims of confusion over his obligations and entitlements would have demonstrably had no basis.

On a related matter, the committee found itself embroiled in a dispute between law enforcement agencies and the Australian Taxation Office about their officers’ responsibilities for withholding tax in relation to payments made to protected witnesses. The committee notes that a disagreement between the ATO and a member or section of the community over an interpretation of tax law is hardly groundbreaking news; however, it accepts that it is likely that the ATO is probably more expert in this field than law enforcement agencies. One consequence of this disagreement was that Mr Sommerville received a substantial tax bill, arising from his years of receiving subsistence payments as a protected witness. The committee has called on the administrators of all witness protection programs to immediately redraft any memorandum of understanding where there is any doubt about the tax implications of payments being made. The importance of
the Commonwealth Ombudsman in the national witness protection program’s accountability process cannot be overstated. Because of the secrecy necessarily surrounding the program’s operations, the Ombudsman’s office represents the sole source of independent scrutiny of how well the program is being run. Apart from one minor aspect, which the Ombudsman has undertaken to address, the committee is assured of the effectiveness of this process.

The effectiveness of witness protection in Australia is particularly dependent on close cooperation between law enforcement agencies and authorities at all three tiers of government. The committee has urged the maximum cooperation by relevant authorities with the national witness protection program’s administrators in assisting them to secure necessary documentation to validate a program participant’s new identity. The committee also found that the length of participation in witness protection is generally related to the duration of related court proceedings, but those proceedings involving protected witnesses do not receive listing priority. In view of the substantial lifestyle restrictions imposed on participants in witness protection, the committee believes that giving listing priority in such circumstances is an issue worthy of examination by the appropriate authorities.

Finally, as a result of decisions of the Family Court of Australia, there is a need for the relationship between witness protection and family law to be clarified. It is an issue of considerable complexity, which arises from a clash of public policies that on the one hand seek to protect witnesses until they have completed their evidentiary responsibilities—or even longer—and on the other hand give precedence to the best interests of children who may be caught up in the case. The committee has urged the government to give priority attention to this issue. I conclude by thanking the witnesses for their valuable input to this inquiry, my committee colleagues for their work and the staff of the secretariat for their excellent contributions to the report’s success.

Native Title and the Aboriginal and Torres Strait Islander Land Fund Committee Report

Mr SNOWDON (Northern Territory) (5.12 p.m.)—On behalf of the Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund, I present the 17th report of the committee, entitled Examination of annual reports for 1998-99, together with evidence received by the committee.

Ordered that the report be printed.

Mr SNOWDON—by leave—Pursuant to section 206(c) of the Native Title Act 1993, the parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Commission Act 1989. The committee’s 17th report, which I am tabling today, examines the 1998-99 annual reports of the National Native Title Tribunal, the land fund and the Indigenous Land Corporation.

The report of the National Native Title Tribunal was informative and accessible. It was also more substantial than previous years. The report does comment extensively on the impact of the 1998 amendments to the Native Title Act, resulting in considerable increases to the tribunal’s workload. The committee congratulates the tribunal on the quality of its annual report.

While the statements in the financial reporting for the Aboriginal and Torres Strait Islander Land Fund complied with the reporting requirements, the committee notes that the size of the capital base of the fund is still a matter of concern. The report reiterates the concern foreshadowed in its previous annual report that it may not reach the target amount by 2004. The committee will continue to monitor the land fund’s progress in this regard.

The committee’s major concerns in relation to the consideration of annual reports relate principally to matters concerning the Indigenous Land Corporation. The ILC is an
The committee has received a written response from the chair of the ILC on the matter. That response advised that, following discussions with the Director of Evaluation and Audit in ATSIC, the most appropriate response to the leak was a review of the adequacy of the ILC’s internal control systems to ensure the safeguarding of current and future sensitive and confidential material. The committee is not convinced that this is a sufficient response and will be pursuing the matter further with the ILC.

One further matter of concern to the committee is the establishment of Land Enterprises Australia as a wholly owned subsidiary of the ILC. The LEA has been created to oversee or control commercial land management operations and the management of land based businesses purchased by the ILC. The committee has written to the corporation to seek clarification on the reasons for the LEA’s establishment and the advantages the establishment of such a separate authority might bring. The committee has sought quite detailed information on this matter and will be pursuing the matter further at the earliest opportunity.

In relation to the committee’s jurisdiction, the committee has taken action since the tabling of its 14th report to clarify its reporting obligations and powers in relation to the annual reports of the Indigenous Land Corporation. This has been the subject of ongoing correspondence between the committee, various government departments and the office of the Minister for Aboriginal and Torres Strait Islander Affairs. The Minister for Aboriginal and Torres Strait Islander Affairs has advised the committee that he has directed ATSIC to prepare an amendment to section 206(c) of the Native Title Act 1993 to ensure that the committee has the explicit obligation to report on the annual reports of the ILC. This amendment will be included in a proposed bill which is expected to be introduced into parliament later this year.

The committee appreciates the sound working relationship with the National Native Title Tribunal and the efforts by both the tribunal and the ILC in relation to their annual reports. The annual reports tabled by both organisations over the last few years have improved considerably, not least as a consequence of the committee’s scrutiny. I commend the report to the House.

Mr HAASE (Kalgoorlie) (5.17 p.m.)—by leave—I support the comments by the member for the Northern Territory and his commending of this report to the House. I congratulate the secretariat staff in their assistance with the preparation of this report, Ms Robina Jaffray, the Acting Secretary, and especially Ms Suzanne Wood, the Senior Research Officer who contributed such a great deal of hard work, and her work is ongoing. My comments will be brief and to the point, and the specific area I wish to comment on is that of the ILC. I quote from the report:

One of the main operational challenges identified by the ILC in its annual report is the aspirations by Indigenous people for future economic development. Economic development for Indigenous communities is critical but does not always fit easily with the ILC’s primary aims for acquiring land, one of which is its cultural significance. The ILC has recognised that ‘economic aspirations of Indigenous people need to be identified and integrated with the community’s cultural priorities as early as possible’. The primary function of the ILC and the basis for the establishment of it is, of course, to purchase land that would not otherwise be readily claimable by groups under native title. The subsequent challenge that the ILC has is determining the appropriate group of persons to divest that acquired land to. Even though it was designed to cut through many of the problems encountered by native title in the identification of the traditional owners of ‘country’, the actions of the ILC in purchasing on the open market pastoral leases especially, continue to have the problem of identification of the actual traditional owners of that land. The report goes on to say:
The main policy challenges that the ILC has identified relate to divestment and to native title. In relation to its divestment policy, the ILC report states that the primary challenges are:

a) to ensure that the ILC does not itself act as an agent of dispossession;

b) to avoid causing or exacerbating conflict within communities over land issues; and

c) to ensure that its policy is flexible enough to properly accommodate the agreed and recognised interests in land in the title holding arrangements.

This points out quite specifically one of the ongoing problems. One of the properties referred to in this report is Roebuck Plains Station in the Kimberley area of Western Australia. It was reported to us that the purchase of that station was quite clearly because it could not be purchased because of the questions of continual habitation by indigenous peoples, the traditional owners specifically. Having purchased that station for a considerable sum, the problem remains with regard to the divestment of that property. The identification of the traditional owners in that area, those who deserve to have that property divested to them, are still to be identified, and I am very concerned that there will be an ongoing problem possibly relating, finally, to court action to establish traditional owner rights of particular individuals before that divestment can in fact take place satisfactorily. So I urge the ILC to continue in their work to establish a policy on a national basis that will resolve once and for all, in a practical manner, the identification of traditional owners and allow for the speedy divestment of properties so acquired. I commend the report to the House.

FAMILY AND COMMUNITY SERVICES AND VETERANS’ AFFAIRS LEGISLATION AMENDMENT (DEBT RECOVERY) BILL 2000

Second Reading

Debate resumed from 21 June, on motion by Mr Anthony:

That the bill be now read a second time.

Mr SWAN (Lilley) (5.22 p.m.)—I move:

That all words after “That” be omitted with a view to substituting the following words:

“whilst not declining to give the bill a second reading, the House:

(1) condemns the Government for the way it has misused compliance and debt processes to brand average families and other decent Australians as welfare cheats;

(2) condemns the Government in particular for the application of a cold-hearted, zero tolerance policy against families that sees substantial debts raised against people whose only error is their inability to predict future income to the exact dollar;

(3) calls on the Government, in the spirit of the McClure Report, to make sanctions and penalties a last rather than a first resort, and to turn its attention to the restoration of essential capacity building programs that help people move from welfare to work; and

(4) calls, above all else, for a change of heart from the Government and a positive approach that provides real opportunities for those with a capacity to work to do so, while affording dignity to those whose circumstances prevent it.

We will also be moving more detailed amendments when the Family and Community Services and Veterans’ Affairs Legislation Amendment (Debt Recovery) Bill 2000 gets to the Senate. This bill is received by this side of the House with great suspicion. We in the opposition come into this place to debate social security legislation which is put forward by the government, and it is usually the case, whenever a proposal is put forward in relation to the aged, families, the unemployed or other vulnerable members of our community, that harsh cuts are made. Piece by piece, the current government has sought to unravel the social security safety net in this country—so much so that the safety net for many in our community now resembles a tightrope. The bill before us today is no exception.

While there are some positive elements in this bill, there are others that we are concerned about. The bill before us today gives effect to a savings measure in the 2000-01 budget that deals with the raising of social security debts and their recovery. It seeks to tighten the existing arrangements about what constitutes a debt and the means by which that debt can be recovered. Before discussing
particular elements of the bill, I think it is only fair that I place on the public record the actions of this government in relation to social security debts and their characterisation. The government has not been honest when it has talked about social security debts over recent years and about those who incur those debts.

Social security debts arise in a variety of circumstances, most of which are not related to people trying to rort the system. Let me make it very clear: those who rort the system should be identified and pursued with the full force of the law. That is the view of all fair-minded Australians. The problem we have is that this sentiment is used by the government, and the government seeks to exploit that sentiment and uses it as a smokescreen for proposals that punish many honest, hardworking Australian families. The fact is that the vast majority of debts are incurred by people who are caught up in the increasingly complex and sometimes unfair rules that the government has designed as cost saving measures. There are also those who receive overpayments as a result of administrative errors, through no fault of their own. Only a tiny proportion of those who incur debts do so as a result of trying to rob the system. It is these activities by the minority that have never been tolerated, and taxpayers should rightly expect that all measures possible will be used to recover payments that individuals seek to receive and to which they are not entitled. That is not in dispute.

The problem we have here is that since coming into government the coalition has cynically and dishonestly exploited Centrelink fraud and compliance data for its own ends. We all know this government is well practised in the black art of wedge politics. What it has done is to misuse compliance data to brand ordinary mums and dads as welfare rorters. While it has done this, it has undermined the confidence that taxpayers should have in the social security safety net. It uses the data to justify harsh and short-sighted cuts and to unfairly penalise those who are in receipt of benefits. I will come back to that in a moment.

While I will go into detail about some of the coalition’s more outrageous claims, it is worth while outlining the appalling double standards that characterise the actions of the government. Over the past few years we have seen press release after press release headlined ‘Cracking down on welfare rorters’ and ‘Getting tough on welfare fraud’. You can tell when the government is in trouble: these headlines come out with regularity. But we do not see the same action on high income earners who attempt to rort the tax system. While Centrelink produces quarterly compliance and fraud reports, there are no such equivalents from the Taxation Office. Do we see regular examples of high income earners who rort the tax system paraded in front of the national media? Of course we do not. Do we see spy footage of tax rorters living it up in their million dollar houses while declaring taxable incomes of average families? The answer is no. Instead of going after the big fish who evade tax—and we have seen that in the House again today—it prefers to take a cheap shot at struggling families who are trying to get on their own two feet.

This is a government that is always very strong on the weak and weak on the strong. You can see it in the debate we have had in the House today on education. You can see it in its whole approach to tax changes within the GST. The government says that if you are a high income earner you deserve more; if you are a low income earner you deserve less. The government says that if you are a high income earner you deserve incentive. The government says that if you are a low income earner you deserve punishment.

In all of those policies the government has a deliberate approach which gives to the top, takes from the bottom and squeezes the middle. It is in this environment, in its attempts to camouflage the fact that it is doing that—taking from the bottom, squeezing the middle and giving to the top—that the government distorts the data that comes through from Centrelink on the payments system and tries to create the impression that there are tens of thousands of people rorting the welfare system. It does this so it can camouflage the consequences of its very deliberate policies which are hurting so many people on low and middle incomes.
The government seeks to go out and effectively fraud the fraud figures to create the impression that there is this huge rip-off of the system so it can camouflage the fact that it is taking from hardworking families out in the community. And you can get no better example of this than the information that the Prime Minister put out during the last election campaign. In a leaflet that went out to every elector in the country, the coalition said they had saved $46 million per week on welfare fraud, 570,000 people had been caught and $700 million in social security debt recovered.

Let us just have a look at what all that really means. The fact is that the government’s own compliance reports show that, over the government’s first term, 6,475 individuals were found guilty of welfare fraud. That is a far cry from the 570,000 asserted by the Prime Minister in that letter which went to every Australian. In fact, it represents just 1.1 per cent of the figure quoted by the Prime Minister, and just 0.09 per cent of the 7.1 million individual audits conducted over this period. Also, there was no dramatic increase in prosecutions during this period compared with Labor’s last period in office. So who were the 563,575 who the Prime Minister asserted were rorters? Who were they? The truth is that the remainder were merely those who had debts raised against them because of administrative error or because of the increasingly complex rules that are designed to trip people up. Before I go on and talk about these in more detail, I seek leave to table the document the Prime Minister sent out to everyone during the last election.

Leave not granted.

Mr SWAN—We can see how sensitive they are. Let us just have a look at the facts to see whether there are hundreds of thousands of people who rort the system, or is this just some smokescreen that the government have sought to erect to cover up the unfairness of their policies? The latest half-yearly report from July 1999 to December 1999 shows that 1.1 million reviews were undertaken. Of the total reviewed, there were only 114,523 payment cancellations or reductions—that is about 10 per cent. Most of these were due to incorrect payment levels as a result of inaccurate income estimates provided by recipients or due to Centrelink errors in the calculation of payments to recipients. There are those, however, who deliberately set out to defraud the system. What proportion were they? From the 1.1 million reviews, there were just 1,347 convictions for welfare fraud representing 0.1 per cent—so much for the claims from the government during the campaign. Clearly, 99.9 per cent of all those reviewed were not rorting the system.

I am not alone in my criticism of the government’s approach here. In his Menzies Lecture last year, the member for Kooyong pointed out that more people win division 1 or division 2 Tatts-lotto each year than defraud the social security system—and that is coming from the government’s backbench. It is also worth while pointing to other crimes committed in the community. The fact is that more people are convicted of murder and sexual assault each year than are prosecuted for rorting the social security system. While we as a community expect these people to be dealt with by the full force of the law, social security fraud is not the widespread plague the coalition claims it to be. That is simply the case. Who are these people who have debts raised against them? We are now clear that they are not rorters; they are not the criminals that the Prime Minister claims them to be; they are not the criminals that the Minister for Family and Community Services claims them to be. Who are they?

Let us have a look. First, there are too many people having debts raised against them as a result of administrative error and not through any fault of their own. They are included in those figures that the Prime Minister put out across the country in the last election campaign. Many of these debts arose because of computer errors or because of the incorrect calculation of payments by staff. The debts were incurred through no fault of the individual, and many individuals were even unaware that they were being overpaid. There are also some limited provisions in the act that allow for these debts to be waived, but the anecdotal evidence is that this is not occurring in the first instance. Often people have to appeal the original decision to even have this waiver considered. It is made worse
by the fact that the government can recoup debts dating back three years while, in the main, individuals who have been underpaid can get top-up payments backdated by only three months. What sort of a double standard is that? For most people, however, debts are usually raised as a result of being unable to provide an accurate estimate of their earnings. As payments are income dependent, even small variations in income result in significant debt. By far and away the group hardest hit is families, particularly low-income families who have irregular work. The debts raised against the various categories are as follows: the unemployed, 14.3 per cent; families, 40 per cent; retirees, 2.5 per cent; students, 14.4 per cent; and people with disabilities, 6.6 per cent. The average debt for a family is $1,050. It is worth while noting that there have been ongoing issues for family payment recipients as the legislation is inadequate in dealing with the fluctuations in their earnings. Many families who have been particularly diligent in advising Centrelink of changes in their circumstances, which results in payment adjustments, only then find that their payments are reconciled debts as they are raised. The fact is that many people receive debts which they were not even expecting. The government’s new family payment legislation will only exacerbate this problem, and that is particularly the case with what I call their new zero-tolerance family policy.

The government’s approach to the administration of family payments in this policy is simply one of bludgeoning average families while ignoring tax avoiders at the big end of town and other malicious social security fraud. As I said before, this is a signature policy of a government that is weak on the strong but very strong on the weak. The government’s family payment system now forces families to estimate their income to the exact dollar; and if they are wrong, that is, if they underestimate their income by $1, a debt will be raised by the government. Prior to 1 July, there was a margin for error of 10 per cent. That allowed for normal fluctuations in family income that come from unplanned overtime or part-time work and so on. All of these things are not easy to predict. But now there is no margin for error. That is why the zero-tolerance family policy hurts families on modest incomes who find it hard to predict their income a year in advance to the exact dollar. The fact is that families do not have crystal balls, they do not know if they will be working extra overtime or if there will be a new job opportunity. So many of these people are incurring substantial debts. At least the old family payment rules allowed for some margin for error. These rules have none. This, more than anything, demonstrates how out of touch the coalition is with the circumstances of families. This is a very impractical measure from a cold-hearted government. These rules will have an impact on hundreds of thousands of families who will receive family payments in the year ahead. Why has the government done this? It is really difficult to contemplate why but, based on their track record, they will use the increased numbers and amounts of debt raised to go round and beat the drum again on how they are catching all of these average mums and dads out there who are defrauding the system.

So it is hardly surprising to find hidden in the last budget papers that the government has allocated around $10 million of taxpayers funds for a national publicity campaign on fraud to coincide with the next election. Perhaps you can call it the ‘unchain my family debt’ campaign. The fact is what you will be doing in the next campaign is what you did in the last one—going around the place claiming there is all this fraud which you have detected, when at the end of the day all it turns out to be is overpayments made to hardworking families who have incurred a debt on many occasions they never expected, and for that they get branded as rorts and cheaters by this government. It is simply disgraceful.

Mr Hockey—You are not being very nice today.

Mr SWAN—No, I am not being very nice today, because this is not a very nice government, Minister, and you know that because you are at the heart of it. This government is big on talk about cracking down on rorters, but all it really does is to crack down on hardworking families.

It does this in an environment where many of these overpayments are not sought by the
families because the government has crippled the administrative infrastructure as well. The government has cut over $500 million from Centrelink resulting in thousands of job losses. There are less expert staff to deal with benefit recipients. It has cut back the mobile review team staff and so on. All of those things that you would have expected from a government which wanted to be tough on fraud have actually been attacked by the government’s funding cuts elsewhere. So all the government is left with is putting in place increasingly draconian approaches which punish hardworking families who have simply underestimated their income through no fault of their own or who have received a payment they did not even know they were getting because there has been a Centrelink error. That is the background in which we have received this bill.

There are some specific elements of this bill that we can support. Schedule 1 of the bill amends the Social Security Act for a variety of purposes. There are a number of elements that we will be supporting. For instance, technical amendments are made that clarify ambiguous definitions that lead to difficulty in recovering a debt from individuals who receive payments that were intended for others. We are also supportive of changes that close an apparent loophole that may see individuals avoid making repayments by continually renegotiating the repayment terms while not actually making any repayments. So we are quite supportive of that.

Amendments in this schedule also provide for the Commonwealth to direct financial institutions to recover payments that were made to incorrect accounts or into accounts of recipients who became deceased without the Commonwealth’s knowledge. We will also be supportive of that. But we will be vigilant to ensure that this new power is not used in inappropriate circumstances. The opposition will also be moving amendments in the Senate to strengthen them considerably. The opposition will also act to ensure that debts are raised only in circumstances that the community sees as fair.

Of some greater interest, however, is the government’s propositions in relation to the imposition of a new penalty interest and administrative charge regime. The opposition certainly supports the stated intent of the government in relation to this matter, by encouraging individuals to enter into their repayment agreements and to stick to them. We are, however, keen to ensure that the new regime, consisting of a flat $100 administrative charge and penalty interest, is not used to merely penalise individuals that may still be in a very difficult financial position.

While the government has gone some way to address these concerns by ensuring these provisions do not apply to individuals still receiving benefits, there are still some concerns about how it may be implemented. By and large, those affected will only just be re-entering employment and attempting to stand on their own two feet. Many will find it difficult to repay debts quickly. Forcing the
issue beyond reasonable limits may well see people’s financial position erode further, increasing the risk that they fall back on benefits. This would not be a good result for the individual or for the taxpayer.

While the current act provides discretion for the secretary to defer repayment and alter repayment arrangements having regard to an individual’s financial position, this could be ignored. We need only to look at the government’s trigger-happy ‘shoot first ask questions later’ approach for breaching the unemployment benefits to see how so-called discretionary powers can be overridden by quotas and the like in the pursuit of cutting costs. So we are wary in this area. I should also make it clear that the staff responsible in Centrelink probably do not like implementing such administrative arrangements but are compelled to do so by those above. With this in mind, the opposition is likely to move amendments to ensure that the administrative charge is levied only as a last resort for people who are seeking to avoid repaying their debts.

The opposition also intends to differentiate the treatment in this regard, depending on whether the original debt was incurred by departmental error rather than by any misleading conduct on the individual’s part. The opposition is determined to see that this new arrangement is implemented fairly for the majority who unwittingly incur debts, while sending a clear message to those knowingly obtain payments to which they are not entitled. Implemented with a good heart, the new measure will be an improvement on the existing arrangements, particularly for veterans’ affairs benefits recipients.

Schedule 2 of the bill makes amendment to the act for a variety of technical amendments. The opposition will be supporting these measures. In schedule 3, once again, notwithstanding my previous comments, the opposition will be supporting these measures. But I reiterate the trap that the government has set with its new zero tolerance family payment rules.

Schedule 4 amends the Veterans’ Entitlements Act 1996 primarily to reform the existing penalty interest and administrative charge regime. We will be looking closely at this. In the case of veterans’ entitlement payments, it replaces a flat $15 administrative fee along with a 10 per cent charge on any outstanding amount. This current regime for veterans’ entitlement recipients occurs even while individuals are still in receipt of income support payments. We accept that this regime causes some hardship. Under the new rules, the administrative charges and penalty interest will only be incurred when an individual is no longer receiving an entitlement. The government’s proposition in regard to veterans’ entitlement recipients has some merit. But, once again, the opposition will be keen to ensure that financially vulnerable veterans are not unfairly penalised. The opposition is happy with the arrangements that will be put in place when it comes to schedule 5, which deals with amendments to the Safety, Rehabilitation and Compensation Act. We think that they are worthwhile measures.

That brings me back to where I began my discussion of this bill. The attitude of the government is one they certainly do not come to this issue with a good heart. The government have had a history of demonising anyone who has received a government payment—creating the impression there is a massive rorting of the system going on. I think I have proved conclusively in my contribution today that that is not the case. Nobody from this side of the House believes that those who rort the system should not be treated to the fullest extent of the law and that resources should not be spared in tracking them down. There is a fair bit of evidence that the government’s cuts to Centrelink, and to the mobile teams and so on, have allowed those who have been rorting the system to get away from the full extent of the law. We have had a concentration on overpayments to people who did nothing other than think that they were receiving their just entitlement. They may have received an overpayment through an administrative error in Centrelink. They may have received an additional payment because they had notified a change of income. The evidence proves overwhelmingly that the great bulk of debt repayment is from people who are not trying to rort the system.
What we cannot cop on this side of the House is the government taking all of those people—that 40 per cent of family payment recipients—and lumping them into statistics so that the government can run around the country saying, ‘They’re all included in the figures’ and showing the government recovering $46 million a week from welfare rorters. We cannot tolerate a situation where ordinary Australians who work hard and receive some assistance from the government are so categorised. For those reasons, we will be scrutinising every aspect of this bill very closely and moving detailed amendments in the Senate.

This is all at one, I suppose, with the government’s attitude and approach to pensioners and retirees: once again, the whole approach confirms they are weak on the strong and very strong on the weak. When it comes to dealing with the elderly, the Prime Minister, Mr Howard, is simply a serial offender. As Treasurer in 1977 he denied pensioners an increase in pensions for over a year by taking away their annual indexation. When he became Prime Minister, he broke his election promise to top up pensions to 25 per cent of average weekly earnings, which cost every pensioner over $300. Look at the experience we have now had with the GST and its so-called compensation package. He duded every pensioner in the country $10 in their first payment. Then he said he would put in place a four per cent pension increase for age pensioners from 1 July, when he had admitted in the budget there was going to be a 6.5 per cent inflation rate in the September quarter and a 5¼ per cent inflation rate in the first year. The fact is that pensioners are behind the game; they have been duded and they are going to fall behind.

As you and the minister opposite would be well aware, Mr Deputy Speaker Quick, that was before we got to the great fraud of modern Australian politics: the savings bonus. Everyone in the country was promised $1,000 by this serial offender. He went around the country promising $1,000 to all retirees and a top-up to those who are self-funded. What did we find? Forty per cent of them got nothing. Now we have had the great deeming debacle. This government that say they have a fantastic coalition with business and are going to be out there with business working for the benefit of the community then said to the National Bank, ‘It is okay to cut the deeming rate.’ That is what they said. When we asked about it in this House, they said it was okay for the NAB to short-change pensioners on their retirement savings—paving the way for other banks to do the same. The NAB’s decision to shave 0.08 per cent off interest on the deeming accounts by blaming the GST will cost pensioners up to $110 a year in lost interest and $50 in cuts to their pension. That is John Howard’s social coalition.

There must be something about pensioners that brings the particular tricky dicky out in the Prime Minister. Let us go through it again: the debacle with the savings bonus; the debacle with the pension increases; lying down to the NAB; and right back to 1977 when he duded every pensioner in the country their annual pension increase. The problem with this government is that they go around the place saying they have this new social coalition. They want to create the impression they are compassionate conservatives—which we all know is an oxymoron; that they have some sort of new smiley mask that can hide this absolutely dreadful record. There are 100,000 more children growing up in families where neither parent works, dramatic increases in child poverty, and huge social deficits. So they say, ‘We have a bit of a problem out there. We seem to be a bit harsh on the economic agenda. We’re taking money off the middle and the bottom and giving it to the top. How can we create the impression this is not happening?’ How they create the impression this is not happening is by saying that everyone who is getting a government payment to assist them with their children or to assist them when they are in a time of need is a fraud. That is the fraud that has been perpetrated on the Australian people by this government. They will never stand up to those who are strong in this community or to the powerful forces like the National Australia Bank—they will never do that. This whole approach they are seeking to sell about being compassionate conservatives is simply a Trojan horse, a smiley face on their cold-hearted, old-fashioned ‘take from the weak,
savage the middle and pander to the strong’
approach.

That is why when we come into this House
we hear about what is wrong with the United
Nations. All the problems are overseas, all
the problems are someone else’s fault, so
people out there in the Australian community
who expected they would get their savings
bonus would not possibly think they were
lied to by the Prime Minister; or would not
possibly remember this was the Prime Min-
ister who took away their pension indexation
in 1977 or the fact that the inflation rate they
are experiencing now is not reflected in the
amount they are being paid in their fort-
nightly pension. That is what all this is about:
one huge smokescreen to cover up the fact
that this government are very strong on the
weak and very weak on the strong. Increas-
ingly, day after day, with their zero tolerance
family policy they are squeezing middle
Australia. Australians have caught up with
the coalition. When the full impact of some
of these measures contained in this and other
bills today comes through, they will be com-
prehensively rejected. I have moved this sec-
ond reading amendment in the House today,
and we will be moving detailed amendments
in the Senate.

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

Mr Kerr—I second the amendment.

Mr LINDSAY (Herbert) (5.52 p.m.)—I
will address the elements contained in the
amendment shortly. But, first of all, after
hearing such a spirited debate this afternoon
of a lot of words that were totally untrue, I
am indebted to the Minister for Financial
Services and Regulation for providing a copy
of this particular letter from one of his con-
stituents. I think the House would be very
interested to hear this and the member for
Lilley should listen to this too. It says:

Dear Mr Hockey

I wish to express my sincere appreciation to the
government for the bonus payment of $3,000,
made up of the aged person savings bonus of
$1,000 and the self-funded retiree supplementary
bonus of $2,000, which I have recently received.
This payment will assist me in continuing my
policy of trying as far as possible to provide for
myself in my old age.

With best wishes, especially in the lead up to the
next election.

That is what the pensioners and self-funded
retirees of this country are going to remember
when the next election comes along, not the
rhetoric of the member for Lilley. I say thank
you to the minister. I am indebted to him for
drawing my attention to that particular con-
stituent letter.

I would like to start my contribution to this
debate by recognising the good work of the
offices of Centrelink in Townsville and
Thuringowa. I have a very good relationship
with Centrelink in the three offices they have.
I must say that the dedication that they have
and the extraordinarily good customer service
that they now provide are outstanding. It is
such a change and a breath of fresh air from
what the system used to be. Remember the
Department of Social Security, as it was, and
the old CES. The government recognised the
deficiencies in that system and did something
about it. The government was fought all the
way by the Australian Labor Party, but look
what we have got. We have a system that is
second to none in this country today in deliv-
ering the services that the government wishes
to deliver to those who are in need of those
services. It is a great system. The Job Net-
work system combined with the families as-
sistance centre of Centrelink is working very,
very well. I pay tribute to the staff of Centre-
link and the Job Network who are making it
happen and are delivering those services in a
timely manner and with a customer service
ethic that is as now as good as that in the pri-
vate sector. That really is saying something.
Whenever I have a problem, and it is not very
often these days, I just ring the local Centre-
link. The customers go straight down there
and whatever their problem is it will be
solved and I have no further problem. It is to
the credit of the people of the Centrelink in
Townsville and Thuringowa that they are
able to do that. Their hands have been untied.
It is a great system.

I will deal separately with the paragraphs
of the second reading amendment. The first
paragraph ‘condemns the government for the
way it has misused compliance and debt pro-
cesses to brand average families and other
decent Australians as welfare cheats’. What a
ridiculous amendment. The government does not ‘brand average families and other decent Australians as welfare cheats’. What we do is accede to the wishes of the taxpayers of this country. The Labor Party ought to do a bit of research on how taxpayers feel about how their money is being used or misused. I can tell you that taxpayers in my electorate do not begrudge the government providing income support or other support payments to those who are in need but they do feel very unhappy if people are in any way getting payments that they are not entitled to. Over so many years of Labor administration, that was allowed to go on and on and nothing was done about it. It will be to the undying credit of this particular government that we have addressed that and we have addressed it in a decent way. The Family and Community Services and Veterans’ Affairs Legislation Amendment (Debt Recovery) Bill 2000 helps sort out some of the smaller technicalities where it can be improved and for that reason we would want to see the passage of this bill.

The second paragraph ‘condemns the government in particular for the application of a cold-hearted, zero tolerance policy against families’. Again I would say that the Labor Party has not read the bill. It says that the current arrangements, chapter 5 of the Social Security Act 1991, provide for flexible recovery arrangements based on an individual’s circumstances—that does not sound to me like a zero tolerance policy against families, and that is what this amendment is suggesting—including write-off and waiver where recovery of a particular debt would not be equitable. There is no proposal to change the situation. Yet the Labor Party claims in this amendment that we have ‘a cold-hearted, zero tolerance policy against families’. How could that be?

Mr Kerr—Read your legislation.

Mr LINDSAY—I have just quoted the legislation to you. The basic principle, that any amount owed will be recovered as quickly as possible without placing the person in real financial hardship, will remain at the core of Centrelink debt recovery practices.

Mr Kerr interjecting—

Mr LINDSAY—Who is speaking here, I would just ask? Did I have the call today?

Mr DEPUTY SPEAKER (Mr Quick)—The honourable member may continue.

Mr LINDSAY—I ask you to support that, Mr Deputy Speaker. I will just read that basic principle again: any amount owed will be recovered as quickly as possible without placing the person in real financial hardship. That principle will remain at the core of Centrelink debt recovery practices. Again I ask: does it sound like a cold-hearted zero tolerance policy against families? The Labor Party has been found out in this particular instance.

The third paragraph ‘calls on the government, in the spirit of the McClure report, to make sanctions and penalties a last rather than a first resort’. Goodness gracious me. In relation to breach penalties, the fundamental issue here is that Australian taxpayers expect the government to ensure that unemployment payments go only to those who are genuinely unemployed and in need of support. I do not think there could be any argument about that.

Mr Kerr—Mr Deputy Speaker, I raise a point of order. I just wonder at the absence of the minister from the table. I see he is at the back of the room, not at the table. It is a practice and I think an essential characteristic of the conduct of this House that it actually has a minister at the table.

Mr DEPUTY SPEAKER—As long as the minister is present in the chamber.

Mr LINDSAY—I was talking about breach penalties. To make sure that those who are genuinely unemployed and are in need of support are supported effectively, some sort of sanction is required for those who fail to let Centrelink know of a change in their income or circumstances which might affect their rate of payment or who fail to meet the activity test. There is nothing wrong with that. The vast majority of unemployed people, 86 per cent of the 1.4 million who received payment in 1999-2000, do the right thing while on payment. Rate reduction periods send a clear message to those who do the wrong thing that it is only reasonable and consistent with community expectations that they should tell Centrelink if their income
changes, they should attend appointments when asked to and they should make the most of any employment or training opportunities offered.

Activity test breaches accounted for more than half the total number of breach penalties imposed last year. Failing to declare earnings remains the highest breach reason, accounting for about 24 per cent of all breaches in the 1999-2000 financial year. Centrelink does not impose breaches unreasonably. Job seekers who do not comply with their requirements are given an opportunity to explain why. If they have a good reason, the breach is overturned and not imposed. Less than one per cent of breach decisions made by Centrelink are set aside at appeal. This is a fairer system. Under Labor, any breach resulted in a non-payment period. Now most breaches result in a rate reduction period. A non-payment period is imposed only if a person breaches the activity test three or more times in two years. So again I ask where is this cold-hearted zero tolerance policy against families that this amendment seeks to suggest there is.

The fourth paragraph ‘calls for a change of heart from the government and a positive approach that provides real opportunities for those with a capacity to work to do so’. I see that in my electorate all the time. This is already in place—a positive approach that provides real opportunities.

I believe that this amendment should not be supported. It is clearly way off the beam, and I think that the particular bill as it stands should proceed. This bill is about clarifying, simplifying and strengthening debt recovery. The main aim of the measure is to provide legislative and policy clarification about what constitutes a debt and whether it can be recovered. Simplification and certainty are the key to this. I guess the measure arose in response to comments from staff administering the provisions. It is good to see that feedback and I welcome that feedback from the Centrelink staff. It is good to see that they have the opportunity to have input into how the system works, and this results in a practical system that brings back to the parliament new legislation that makes it easier for the government to deal with its customers. That is in line with the whole customer service philosophy of Centrelink.

I now raise some matters about reviews that have taken place. Centrelink conducted almost 2.7 million entitlement reviews between July 1998 and June 1999, resulting in 256,000 or so payment cancellations or reductions. As a result, savings to the Commonwealth of almost $20 million a week were identified and debts were raised to the value of $279 million. In the 1998-99 financial year, there were 3,011 convictions for welfare fraud involving $30 million approximately in debts. Within these figures, Centrelink received about 49,000 fraud tip-offs from the public, resulting in 15,000 or so payment cancellations or reductions and debts of nearly $30 million being raised.

This government are cleaning up the mess left after 13 years of Labor. And—surprise, surprise—they have attacked us every step of the way. They left Australia’s social security system in a mess. We do not intend to. They have chosen to constantly frustrate or oppose the coalition’s efforts to simplify the social security system, to introduce better fraud and compliance initiatives and to minimise labour market disincentives. They are too busy point scoring and pursuing cynical opportunities rather than working with the government to develop a comprehensive social security policy. I am certainly pleased that the coalition government will continue to improve the delivery of social security services to Australians that will ensure that assistance is targeted towards those with the greatest need, and that complexity and inconsistency in the social security system are further reduced. This bill does that. The Minister for Family and Community Services, Senator Newman, and the Minister for Community Services deserve to be congratulated for initiating reform of social security in this country.

I close where I began. I congratulate the staff of Centrelink in Townsville, and soon-to-be Centrelink in Thuringowa, and I strongly and directly support the provisions of this bill before the parliament today.

Debate interrupted.
JOINT HOUSE DEPARTMENT: PARLIAMENTARY HOSPITALITY

Mr PRICE (Chifley) (6.07 p.m.)—Madam Deputy Speaker, I seek your indulgence and the understanding of my colleagues.

Madam DEPUTY SPEAKER (Mrs De-Anne Kelly)—Indulgence is granted.

Mr PRICE—Today in question time I asked a question of the Speaker relating to the use of the hospitality area by Minister Larry Anthony. From my tone and line of questioning, clearly I questioned the motives of the minister in utilising that facility. I have to say to you, to be honest, that I still think it should be left for schoolchildren, but the purpose it was used for was a very worthy one and one that enjoyed bipartisan support, that is, National Child Abuse Week. So, to the extent that I may have impugned his motives, I do sincerely apologise to him. Had I been aware of the purpose of the use, I still would have pursued my inquiries but perhaps a tad more diplomatically.

FAMILY AND COMMUNITY SERVICES AND VETERANS’ AFFAIRS LEGISLATION AMENDMENT (DEBT RECOVERY) BILL 2000

Second Reading

Mrs CROSIO (Prospect) (6.08 p.m.)—I rise today to speak on the Family and Community Services and Veterans’ Affairs Legislation Amendment (Debt Recovery) Bill 2000 and I remind the member for Herbert that the bill clearly spells out that it is a bill for an act to amend the law relating to the recovery of debts due to the Commonwealth by social security and family assistance recipients and veterans, and for related purposes. I would advise the member for Herbert to read the explanatory memorandum along with the bill, because he will clearly see how some of the amendments in here are going to affect the people that we represent and do so perhaps—and I will give the benefit of the doubt—not unfairly. But, still, that is why I believe that the amendment moved by our shadow spokesman is worthy of debate. I will come to that later.

The bill ensures that, when a person receives a social security payment, a family assistance payment or a veterans’ affairs payment that exceeds the amount that should have been paid, the excess amount is then considered a debt and therefore recoverable with interest and also with an administrative charge. The changes proposed in this bill are supposed to clarify, simplify and strengthen the debt recovery process. However, in clarifying and simplifying the process of debt recovery, the problem is still not adequately addressed—and I have gone right through the bill. These debts are not always incurred willingly and at times they cause much confusion and misunderstanding due to administration errors which could easily be avoided. The Commonwealth Ombudsman’s annual report—and I know it refers to 1997-98—shows cases where there are obvious problems in the debt recovery process which are not covered by this bill. It was a report tabled by the Ombudsman and yet it is not picked up by this particular bill. All this bill will accomplish is a speedier recovery of money from pensioners, with more interest, and a greater deal of confusion and complication.

One case from the Ombudsman’s report details the story of Ms A, who contacted the Ombudsman to complain that Centrelink kept withholding different amounts from her income support payments to recover an overpayment. While she had no qualms about repaying the amount, she wanted a consistent recovery pattern so that she could at least budget. She would often receive no or very late notice about changes to the debt recovery rate. After further investigation by the Ombudsman, it was discovered that Ms A had been repaying an Austudy debt while repaying advances of her sole parent pension and family entitlement. Over a 15-month period Ms A had 10 different recovery arrangements in place with total fortnightly withholdings ranging from zero to $131.30. This arrangement, as you can understand, made it extremely difficult for Ms A to even budget.

In this case it was discovered that Centrelink had no coordinated approach to recovering advances and debt. Centrelink seemed too keen to take recovery action without checking whether other arrangements were already in place. As a result, Ms A was sometimes repaying debts from both the
family payment and the sole parent pension. Centrelink could then be basically accused of double dipping. Eventually, after the Ombudsman’s contact with Centrelink, future payments were reduced to a manageable level. The debt overrecovered was then refunded to Ms A and she was able to budget with greater ease.

I have used this particular case as an example in the House because it is from a tabled report. However, I could bring in similar instances from my electorate and have them read out in the House, and I would respect the confidentiality of my constituents. Most of my electorate cases have been where individuals have fulfilled their obligations and reported any changes in their financial circumstances to Centrelink—in some cases not once but at least on two or three occasions. My constituents would have faced hardship similar to the case mentioned in the Ombudsman’s report if there were not secretarial discretion. That is why I hope that, when this bill goes through all its due processes, the secretary’s flexibility is maintained at all times, because everyone is not guilty as accused; it has to be investigated and the circumstances examined as to how these things occur and also, when they do occur, how we then recover the money, the debt. I would like to make it absolutely clear at this stage that I am totally in favour of recovering taxpayers’ money from those people whose need of assistance is not genuine and who have fraudulently obtained payments. But in Ms A’s case that would have caused her a great deal of confusion and difficulty.

As this bill also comes under the Veterans’ Affairs portfolio, a great deal of the money in this bill will most often be paid to elderly Australians who usually have more than one payment or pension paid to them. You can imagine the confusion that many of our aged Australians would experience when they are told that, due to no fault of their own, they were overpaid an allowance, they will have to quickly enter into a payment scheme or they will be charged interest on a debt that they involuntarily incurred. More importantly, imagine trying to explain that to an aged person in our community, a person who has always abided by the law all of their life, who is frightened and intimidated even when they receive a letter from Centrelink that something is going to happen to their pension—and I am talking about our 80-years-old-plus—and then they have to bring the letter in, even to our office, to have whether they have done something wrong explained to them and yet, if inadvertently something does happen, they are going to face these types of circumstances. Let us just hope that this government is certainly looking before it leaps with this bill and that there are now going to be mechanisms in place to avoid particularly such instances as double dipping, as I mentioned from the Ombudsman’s report in describing the case of Ms A.

It would be a lot easier to concentrate resources on stopping the money being incorrectly paid in the first place. Of course accidents will happen and cases of incorrect payment will invariably occur. However, the emphasis on debt recovery should be on prevention rather than on punishment. The issue here and in the bill is accountability. We need to put in place correct procedures and better accounting methods so that people, especially many of our aged and low income earners who rely on these payments, are not put through the confusion and inconvenience of having to pay back money which was incorrectly paid to them. Incorrect payments can make it extremely difficult for many low income families and pensioners to budget and plan.

However, this government is no stranger to making life difficult for the aged and low income earners in Australia. We have only to look at the GST compensation to see examples of this. Leading up to the introduction of the GST, the government was spending in excess of $460 million of taxpayers’ money on advertising and the promotion of the GST. We all saw the ‘Unchain My Heart’ ads in the newspapers and magazines and on television. It was what the government called the information and education campaign. It also included a letter written to all taxpayers supposedly explaining the new taxation system. There were also four-part advertisements in magazines, billboard posters and ads on the sides of buses—the list goes on. It was a government advertising campaign unlike
anything Australians had seen before—at the taxpayers’ expense. Through that advertising campaign, they announced a compensation package for aged persons—a package which indicated that they would be picking up a one-off payment of $1,000 to help overcome the impact of the GST on their savings. An advertisement from the Department of Family and Community Services stated:

From 1 July the Aged Persons Savings Bonus will provide up to $1000 to Australian residents aged 60 and over who receive no more than $30,000 in annual retirement income.

In fact, this means that the government will pay $1 for each $1 of interest of private income from savings and investments, including superannuation, with a ceiling of $1,000 for each pensioner and $3,000 for each self-funded retiree. Of course it would be blatantly obvious to anyone who saw the $460 million ‘Unchain My Heart’ ads that this would occur!

One of my constituents is a war widow who has lived in my electorate for more than 40 years. After receiving all of the mail-outs, seeing all of the ‘Unchain My Heart’ ads on the television and all those billboard posters, she was certainly under the impression that she would receive that $1,000 in GST compensation. And who could blame her? She was quite distressed—in fact, she came into my office in tears—when she learnt the truth about the government’s compensation package. She told my staff that she had been hoping to use some of that compensation money for repairs to her washing machine. Unfortunately, her washing machine will remain in a state of much needed repair. She will not receive $1,000 in GST compensation, but she will still have to pay the same amount of GST as someone who did receive the $1,000 in compensation. Aged Australians could not be blamed for thinking that they would receive that $1,000 extra in their pension from 1 July. I believe that this was a very cruel attempt—I hope it was not a calculated attempt—to buy aged Australians’ support for the GST. Despite the $460-odd million spent on the so-called information campaign, it certainly was not clear or concise, and the relevant factual information could not be found in it for people like this constituent. In some instances, people have received cheques—for just $1! What an insult to them. This government is only too happy to slap a 10 per cent GST on almost all goods and services, and then it compensates only the ones who are able to afford the extra tax, while the ones who are most likely to be struggling through the new tax system are given only insignificant compensation and in some cases, as I said, one measly dollar. With all the bank fees and charges these days, it would probably cost more than $1 to put that cheque in the bank.

Many aged Australians have now found themselves short-changed by the GST compensation because Centrelink miscalculated their entitlement based on out-of-date information about their savings. These pensioners and retirees have appealed their bonus payment, and they are now told that they will have to submit a tax return next financial year to receive their correct GST compensation. This will be after, of course, they have paid a year’s worth of GST on goods and services. This demonstrates a total lack of accountability and accuracy, and I believe that this government is entirely to blame for this maladministration. It must be held responsible. The GST compensation package, as well as being hopelessly inadequate, has been poorly managed and administered. I have mentioned the advertising campaign because I believe it is not fair that people were given this sort of ambiguous information and then let down so badly. The people affected are our aged people; they are the same people that are going to be affected by the bill that is now before the House. What happened in that compensation campaign? Aged Australians thought they were going to receive so much, but they ended up with empty promises, and I do not believe that they will forget that. I do not believe they will forget how they have been mistreated, and I hope that they will not have to suffer when this bill comes into operation.

The government is constantly letting down our aged Australians and pensioners. We have only to look at the management of the Aged Care portfolio under the Minister for Aged Care, a portfolio in which we see a standard of mismanagement and neglect
which is absolutely shameful and inexcusable. Only recently, an ombudsman released a report on the failure of the government’s aged care complaints scheme. It states that many complaints were not properly investigated or even satisfactorily resolved. The ombudsman noted some serious issues, among other things, and said that these points were just a few that he made mention of. Those issues were: a failure to identify and pursue serious complaints; a lack of guidance and training given to complaints officers; communication inefficiencies; a lack of impartiality on the part of complaints officers; poor record keeping; inadequate scrutiny of criminal records; and, of course, a lack of surprise inspections. This refers to nursing homes being investigated due to serious complaints. These are only a few of the issues the ombudsman mentioned in his report. I could go on, but I am speaking to a different bill at this time.

I would like you, Madam Deputy Speaker, and those in the House to cast your minds back to the Riverside Nursing Home debacle—we get a very good idea of the irresponsibility and the lack of accountability that has come to typify this government when we are dealing with the aged. The Minister for Aged Care sat in this parliament for days on end trying to wash her hands of any responsibility. Whether she was ducking or weaving or just trying not to take any accountability, I do not know. But it was her portfolio’s responsibility and she was the minister in charge of it, and no matter how far she ran she certainly could not hide. That report into the nursing homes was submitted to her office only days later and it identified deficiencies in the system, particularly in regard to the aged community in nursing homes. It included the residents’ needs and preferences regarding complementary therapies, but these were not even acknowledged. I could go on about what that report said, but I wanted to bring it into this debate only as a reference.

Ministers in their portfolios have got to be so very careful when they are dealing with the aged within our community. The aged people in our community do not, perhaps, think as quickly as others. If they feel in any way that something has occurred and that they are to blame for it, they suffer in silence at home. I heard instances of this when I was president of our area’s Meals on Wheels. People who were out there delivering the meals would speak to someone who was upset. They would ask, ‘What’s wrong?’ and the reply would come back, ‘I got this letter; I do not know what it means. Could someone please explain it to me?’. That is what we have to be continually aware of—not only the people who administer the law but the people who have to act on behalf of the government to make sure that it is implemented correctly.

We are dealing with a section of the community that finds great difficulty in understanding some of the ‘speak’ of the letters that are sent out informing people that they are going to incur a debt or have incurred a debt and that, if they do not pay it quickly, they are going to be penalised and certain action will be taken against them. We have to realise that these people have to be handled with perhaps a little bit more care than has been taken in the past and certainly with a lot more care than our aged were handled with during the nursing home debacles that occurred just recently and which, by the way, are still occurring. I believe that, if we are going to legislate in this House, we are never going to get things 100 per cent correct. We have seen what has happened with the administration of the GST compensation with regard to our pensioners. We have seen what is happening with nursing homes. We have seen what is happening to a lot of other aged care facilities in legislation coming before the House. What we have not seen again is a little bit more sympathy for and understanding of what is going to occur.

As I said at the beginning, anyone who fraudulently uses taxpayers’ money or uses means by which to obtain money that way should be caught; but we should not, on casting that web so wide, catch the other innocent people. I doubt if a week would go by in my office when we were not handling cases of someone having been asked to repay a debt when, inadvertently, something has happened at the other end. The member for Herbert was complimenting the staff at Centrelink in his electorate. I, too, work very closely with our staff in Centrelink and I re-
gard them as second to none. In fact I com-
pliment and congratulate them, particularly in
an electorate like mine because it is a multi-
cultural electorate and it is very difficult at
times to have an understanding with people
who do not have English as their first lan-
guage. More importantly, they do at least
show a great deal of sympathy. The only
problem I would have when we talk about
our staff at Centrelink who are dealing with a
lot of our aged people is that there are not as
many of them today as there were when this
government came to office in 1996. That is
another fault that we have in the Public
Service at large. You cannot slash and burn
the employment of officers, professional
people, in the Public Service and expect
fewer to carry out more work, particularly in
a multicultural electorate.

I believe that with some of these laws that
we are now passing we are going to catch the
innocent far more than we are going to catch
the guilty. It is all very well for the govern-
ment to brag about what they have been able
to get in recompense because people have
been illegally getting an amount. Well done.
But, whatever you do, do not then have the
penalty passed on to those who can least af-
ford it and who do not understand, appreciate
or believe that they have in any shape or form
causated what has occurred. That is why I be-
lieve in the moving, as the shadow minister
does, of the second reading amendment
to this bill that is before the House. The gov-
ernment should at least show some concern,
particularly in the application of that cold-
hearted zero tolerance policy against fami-
lies, which sees substantial debt raised
against people whose only error is their in-
ability to predict future income to the exact
dollar. We may be able to do it and our ac-
countants may be able to do it, but not every-
body that we represent can do it as we would
like them to. I believe that we have to be a
little bit more caring before we start imple-
menting that.

I hope the government will give consid-
eration to the amendment that has just been
moved because all it can do is improve the
bill before the House. We have called on the
government, in subsection (3) of the amend-
ment:

... in the spirit of the McClure Report, to make
sanctions and penalties a last rather than a first
resort, and to turn its attention to the restoration of
essential capacity building programs that help
people move from welfare to work ...

I see nothing wrong with that as an amend-
ment to this bill. Why could it not be in-
cluded or be given consideration? We further
call on the government for:

... a change of heart ... and a positive approach
that provides real opportunities for those with a
capacity to work to do so, while affording dignity
to those whose circumstances prevent it.

I see nothing wrong with that as an amend-
ment to the bill before the House either. Why
shouldn’t we very clearly spell out where we
stand in helping and assisting our people who
are still of an age when they can obtain work
to do that, even though most of the instances
and examples that I have been referring to
during this debate have been of aged pen-
sioners and those certainly well into their
later years? I believe that, if we can assist in
any shape or form those people to live with
dignity for the remaining years that they have
before them, we should assist them in that.

I do appeal to the Centrelink staff, to the
secretary to the department and to the minis-
ter who is going to have ultimate responsi-
bility for the administration of this because,
whether we like it or not, if something goes
wrong we should not blame the staff. I am
sick and tired of hearing that. When you are a
minister with a portfolio as complex as this
one, you have to accept responsibility. You
cannot always be saying, ‘The staff knew,
they were told and therefore they were the
ones who did not implement that.’ That is not
always the case. The staff are there to ad-
minister the law, but the minister has to be
held responsible for how the law is adminis-
tered and how the legislation is being put into
place. I do appeal for a softer touch when
they start implementing some of these meas-
ures and particularly a better education and
understanding of what they actually mean so
that, when letters are written to our Centre-
link clients or customers, or whatever word
they choose to use, these letters are written in
what I have always believed should be plain
English. It should be very simple to under-
stand and it should explain in a number of
sentences what has occurred or there should
be a phone number so that an individual can
call, come in and have it explained to them
on a face-to-face basis. This does not always
occur.

At times we cause a lot of discontent and a
lot of upset when it is needless. All we have
to do is to give due consideration to how
things are said and how things are written.
Then maybe the aged in our community who
are so dependent on either the pension or
welfare payments for their very existence, as
well as our sole parents, would not be faced
with so many disturbing problems in their
lives. We could make it a lot easier for them
and I think as government and as opposition
we should be endeavouring to do that. The
bill before the House should be passed with
the amendment that we have so moved. The
amendment can only make it a better, far
more understanding and, more particularly,
would take the meanness out of the bill that
we now have.

Ms HALL (Shortland) (6.28 p.m.)—The
Family and Community Services and Veters-
ans’ Affairs Legislation Amendment (Debt
Recovery) Bill 2000 is harsh legislation. It is
legislation that will make it possible for the
Howard government to punish those vulner-
able and financially disadvantaged Aus-
traliani who receive the wrong payments from
Centrelink because of mistakes made by
Centrelink. I must say that I am very disap-
pointed that the Minister for Community
Services is not here in the House today be-
cause I think it would be much better if he
heard a lot of the comments that I am going
to make rather than read them in
Hansard.

It is an absolute disgrace that any govern-
ment would even think of punishing those
Australians who, through no fault of their
own, receive an overpayment from Centre-
link. Madam Deputy Speaker, I am sure that
you have many constituents in your own
electorate who, from time to time, have been
overpaid and are now going to be punished
for overpayment which occurred through no
fault of their own. I believe this is un-
Australian and not good enough. You have
only to look at the recent savings bonus de-
bacle to see just how easy it is for Centrelink
to make a mistake. Pensioners throughout
Australia were absolutely distraught because
they received the wrong payments from
Centrelink. We need to have a look at what
happened at that time. The day pensioners
started receiving those bonuses the phones in
my office ran hot. There are four lines into
the office and every line was full. As well as
that, pensioners were lined up at the counter
asking why they had received the incorrect
amount.

My local Centrelink office was very sup-
portive. It understood the problem, but its
hands were tied. The government had said
that it could not look at the matter; it would
not revisit it. Even if pensioners went into
Centrelink with all their bank statements
showing how much money they had earned
in interest, Centrelink could not reassess their
savings bonus payments. That was response
No. 1. We were advised that we should tell
pensioners who contacted our office that they
should complete a taxation return. One 93-
year-old lady, in her entire 93 years, had
never completed a taxation return. We went
through the process of applying for a taxation
file number for her, but when it was time for
us to submit the taxation return there was
response No. 2. Finally, the government de-
cided that it would allow Centrelink to reas-
sess the payments that had been made to
people. That response should have happened
immediately. That is how the matter should
have been dealt with, because it caused so
much anxiety to people in the community, to
people who were going into the Centrelink
office expecting to receive a totally different
amount of money. That is putting aside the
fact that there were many pensioners who
thought that they would receive $1,000 when
they did not receive any money at all—be-
cause it was a savings bonus and not a pay-
ment, as the government and the Prime Min-
ister led people to believe.

I have another concern about the payments
that were made to pensioners. As well as the
pensioners who were paid too little, many
were paid too much. The mistake occurred
because old figures were used. We tried to
ascertain what was going to happen to the
lady who had had $9 in the bank for the last
so many months and had had a low balance
in her bank account over the last two years
and who received $1,000. I still have not
been able to find out whether the government is going to pursue this woman and many other women just like her to recover the $1,000 that they were paid. Because they have so little money, the moment they got that $1,000 they spent it. They are living week to week and are going to find it very hard to repay the money. What will the government's response be to them? The bill says that those pensioners are going to have to repay that money. If they have trouble doing it, if they breach it, they are going to be fined $100. And what happens if they are no longer receiving a pension? The legislation says that if a person loses a benefit then they can be pursued and they will have to pay real interest. If the pensioner dies, will their family be responsible for the debt? How far will this government go in pursuing people in our community who are disadvantaged.

The Howard government has recently changed the method of calculating a family's eligibility to receive family assistance. The government's decision to factor zero tolerance into the equation will cause further hardship for families. They earn a little overtime and it changes the amount of money that the family receives. They have a couple of extra hours work if they are working part time or casually, and what happens? An overpayment occurs. Those people will be pursued. The previous system had some flexibility. The family payment was determined on the previous year’s income. Now it is determined week by week. It is just not good enough. This is one of the most disturbing aspects of the legislation.

The fact is that Centrelink will raise debts in any circumstance where a person receives a payment that they were not entitled to. It does not matter whether that happened because they sought to mislead Centrelink or because Centrelink made a mistake. There could even have been a computer error. This leads to hardship, particularly for people who live from week to week, who depend on the money they receive from Centrelink and, coupled with the amendment of the provision to allow the secretary to write off debts in circumstances where it could cause severe hardship, really compounds the factor.

If there has been a mistake and a person has been paid too much money—be it an administrative mistake or be it a miscalculation of overtime or whatever—it can lead to severe financial hardship. But the hands of Centrelink are tied—they can do absolutely nothing to help that person. Meanwhile, the person could be thrown out of their home or they could have their car repossessed—believe me, these are real people; these things happen on a daily basis—but no-one will step in to help them. Centrelink will continue to pursue those people.

This bill also introduces a $100 administrative charge that will be imposed on all those Australians who have been overpaid by Centrelink, including pensioners, families with young children, unemployed people and people struggling from week to week—the most disadvantaged people in our society. This measure is accompanied by penalty charges once people are no longer receiving a Centrelink payment.

This legislation will cause hardship for the most disadvantaged Australians in the community. I am very surprised that the Minister for Community Services is advocating and supporting it, considering the number of people in his electorate who receive Centrelink payments. I draw the attention of the House to the minister’s electorate. A large number of people in his electorate receive disability support pensions; in fact his electorate is ranked 143 out of all electorates. There are only three electorates in the whole of the country with a larger number of people receiving disability support pensions. The minister’s electorate is ranked at 146 in relation to the number of people on Newstart allowance. All these people are severely disadvantaged. For receipt of parenting payment, his electorate is ranked at 144—high; for youth allowance, it is ranked at 134—high; for the age pension it is 142—high.

The Ballina-Byron Bay area is an area where a lot of people are receiving welfare, and a lot of people migrate there when they retire. It has an above average percentage of low income households, unemployment, youth unemployment, low-paid employment and mortgage hardship. I cannot understand why the minister is bringing legislation into
this House that will hurt his own constituents. The people in Byron Bay and Ballina expect the minister to support them. More than 40,000 people in his electorate rely on some sort of Centrelink payment.

The Tweed area also has a lot of low income households, unemployment, youth unemployment, single parent families, mortgage hardship and all the factors that point to an area of disadvantage. It has a very high reliance on Centrelink payments. We only have to look at the minister’s actions in relation to residents in caravan parks to see how he stands up in this place and fights for his constituents. Back in the electorate, he told those people living in mobile homes, residential parks and caravan parks that he understood their problem—that he would support them. But did we hear anything from the minister down here? No. We heard nothing. He did not stand up once and argue for his constituents. It seems to me that that is exactly what he is doing again. Surely the minister realises that this legislation will hurt those vulnerable people in his electorate who rely on him to protect them and to fight for them. Madam Deputy Speaker, I know you are a bit of a fighter yourself.

Madam DEPUTY SPEAKER (Mrs De-Anne Kelly)—I am pleased to hear that, because I am going to call the member to order. I think we might deal with the bill. We have had a good tramp around other topics. We will deal with the bill from now on.

Ms HALL—I am referring to the clauses in the bill that penalise all those people who receive Centrelink benefits and who have received overpayments. In areas where there are high numbers of people relying on Centrelink benefits, you would assume that there would be a high number of overpayments, Madam Deputy Speaker, as you would know from being a member of parliament who is active in her electorate—I assume you are—constituents come in on a regular basis with problems that have occurred because they have been inadvertently overpaid. I certainly fight to ensure that those pensioners, families, veterans and people who do not have jobs in the Shortland electorate are not victimised by this 1950s approach by this government, which thrives on targeting and victimising the most disempowered and disadvantaged Australians in the community.

The Howard government’s approach to dealing with its Centrelink clients is the big stick approach rather than the compassionate one, with the provision of support and services that would lead to work for unemployed Australians and income security for families and pensioners. The right approach is the one that the opposition’s amendments to this legislation will make. They are humane amendments and I strongly encourage the government to accept them. They are amendments that will make the legislation work, and they have compassion. If the government has to pursue the big stick approach, how about halving the administration charges to $50 and only imposing them on people who really have the capacity to pay. What is the point of pursuing somebody who is living in abject poverty? What is the point of pursuing somebody who is having difficulty surviving? Further, it is very wrong for the government to introduce legislation that will require those people who rely on Centrelink payments to have to repay a debt that occurred because of an administrative error.

I ask how the minister can possibly agree to that provision in the bill. Further, anything that passes through this House should be conditional on the government putting in place a more convenient means for the repayment of debts. If a person does move from unemployment and into work, one of the hardest things to get is time off to go the Centrelink office to repay money owed. It would be much more convenient and logical for the government to put in place arrangements so that debts can be repaid at a post office or taken from bank accounts. The current arrangement is most certainly unsatisfactory. If there is any administrative charge, it should be imposed only after the third breach.

This legislation is harsh by any measure. It has the potential to cause great hardship. The minister must consider those 40,000-plus residents who live in Richmond and are receiving Centrelink payments. If he does not, he will not be here in this House after the next election. In my electorate of Shortland there are also a lot of people who receive...
Centrelink payments. I assure them that they can rely on me to be in there fighting for them in the way that I believe the minister should be fighting for the people in his electorate—the people he is in this place to protect. That is the thing we are all here for: we represent the people in our electorates. If the minister has 40,000 people in his electorate who are in receipt of Centrelink payments, he should be standing in here arguing for them, not trying to penalise them. The Australians this legislation will have the greatest impact on are the elderly, families and unemployed—people who rely on government for protection and people who will be hurt by this legislation unless it is substantially amended.

Mr SCIACCA (Bowman) (6.48 p.m.)—I rise to support the amendment to the Family and Community Services and Veterans’ Affairs Legislation Amendment (Debt Recovery) Bill 2000 as moved by my friend and colleague the member for Lilley, the shadow minister for family services. The legislation deals with a number of issues, but of most interest to me are the significant and important questions it raises about the government’s attempts to tighten debt recovery provisions. The bill, in its current form, seeks to further tighten debt recovery provisions in circumstances where overpayments are made. This would limit the powers of the departmental secretary to waive debts in situations involving administrative error or other special circumstances.

I am pleased to support the amendment moved by my colleague the member for Lilley, which aims to prevent the hardship that these provisions most surely would bring about in a number of circumstances. The amendment provides for greater secretarial discretion in circumstances where people have fulfilled their obligations and received payments in good faith. The logic behind such a move is to ensure that debts are given appropriate consideration within the context of the special, and sometimes extenuating, circumstances in which they are accrued. I say that as someone who was involved with the social security department, as it was then known, for many years as its parliamentary secretary. I came across countless cases where things just happened because of mistakes that were no-one’s fault. Not everything is black and white.

A case in point is that of one of my constituents in Bowman who was recently advised that she had a large Centrelink debt arising from a series of payments in the first half of 1998. I am not at liberty to identify this person because, as members will hear, this is a very sensitive case involving a tense and protracted custody dispute. My constituent has a young child who was abducted by its father in early 1998. During this time my constituent continued to receive three payments: the parenting payment single allowance between 20 March and 6 August 1998; the family payment allowance between 29 January and 30 July 1998; and, the sole parenting pension between 5 February and 19 March in the same year. I understand that these were part of a total payment rather than a duplication. For their part, Centrelink now advises that these payments should not have been made while my constituent’s child was not in her care.

The child was abducted by its father in January 1998. This action was the subject of legal proceedings by my constituent who, I am pleased to say, eventually regained custody of her child in late 1999. During the year of the abduction and court proceedings, my constituent actually became worried about her Centrelink arrangements and approached her solicitor for advice. The solicitors advised that she should remain on all payments until the case was settled because, technically, she was still the child’s custodian. The case was further complicated when, as a consequence of the abduction, my constituent suffered a severe nervous breakdown. Members can appreciate that, as a result of this and the pressure of losing her child, my constituent was not well placed to approach Centrelink and seek their advice. In any case, my constituent would still have been eligible for another payment, and is likely to have received a similar payment, only in another form or under another auspice. Considering the serious distress caused to my constituent by the unlawful abduction of her child, I do not think it is unreasonable to expect that she did not approach Centrelink about her pay-
ments. It is important to note, however, that she did mention it to her solicitor, who advised her to remain on the payments until her court case was finalised.

Surely these are the sorts of extreme circumstances that require discretion by, I would suspect, the secretary to the department. It is of little surprise to me that the government has once again taken the hardline approach to such a sensitive welfare issue. I might remind members that Centrelink debt recovery is often undertaken as a result of its own administrative errors.

Every week I am confronted with new evidence of the government’s harsh and unfair approach to welfare provision. One of the major problems is that the government’s welfare policies lack the flexibility to deal with special cases that fall into the grey areas inherent in a complex social welfare system. I am pleased that the member for Lilley’s amendment to this legislation seeks to overcome this.

The government would prefer to see all problems in black and white—an approach that has often denied assistance to legitimate social welfare applicants—while at the same time benefiting those who exploit the system through the manipulation of instruments such as private trusts and private companies. I am pleased that the government have, at long last, made efforts to address the latter of these problems through the Social Security and Veterans’ Entitlements Legislation Amendment (Private Trusts and Private Companies—Integrity of Means Testing) Bill 2000.

One example of the inflexibility of the current system was recently brought to my attention by one of my constituents, Mr John Regester, from Wynnum in Queensland. The matter involved Mr Regester’s application for the sickness allowance through Centrelink. Mr Regester recently suffered multiple heart attacks and this has forced him to cease work. Thankfully, he is currently experiencing a slow but steady recovery. At 60 years of age, Mr Regester has been a hardworking and long-time contributor to our society through the income tax system. Owing to his status as a subcontractor in the carpentry industry, Mr Regester did not have the benefit of employee sick leave to fall back on when he became ill. Consequently, he approached Centrelink with a view to obtaining the sickness allowance.

During means testing, Mr Regester declared that his wife had an amount of money in the bank, which I understand was approximately $80,000 which had been left to her in an estate settlement. The couple had no further savings, other than a daily living account which, by Centrelink estimates, earned Mr Regester $1.33 per fortnight in interest. The couple had no formal superannuation account and thus, in practical terms, this amount of approximately $80,000 constituted the couple’s retirement savings. However, under Centrelink policy—and because these retirement savings were held as a liquid asset—the maximum 13-week nonpayment period was invoked, preventing Mr Regester from obtaining the sickness allowance until this period expired. This was despite Centrelink estimating that Mr Regester’s only other income during this period was just $1.33 per fortnight.

The irony is that Mr Regester informs me that he is keen to return to work because he does not want to be reliant on the welfare system. He believes it is highly likely that, by the time the 13-week nonpayment period expires, he will have returned to some sort of work, depending on the progress of his health. Therefore, he is unlikely to receive a cent of assistance from the government during his time of illness. Given the circumstances, I believe Mr Regester does have some right to feel aggrieved by this policy approach, because it is punishing a hardworking and long-time taxpayer during his only time of need. This case is evidence of the need for a more flexible approach to our welfare policies, particularly in special cases such as this. While it is perhaps legitimate for a liquid asset test to be employed for the purpose of welfare payments—and I accept that that was the case under the previous government as well—surely some flexibility could be afforded to limit the nonpayment period in circumstances where recipients hold retirement savings in liquid assets rather than in superannuation.
The approach taken in this instance, however, is not at all a unique one. Many members will be aware of the government’s similar policy stance with respect to the administration of the Newstart allowance for applicants over the age of 55 years. I remind members that in this situation, under changes brought in by the government in 1997, superannuation assets are included in eligibility assessments for Newstart applications.

As in the case involving Mr Regester, the government has effectively turned savings for retirement into savings for unemployment, and this stance counters any sensible strategy for retirement income. I understand that the House of Representatives Standing Committee on Employment, Education and Workplace Relations, which involves several of the members opposite, has asked the government to reconsider this rule. The challenge now is for the government to listen to, and act on, the advice of its own backbench committee.

Labor, for its part, has opposed this harsh and unfair measure and has called for changes to the law to ensure that all Australians have a decent retirement income. Considering our ageing population, I would have thought this made good policy sense. While I have been somewhat critical of these rules and the government’s overall approach to the provision of welfare, it should be noted that these measures could perhaps be justified, in one sense, if they led to an overall improvement in the system; that is to say, if they helped to create a more efficient and generally more effective service—but it is clear that they do not. A clear example of this fact is evident in the case of yet another of my constituents, Mr John Kirk, who recently relocated to Wynnum in my electorate after he was made redundant from a position in Central Queensland.

Mr Kirk, eager to provide for his young family, approached Centrelink with a view to obtaining an appointment to apply for Newstart. This is part of the usual process, I am told. He was informed that, as a consequence of a backlog of applicants, the waiting list for appointments was four to five weeks. For the duration of this waiting period, Mr Kirk was expected to support his family on savings of $200 or to rely on charity. Mr Kirk was understandably angry. I did not blame Centrelink staff for this situation, as they were obviously making do with the resources and staff they had been provided with. I have nothing but good things to say about the three Centrelink offices in my electorate: at Wynnum, at Capalaba and at Cleveland, which we opened only recently. I know they do a very good job, but sometimes they just have not got enough people and the demand is there.

Following consultation with my friend the member for Lilley, the matter was raised in the upper house. The government responded and I believe that Wynnum Centrelink have now been given extra staff and extra overtime to enable them to clear this backlog and to see to people such as Mr Kirk. However, the fact remains that this situation should have never arisen in the first place. People who are in desperate circumstances, as Mr Kirk was, deserve prompt attention from Centrelink.

I appreciate that instant service is not possible, but a waiting list of four to five weeks is completely unacceptable. I am sure that my colleague the Minister for Community Services would agree with that statement. Another recent example of falling standards was the widely publicised bungle by Centrelink which saw private Centrelink client numbers being printed on an envelope alongside the client’s name and address during a newsletter mail-out to disability pensioners. The mistake left many disability pensioners, including another one of my constituents, Mr Ron Poacher, and seven others from my electorate, feeling most aggrieved. Quite understandably, they were incensed by this very serious breach of privacy. It was one of many similar client privacy breaches by the department under the administration of this government. This is the tip of the iceberg. Every week my office is inundated with a vast array of complaints concerning Centrelink policies. Again, I say, not against the staff. I must say that I do not for one moment hold the dedicated staff accountable because they are simply implementing the government’s harsh and heartless welfare policies, and are often underresourced.

These cases also serve as an important reminder to the ministers responsible—Senator Newman and Mr Anthony—and their col-
leagues, that their welfare reforms have come at a great cost to everyday Australians. Since the recent release of the final McClure report on welfare reform, the government has flagged the prospect of further welfare reform. Mutual obligation, it is reported, is set to increase, perhaps even to pensioners—an unacceptable proposition to me and to many other members, I would expect. For our part, the Labor Party have maintained that reciprocal obligation is a two-way street. The government must also live up to its responsibilities in providing a fair and workable welfare system, backed up by training programs that actually help people into work. Cases such as the ones I have highlighted today demonstrate that the government is far from keen to live up to its obligation to welfare recipients.

Generally, as the shadow minister has said, the opposition agrees to most provisions in the bill, but we believe that the amendments should be carried in this House—there will be other amendments, I am told, in the Senate—because generally we are trying to make the bill more practical. We want to be sure that the grey areas are provided for. I am a great believer in discretions being available to heads of departments, and to ministers for that matter, in matters which just seem to fall through the cracks—and it happens all the time. That is what government is about; that is what bureaucracies are about. So I strongly support the amendment moved in the House today. I say to the government: let’s work on these together. I think we can come up with what it is you are trying to achieve while at the same time looking after those overpayments which do occur as a result of a number of situations. It could be as a result of an error by the agency in which a mistake has been made, or that the forms that have to be filled out are too complicated, or that the information changes. There is a whole range of reasons why the information may not be correct at that time. But that does not mean that those people should be penalised or breached in a particularly harsh manner. By that I do not mean a person may not have to repay the debt; it just means that there needs to be a system of debt recovery which takes into consideration all of these points.
There are many people in my electorate of Oxley, as there are right across the country, who actually rely on Centrelink and Veterans’ Affairs payments as a means of survival. It is obvious that, for people on those benefits, it is a very difficult existence. The struggle from payment to payment is often highlighted to me by people who periodically seek advances to cover unforeseen bills or seek advances for emergencies that are occurring in their lives. Often this is a very difficult process. People are uncomfortable about it, and it is a difficult process to actually go through. That does not mean it does not happen to them or that it does not happen to other people who work, for whatever other reason.

Life can be extraordinarily unkind. The constant fear of making ends meet puts an enormous amount of pressure on any household, but in particular more pressure on those households which are struggling on a meagre existence. The financial hardship felt by families can sometimes lead to desperate acts also by desperate people. Some people may have unintentionally received an overpayment from Centrelink but, in obtaining the repayment, agencies need to consider the circumstances that may have led to the initial error in gaining that payment.

I am concerned that elements of this bill will allow the administrative recuperation of debts to override the overwhelming hardship of individual cases. In all of these bills what should be a central theme is that these people are real people—they are individuals and have individual circumstances—and that not all will fall within the broad ambit that is put forward. I think we need to highlight the flexibility required to deal with these issues, work through the individual cases and actually be able to recover the debts where they should be duly recovered.

I have had many conversations with people who complain to me of intimidation or of what they perceive as threats by officers of government agencies. This a very difficult topic for anyone to raise. I work very closely with my agencies. They have very good officers who work very hard and often in difficult circumstances. But it is the case—that through frustration sometimes—that what occurs is that people base their decisions on a
problems. I believe I have developed an understanding with the local agencies that grant me the liberty of expressing my concerns with particular clients’ cases without undermining the agency’s authority or decisions.

As the previous speaker, the member for Bowman, said, people in agencies often work hard under difficult circumstances; they are often underresourced. So you can understand the frustrations—the waiting lists and the work that has to be done to get through these cases. Many problems may have been clarified for the clients but they may not be happy or satisfied at all with the end decision, result or outcome. But, if you work through these issues with the clients, you find most people are very reasonable and accept the decision and say, ‘Okay, I now see where the problem exists.’

But underlying all that is another problem; that is, it is often not their fault. It was not their error; it was actually an error of the agency. When you have gone through all those processes you find at the end of the day that you not only have been given all the grief—you have received extra payment but you did not really notice because it was only a few extra dollars; it helps but you do not really notice it on a weekly basis at that level—but also have a debt of $5,000 or $3,000—a substantial debt. You notice it at that level because it is in one hit. You are looking at that figure and you think, ‘That is a lot of money. I have to pay that back now. How do I do that?’ It is much more difficult than just saying, ‘You have incurred a debt,’ because often that debt was accumulated over years.

It has been made perfectly clear to me on many occasions that the debt was incurred over a number of years. The person might front up and say, ‘There is something not right here. Can we have a look at it?’ They would reassess and say, ‘No, everything is fine. It is okay.’ So the years would go along and then eventually someone would say, ‘Hang on, you owe us a great big bag of money and you have to give it back.’ Unfortunately, I am often called upon to provide a whole range of support services to my constituents in matters of debt recovery. And I say ‘unfortunately’ for one reason only, and that is I believe that these things should not occur—certainly not at the levels at which they are occurring.

I am concerned with the definitions proposed in this bill which make the recovery of overpayment even harder for a client. Throughout the bill there is the disclaimer by the government of the ‘consideration of severe financial hardship’ in all debt recovery. Like so many bills discussed in this place, I question the interpretation of the definitions used in the bill we are discussing today.

As the explanatory memorandum to the bill has utilised scenarios to explain the method of debt occurrence, I would like to use the example of an ongoing case of mine to explain my caution with the administrative interpretation of severe financial hardship. For the past 18 months a person I represent has been periodically receiving notification from Centrelink of an increase in the amount of debt repayment required. The recovery assessment is based on the debt owing and is clearly without any consideration of the personal circumstances faced by this particular individual or the integrity of their continuing commitment to actually repay the debt.

The debt itself is quite old. The client has paid back in excess of $6,000. I am unable to clearly ascertain how the debt was incurred, but the person accepted the outcome of repayment and has continued to do so for several years. There has never been default on any of the payments by the person with regard to the debt. The person is a long-term client of Centrelink and the government will always have the means to recover the money. Despite giving an assurance of finalising the debt, the client is faced every six months with the humiliation of negotiating the repayment amount. I use the term humiliation because this is how the person is made to feel every time contact is made with the department’s debt recovery unit. It is a very difficult task at any time, I would suppose, to be working in a debt recovery unit. But it is certainly not easy for the people who have to be in contact with that unit and have to try to deal with managing their debt to the government.

I have taken a particular interest in this case, because when the people came to me they had exhausted their efforts to explain
Wednesday, 6 September 2000 REPRESENTATIVES 20317

Their financial position to Centrelink. They were embarrassed that they had to come to their federal member to seek assistance over an issue they felt was highly personal. Unfortunately when they did come to see me they were quite distraught with the shame of what they perceived as begging to an anonymous voice. I resent the fact that the government agencies allow staff to make clients feel this way. There is no urgency for the repayment of the debt in question. Just because legislation gives an agency the authority to recover debts does not grant that agency the power to enforce that legislation by any method or means. It is an old gripe of mine that the government should not forsake the individual for the sake of fiscal management. It is alarmingly evident at times that this government's understanding of mutual obligation is one-sided.

The bill we are discussing today basically tightens loopholes so that the government can recover a debt by any means. There is also the disclaimer recognising debt obligations of a client even if the debt is the result of government agency error. Again, people should not necessarily benefit financially from administrative oversight. It is the length of time given for the government to recover this money that I protest about in relation to this bill. This year, client debts have been generated for overpayments made up to three years ago. I personally do not believe that this is a reasonable time frame. It is certainly unfair in the context of the opportunity of a client receiving payment arrears for maladministration by the agencies we are discussing today.

Last year, the Ombudsman's report entitled To compensate or not to compensate recommended that the 13-week arrears payment for maladministration be reviewed, with the understanding that it would be amended to the further financial benefit of the client. So where are the amendments to the Social Security Act 1991 that rectify this loophole? I have another constituent who would be very grateful for the payment of the two years family allowance they were denied because of the repeated misassessment of their entitlement by the agency. There is also no current means of compensation for the financial hardship caused by this and other administrative errors.

I take particular umbrage at this failure to address fundamental injustices in the Social Security Act when today we are considering amendments that will allow government agencies to recover certain amounts direct from financial institutions without the consent of the account holder. The justification for this breach of personal records is made in the context of recovering an overpayment in the event of the death of a particular recipient.

I might add here that, rather than making things simpler or better for the department, this is actually going to make it much more complicated. You just cannot deny the number of errors that are made. If errors are made at the prior levels and the agency is forcibly removing moneys from people's accounts without their consent, what happens when there is an error there? What happens when they take the money out, which causes that person to perhaps default on a payment they have coming out of their account for their home or for a bill? We start treading into areas which make this more complicated and more fraught with danger. It actually places the client in a worse position where they have to return to the agency and say, 'Look, because you have just mistakenly taken money without my consent from my account—on which I am now overdrawn and in which I now have no money for a bill due today that comes out through automatic means—I am now here asking for an advance on next week's payment.' So the loop starts all over again. We see all these problems circling around what I believe is an attitude of the government based on mutual obligation that is very much one-sided.

I am also appalled at the continuing and total disrespect for individuals shown by this government in relation to not only this bill but to a whole range of others in this area. How can you possibly punish a family and an estate because an individual has died? Mutual obligation, as I said, is two-sided. If this government cannot accommodate the loss of human life in this legislation, it needs to reassess its policy catchcries of mutual obligation and find a slogan that best reflects the Ma-
chiavellian practice of the end justifying the means.

This bill actually has very far-reaching implications extending to a whole range of areas. I want to particularly deal with the area of veterans. Prior to the goods and services tax act coming into force, veterans who were TPI recipients were given a sales tax exemption when they were purchasing a motor vehicle. The motor vehicle as then defined in the act included motorcycles. But in the new act, they have changed some of the wording, and the wording in the new act actually defines motor cars and particularly excludes motorcycles. At first I thought this must have just been some sort of oversight or a bit of error on the part of the minister, but after doing some research I found this is not the case. It is actually very specific. The act actually excludes motorcycles. So we have an act that used to say, ‘If you are a veteran and a TPI recipient, then you get a sales tax exemption on motor vehicles, including motorcycles.’ But now the act quite clearly says, ‘You will only get it if you purchase a motor car. But if you purchase a motorcycle, you don’t get it.’

That does not seem to be right. I do not know why that is. There seems to be something at odds here. Why would they discriminate? I would call it blatant discrimination that a motor car is all right but a motorbike is not. It goes a bit further than that. I have done a bit more research into this. The act prior to the new legislation also talked about people with disabilities and used the same terminology in terms of motor vehicles, saying in the definition that that included motorcycles. But the new legislation does not. Therefore people with disabilities also do not get the GST exemption in relation to the purchase of motorcycles or parts. I know this sounds very strange. It took me some time to actually believe what I was reading. In my own mind I am querying whether this is just an error or a deliberate case of discrimination against those veterans who ride motorcycles. (Time expired)

Mr ANTHONY (Richmond—Minister for Community Services) (7.23 p.m.)—I would like to thank members on both side of the House for their contribution to the debate. In particular, I would like to thank the member for Herbert for his contribution. The Family and Community Services and Veterans’ Affairs Legislation Amendment (Debt Recovery) Bill 2000 is technical in nature and deals with the issues of what constitutes a debt and in what circumstances a debt may be recovered. I can well understand some of the apprehensions that the members of the House have expressed, but I welcome the member for Lilley’s acknowledgments of the positive aspects of this bill. However, I want to assure the House that the changes made by this bill will clarify, simplify and strengthen the debt recovery legislation of the Department of Family and Community Services as well as the Department of Veterans’ Affairs. The bill achieves a number of things. It clarifies and simplifies what constitutes a debt, it replaces the current system of penalty interest with the new system consisting of interest and administrative charge, and it allows a payment that is made incorrectly to an account held at a financial institution to be recovered directly from the account.

In preparing this legislation, the government sought the views of the National Welfare Rights Network, the Insolvency and Trustee Service of Australia, the Director of Public Prosecutions, and the Safety, Rehabilitation and Compensation Commission. The measures contained in this bill will achieve savings of $12.044 million in 2000-01, $27.565 million in 2001-02 and $28.6 million in 2002-03. The bill clarifies the right of the Commonwealth to recover excess payments. Currently, under the provision of the Social Security Act 1991 and the Veterans’ Entitlement Act 1986, this right is not always clear. Centrelink staff, the Appeals Tribunal and the Federal Court have commented that the current provisions are difficult to administer and subject to the problems of legal interpretation. This bill clarifies and simplifies what constitutes a ‘debt’. It does not introduce new categories of debt. Due to concerns expressed by the organisations I have mentioned about the difficulties with interpreting the current debt provisions, this bill clarifies the original intent of the provisions. The government acknowledges that some debts can arise due to innocent mistakes by customers. This is why the bill will
repeal section 1224 of the act. The concern of customers and community groups has been that this provision of the existing legislation implies that individuals had deliberately contravened the act when in fact debts may arise due to innocent omissions.

There is an element of doubt as to the application of the current legislation. For most debts, the provision of the Social Security Act 1991 clearly establishes that a debt has occurred. However, for a limited number of computer or certain administrative errors, it may not be clear in a particular case that a debt has arisen. This bill seeks to remedy this and provides for the recovery of excess payments in situations where a payment or part of a payment has been made due to computer or administrative error. Obviously the Commonwealth through Centrelink seeks to avoid computer errors and minimise the adverse effects on customers if errors do occur. However, there are occasions when errors do occur due to the complex computer programs needed to administer the $1.6 billion paid in a typical fortnight from the income support system in respect of 13.3 million people. When these errors do arise, it is appropriate that the Commonwealth be able to recover these public funds which have been paid incorrectly. The taxpayer expects this.

The term ‘administrative error’ is limited to those situations where a person, in compliance with the provisions of the social security law, provides information to Centrelink which affects the person’s qualification for or rate of social security payment and that information is incorrectly or inaccurately processed, resulting in the person receiving an amount which would not have been payable if the information had been correctly processed. Importantly, the term ‘administrative error’ is not intended to apply to all circumstances where an administrative oversight has occurred. I know that one area of particular concern to the community would be those provisions that impose obligations on customers to advise Centrelink when certain events or changes in circumstances occur. No obligation can arise for customers unless they have received valid notice telling them of the requirements to tell Centrelink when certain events or changes in circumstances occur. Because of this, a failure to send a letter to a person advising them of their obligation to tell Centrelink when changes in their circumstances occur is not to be treated as ‘administrative error’. To do otherwise would mean that a person would incur a debt even if they had not been told that they were required to provide Centrelink with the information when changes occurred. In addition, the administrative error and special circumstances waiver provisions are not being amended as part of the changes in this bill.

Mr Speaker, recognising the hour of the day, I seek leave to continue my remarks at a later hour.

Leave granted.

Debate (on motion by Mr Anthony) adjourned.

MATTERS REFERRED TO MAIN COMMITTEE

Motion (by Mr Ronaldson)—by leave—agreed to:
That the Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill 2000 be referred to the Main Committee for further consideration.

ADJOURNMENT

Motion (by Mr McGauran) proposed:
That the House do now adjourn.

Johnson, Sir Leslie

Mr JULL (Fadden) (7.30 p.m.)—I wish to pay tribute to the last Australian Administrator of Papua New Guinea, Sir Leslie Johnson, who died in Sydney last week. Sir Leslie was the last in a distinguished line of Administrators, including Sir Donald Cleland and Sir David Hay, who served Australia, and the people of pre-independence Papua New Guinea, with great distinction. He remains today a revered and respected figure in the political development of Papua New Guinea. Just three months ago the Papua New Guinea government awarded him a knighthood for his contribution to the nation’s development.

Sir Leslie Johnson assumed the office of Administrator in 1970 at arguably the most critical period in the process leading up to self-government and independence. Prior to that he had served as the Deputy Administrator and as Director-General of Education
His period as Administrator was a remarkably effective one in which his vision and his great rapport with the emerging leaders of Papua New Guinea served him and Australia in very good stead. Indeed, his friendship with the first Chief Minister and first Prime Minister, Sir Michael Somare, was pivotal in the orderly and peaceful transition to self-government, firstly in 1973 and then two years later to independence, just about 25 years ago. I know that he also enjoyed an excellent relationship with the then Minister for External Territories, Andrew Peacock, and the confidence of the McMahon, Whitlam and Fraser governments. He ended his distinguished career as High Commissioner to Greece and Cyprus from 1976 until 1980. But Sir Leslie Johnson, or Les, as he was widely known, will best be remembered for his leadership, vision and wisdom in that critical period for Australia and its closest neighbour, Papua New Guinea. I know honourable members will join with me in paying tribute to his distinguished service to both our countries and communities and in mourning his passing.

**United Nations: Convention on the Elimination of All Forms of Discrimination Against Women**

Ms O'BYRNE (Bass) (7.32 p.m.)—Women around Australia are well aware of how hard they have had to fight to achieve some semblance of equity. We have challenged those who would stop us from voting, who would not allow us to work if married, who would not allow us to get decent pay, who would sack us for being pregnant and who would consistently discriminate against us on the basis of gender. The gains we have made towards these rights have been hard won, and we owe a lot to those women who took the lead running. But we are still utterly aware of just how fragile those rights are and how much more we still have to achieve. We are painfully aware that for true equity we need our rights to be not only accepted by society but also enshrined in law. And it is in this light that the federal government have announced their refusal to sign the optional protocol to the Convention on the Elimination of All Forms of Discrimination against Women. Dame Beryl Beaurepaire, in an article in the Sunday Age last weekend, labelled the action of the government as ‘appalling’. Tasmania’s Anti-Discrimination Officer, Jocelynne Scutt, asked:

**Why are we here, in the new millennium, fighting to hold on to what we had and being denied what other countries’ governments are granting to their women?**

And the Sex Discrimination Commissioner, Susan Halliday, referred to ‘a wave of gender discrimination’. But what is it about this protocol that has so concerned the Howard government that we would abandon protection of women’s rights? In 1982 the then Liberal government signed CEDAW, the Convention on the Elimination of All Forms of Discrimination against Women. The Hawke government ratified this decision. The introduction of the right to petition through an optional protocol to the convention was recommended in the Vienna Declaration and the program of action. Australia was instrumental in the negotiations for this protocol in 1995. The optional protocol provides women with an avenue that is specifically focused on the rights of women. Should Australia sign the protocol, it would allow Australian women access to a new appeal mechanism if they believe that the Australian legal system has discriminated against them. For women internationally it means a process of extending universal rights, to move towards ending discrimination worldwide. Those countries that sign up are making a statement—a statement that women have rights in areas such as sexual discrimination, harassment, access and equity, pregnancy and parental status.

Why won’t Australia make that same statement? Why won’t Australia join with countries such as Austria, Belgium, the Czech Republic, Denmark, France, Germany, Italy, Lichtenstein, the Netherlands and the others who have already signed up to this protocol? Why are we not prepared to allow challenges to our attitudes towards women and their rights in Australia, and why won’t we be part of ensuring these rights for women in other countries? In an answer to a question in the other place, Senator Hill stated the government’s view:
The rights of women in Australia will not be diminished as a consequence of this decision ... that the primary protection for Australian women from discrimination lies in Australia’s own laws and administration ... and should give Australian women confidence that their interests in this regard can be properly protected.

What this government is failing to recognise is that this actually leaves women open to discrimination perpetuated or neglected by our own laws. If our laws are so good, why do we fear their examination? Probably because, as Susan Halliday clearly points out in her article in the Age, ‘our domestic laws do not actually cover all women in all the circumstances that they should’. The government’s action, taken without consultation with the Sex Discrimination Commissioner, seriously undermines the role of the Anti-Discrimination Act. In October 1998 Penny Wensley, the Ambassador and Permanent Representative of Australia to the United Nations, had this to say:

The 1997 CEDAW Convention, among the most highly ratified of all human rights treaties, reaffirms the tenet of universality enshrined in the UDHR and commits state parties to ensure the equal rights of men and women to enjoy all economic, social, cultural, civil and political rights are realised. The Vienna and Beijing conferences similarly reaffirmed that human rights of women and girls are an inalienable, integral and indivisible part of universal human rights.

She finished her address by stating:

As we celebrate this year the fiftieth anniversary of the Universal Declaration of Human Rights, there are still too many women around the world excluded from the fundamental rights proclaimed in the declaration. Even as we congratulate ourselves on progress achieved, there is no room for complacency. The promotion of women’s rights must be a priority, and Australia will continue to work energetically with the international community to achieve this.

We signed up to CEDAW, we pushed for an optional protocol, we were significantly involved in its drafting and now we just do not want to play anymore. If our system is so good and so protective, why hide behind it? I think the government hide because they want a free hand in reducing women’s rights at any time they feel it is electorally expedient. Women are again paying the price for the tawdry politics of the Textor-inspired Howard government.

Menzies Electorate: Australian Greek Welfare Society

Mr ANDREWS (Menzies) (7.36 p.m.)—I take the opportunity tonight to commend the government, particularly the Minister for Aged Care, the Hon. Bronwyn Bishop, for the recent announcement of funding for the Australian Greek Welfare Society of Victoria and also for the Italian equivalent in Victoria, Co. As. It. Under the new funding arrangements, the Australian Greek Welfare Society will receive $109,000 and Co. As. It some $98,000 from the Department of Health and Aged Care. The purpose of these grants is being negotiated with the two organisations to ensure the focus is primarily on meeting the needs of older Australians.

Having both a large Italian and Greek community within my electorate, many of whom are ageing and many of whom have a vital need of these services, I regard this as an opportunity to say something about them. Tonight, in the brief time available, I will say a few words about the Greek Australian community within my electorate, of which there are some 4,000 people. There are a number of striking things about this community. They make up an extremely homogeneous group. They are less likely than many other ethnic groups to marry outside their community. They consequently preserve the language and traditions that often make them more Greek than the Greeks in Greece. They also demonstrate a tremendous sense of family and of community, far and away beyond that which we see in many other communities. For example, you have only to glance at the electoral roll to see how whole extended families take root and spread out through one area.

The problems associated with an ageing population which apply to Australia as a whole are even more pronounced for some of our established ethnic communities, and certainly within the Greek Australian community. In the Greek community in Australia, over 40 per cent of the population is over 60 years of age. The median age of the Greeks born people in Australia, as at the 1996 census, was 54.7 years compared to 44.2 years
for all overseas born Australians and 34 years for the total Australian population. In Victoria alone, there are 13,941 Greek speaking people aged 65 to 74 and 4,098 in the over-75 age group. This latter group is estimated to peak at almost 16,000 by 2021.

Many of the older members of the Greek community began work immediately after coming to Australia and have largely gone without the educational opportunities they worked so assiduously to give to their children. This, together with the strong community-centredness of our Australian Greek people, has resulted in a lack of English language facility—33.9 per cent of Greece born Australians speak little or no English. Therefore, they need education and information about the provision of government services in their own language. They need supportive intermediaries to liaise with government officials and also with professionals in the community. The Australian Greek Welfare Society does all this—informing, liaising and advocating for this group of people. The society receives many referrals from mainstream services: for example, liaising between doctors, hospitals and mental health centres and their middle aged to elderly Greek patients. It provides emergency relief and counselling services, particularly in the event of family breakdown due to domestic violence, separation and divorce. It deals with other social problems such as gambling problems in the community. The society also offers a fortnightly legal information and referral service.

It is important that our older Greek Australians—like other older Australians, whether they are born in this country or are from other ethnic backgrounds—are not deprived, due to language and cultural difficulties, of the assistance and services available to the rest of the population. In the case of the Greeks in Victoria—in Melbourne in particular—this service is certainly provided by the Australian Greek Welfare Society. So, as I said at the outset, I commend the government for these grants, because they will be used in a way which is very beneficial to many people.

**Lalor Electorate: Goods and Services Tax**

Ms GILLARD (Lalor) (7.41 p.m.)—Day after day we have heard claims from the government that it has a mandate for the GST. That is a frequent claim, spurious as it is, that we hear in this House. It needs to be recognised that the GST was sold by the coalition at the last election as a policy that would make no-one worse off. This was a claim that the Prime Minister made constantly during the election campaign when he said, time after time, ‘No-one under our GST, except for tax cheats, will be worse off as a result of it.’ He claimed that there would be no losers at all. It is a claim that he reaffirmed quite recently in the lead-up to the implementation of the GST. It is a claim that we heard in this House and it is certainly a claim that he reaffirmed on Melbourne Radio on 10 April this year in an exchange with Neil Mitchell, who asked:

Do you stand by the guarantee nobody will be worse off other than tax cheats?

The Prime Minister replied:

The guarantee I gave stands completely.

Three clear examples of losers under the GST were brought to my attention at a street stall I recently conducted in front of the Altona Post Office in Pier Street, and I would like to take the House to each of them. First is the case of residents at the Port Phillip Retirement Village. I was approached at the street stall by a woman called Flo Jarmain, who handed me a protest letter from retirement village residents that has been signed by 28 of them. I will let the letter speak for the residents who have signed it. It says:

We, the undersigned, are residents living in Serviced Apartments at Port Phillip Retirement Village, Altona, a self-funded strata title retirement village.

We cannot believe the Government statement that nobody will be worse off under the GST, as in our Village, we will have a GST increase of $75.00 per month. Our Service fees have risen from $815 to $890 per month, and we also have to pay the GST on electricity, phone charges, and personal items.

This means that many residents in the Serviced apartments (who are mainly pensioners) are having to utilize their meagre savings in order to meet the increased monthly fee, causing stress for some residents who have no savings in reserve. This may have implications for their continued care.
Clearly, elderly people in this situation are disadvantaged and the Government should take urgent action to remedy this situation.

I commend the words of the Port Phillip Retirement Village residents to this House and to the government. The second case that came to my attention at the street stall was that of Mrs Ruth Lord, who lives in my electorate. Ruth is a 73-year-old woman who is retired and is living on the spouse’s benefit of the state superannuation policy that her husband accrued as an agricultural scientist working for the state government.

After her retirement and that of her husband, they moved to the Sunshine Coast. Unfortunately her husband, who was a war veteran, died of cancer. She therefore determined that she would prefer to return to Altona to be close to her remaining family. She wants to build two units on a block of land. One of the units will be for her use and one will be lived in by another older lady. They will then be in a situation to look after each other, with the two of them living very close to each other in the two units. The pre-GST price for the two units was $185,000; the post-GST price is $210,000. As she is dividing that cost with her friend, the increased cost she is experiencing as a result of the GST to build this unit, which she needs for her retirement, is $12,500. In regard to the various compensatory packages that the government is always telling us about, she is expecting to receive $800 from the independent retirees’ bonus and about $400 from the savings bonus. She has received a $20 a fortnight tax cut on the state’s superannuation moneys on which she lives. You do not need to be Mandrake the magician to work out that there is no way that Mrs Ruth Lord will live long enough to make back in GST compensation the additional cost that she is being forced to pay on her unit, let alone all the increases in her living costs.

Her case brought to my attention the situation of a local builder, Frank Lobianco of DJA Homes, who is due to build Mrs Ruth Lord’s unit. He told me that he normally builds 55 to 60 homes per year in the Altona and Altona Meadows areas; from next month, he has nothing to do. He has made his supervisor redundant. He and his wife are continuing to run the business, but they will shortly have no work for their 50 subcontractors—yet another case of a loss under the GST. (Time expired)

Peddell, Mr Ernest

Mr SCHULTZ (Hume) (7.46 p.m.)—I rise tonight on a very sad occasion for this country. I wish to acknowledge the contribution that Ernest Peddell, a resident of the Linton RSL Veterans Retirement Village, Yass, who passed away this morning at the age of 101, made to this great country of ours. Private Ernest Peddell, No. 7308, C Company, 2nd Battalion, was born in Sydney on 10 July 1899 and grew up in East Maitland in the NSW Hunter Valley. He left school about the time of the outbreak of the First World War and secured a job as a shop assistant in a grocery and ironmonger’s shop, which he held until late 1916. His father had deserted the family before his three children had any recollection of him, and Ernest helped his mother to support his brother and sister. He spoke of his mother’s influence as being profound.

In 1914, while still a school boy, he was inspired by the sight of a parade of professional soldiers, including Major Scobie and Colonel Braund, prior to their leaving for the battlefield. This memory stayed with him, and while still 17, in December 1916, he managed to wangle his way into the AIF. He was filled with a sense of patriotism and felt a duty to God, king and empire. After some basic training, he sailed on 10 February 1917 on board the Osterley, landing at Plymouth in England in April 1917. From here he was moved to the Western Front and served throughout the bloodiest campaigns until he was wounded on 12 August 1918 in the vicinity of Augers Wood. He received shell wounds to his hand and thigh and lost the first joint of his thumb. By this time, the Australians were serving side by side with the Americans. Under the command of Monash and together with the Canadians, they formed the spearhead of the last
decisive attack. Between August and October, when the Australian divisions were withdrawn, they suffered 21,000 casualties and liberated 116 towns and villages.

Private Peddell served with the infantry throughout the war and, together with his mates, he suffered the ravages of trench warfare. His memories were of being constantly wet and feeling lousy, tired and hungry. Perhaps it was the conditions of such physical devastation that liberated the spirit of these wonderful young men. Ernest Peddell never lost sight of his sense of pride in being part of this company of soldiers and of the need they all had for support, intimacy and contact with men of principle who were members of the British Empire and who answered Britain’s call for help. Between December 1917 and 12 August 1918, he served in many frontline positions on the Western Front; Wytschaete Ridge, Larchwood Tunnels, Sec Bois, Strazeele, Meteren, Merris, and Morcourt-Chipilly are some of the names that were never erased from his memory.

After being wounded, he spent many months in hospital in England. He was eventually invalided home as medically unfit for further active service. He received a letter from the king in his own handwriting acknowledging the fact that he had been wounded in the service of his country. He returned as far as Melbourne aboard the *Mamari* and then went from Melbourne to Sydney on the *Argyllshire*. It was February 1919 when he landed in Sydney, where he was quarantined for two weeks before discharge in April 1919. He returned to his old job in Maitland, but after a period he left and was employed at Cockatoo Island in Sydney with the Boilermaker’s Assistants. During the Depression he found it impossible to maintain full-time employment. As times improved and up until World War II, he found labouring jobs in the rural industry between Maitland and Goulburn. It was during this period that he met his wife, and together they settled in the Gunning district, where he bought and successfully managed his own property.

As Corporal Peddell, No. 60381, 2nd/17th Battalion, he served in the Middle East and New Guinea during World War II, and he was at Tobruk during the siege in the Western Desert. He held the distinction of being the last remaining member of the 2nd Battalion. He was recently awarded the Legion d’Honneur by the French government. I stand humbled tonight in acknowledgment of this wonderful Australian who, like many others of his ilk, made this great country what it is today. Vale, Ernest Peddell, this country will long remember your contribution.

**Health is life: Report on the inquiry into indigenous health**

Mr JENKINS (Scullin) (7.51 p.m.)—On Monday, 5 June 2000, the House of Representatives Standing Committee on Family and Community Affairs tabled its report entitled *Health is life: Report on the inquiry into indigenous health*. It is now over three months since that report was tabled. It is regrettable that the government is yet to respond to the committee’s recommendations. If it had responded, perhaps the scant regard given during today’s question time to one of the report’s recommendations would have been avoided. I am talking about recommendation 6, which, amongst other things, recommended that, in recognition of the importance of the Minister for Aboriginal and Torres Strait Islander Affairs, the minister be included as a member of the cabinet.

In the debate that has surrounded Aboriginal affairs in this place over the last fortnight perhaps it has been forgotten that there have been many reports such as the committee’s report that have given considered views about topics to do with indigenous affairs. It was the belief and the unanimous decision of the committee that, on the basis of the need for better coordination, the need for a whole of government approach to indigenous health, the need for the Commonwealth to show leadership in this area, the need for the Commonwealth to coordinate the efforts of state and local governments in conjunction with the federal government and the need to include in particular on indigenous health the community controlled health services, the utmost importance should be placed on the way in which we view the position of minister for Aboriginal affairs. Therefore, as an arms-length observer, when the Leader of the Opposition announced the appointment of the
honourable member for Fraser as the shadow minister for Aboriginal affairs and reconciliation I was pleased that he made a commitment on behalf of the Australian Labor Party in government that this position would be a cabinet position.

I hope that we will have greater consideration of the proposal and that the comment that the Acting Prime Minister made during question time today was perhaps in the heat of the moment, when he indicated to the Leader of the Opposition:

... your question reveals a great superficiality and is almost contemptible.

I regret that on the news the Prime Minister, whilst in New York, indicated what appears to be the government’s response to this recommendation—that it will not be implemented. I urge the government to revisit this in the context of its overall response to the committee’s report and to understand what motivated the unanimous recommendation of this proposal from all parties represented on the committee in this House of Representatives. It is important that we place responsibility for Aboriginal affairs in the hands of a minister who is a cabinet minister because, as the report indicates, if we are to improve, for instance, indigenous health what we need to do is participate in efforts to improve across all sorts of things: education, housing, employment opportunities, cultural awareness and protection of the innate spirituality of our indigenous people. That can happen only if it is recognised by the federal government that the position of minister for Aboriginal affairs should be a most senior position.

The report has been received well. In particular as a member of the inquiry I was heartened by the summary and critique by Commissioner Marion Hansen in the Aboriginal and Torres Strait Islander Commission’s ATSIC News. Commissioner Hansen says, in speaking about the report:

There are, however, real grounds for optimism that the report from the current inquiry will result in real policy changes and improvements in health outcomes.

She goes on to say about the bipartisan, unanimous recommendations:

This bipartisanship has in recent years been a rarity in political processes relating to Indigenous affairs.

It is in this spirit that I urge that in making a response—and I hope that the government can make its response sooner rather than later so that we can get on with the business of implementing the recommendations—the government give reconsideration to this matter.

Emergency Relief Grants: Funding Child Abuse: White Balloon Day

Ms GAMBARO (Petrie) (7.55 p.m.)—I once again want to thank the federal government for stepping forward to help families in crisis situations by providing emergency relief funding. This year Queensland will receive $5,385,648 in funding—over $300,000 more than in the previous year. In my electorate of Petrie several community organisations have again been awarded funding under the year 2000 program. These worthy organisations include the Chermside Anglican welfare ministries, the Redcliffe Welfare Council Inc. and the Society of St Vincent de Paul in Deception Bay and Margate, as well as the Extreme Youth and Community Association. Representatives of these associations attended a morning tea with the Hon. Larry Anthony, the federal Minister for Community Services, in my electorate last month. I would like to acknowledge some people in particular: Mr Jim O’Driscoll, Joy Parsons and Glenn Gurane, all tireless community workers who attended the launch. These people work with organisations in the Petrie electorate that have been recipients of emergency relief funding. It is pleasing to see that over 310 community welfare organisations in Queensland will be receiving funds to help people who are in a short-term financial crisis. These organisations help people with their immediate crisis needs by providing cash, food vouchers, transport fares, cheques for utility bills and referrals to other services. I want to thank all of the welfare workers and community organisations involved in providing this type of assistance for their hard work and dedication to those members of the community who are less fortunate than ourselves.
I would like to now turn to the very serious issue of child abuse. In the last week the People’s Alliance Against Child Sexual Abuse have been doing an excellent job promoting White Balloon Day, which was yesterday—a day dedicated to lifting the code of silence that surrounds child sexual abuse. Previously a Queensland initiative, White Balloon Day has this year been extended across the nation. It is very pleasing to see that. I know that many of my colleagues yesterday highlighted the cause and will also highlight it at events throughout the week. The day is supported by a collection of community aware organisations, including Terry White pharmacies, a former Redcliffe businessman, and many other community and business organisations and companies.

Child sexual abuse has unfathomable ramifications for our society generally, as well as for the individuals and families involved. Research has shown that seven out of 10 psychiatric patients have been sexually abused, while it is estimated that the same number of jail inmates have also been abused. The figure that astounds and saddens me most is the estimate that 40,000 children are being abused every year. This is unacceptable and must be addressed. Tragically, many of these victims spend years and even decades hiding their abuse. I want to commend the organisers of White Balloon Day yesterday for working to break the silence surrounding child abuse.

Children are the most precious members of our community. They are the future of our nation, our government, our families and our society. The People’s Alliance Against Child Sexual Abuse, organisers of White Balloon Day, are a non-government, community based organisation. They work extremely hard to provide child protection services, forums for disclosure and public awareness campaigns. Perhaps one of the hardest tasks for the People’s Alliance Against Child Sexual Abuse is dispelling the myths surrounding abuse. While we assume that child abuse is committed by faceless strangers, in fact in 85 per cent of cases it is committed by a member of an immediate family or a trusted family friend. Abuse is something that we all need to address and face up to. *(Time expired)*

Mr SPEAKER—Order! It being 8.00 p.m., the debate is interrupted.

*House adjourned at 8.00 p.m.*

**NOTICES**

The following notices were given:

- **Mrs Bronwyn Bishop** to present a bill for an act to amend the Aged Care Act 1997, and for other purposes.
- **Mr Truss** to present a bill for an act to amend the Farm Household Support Act 1992, and for related purposes.
- **Dr Kemp** to present a bill for an act to establish an Australian Research Council and to provide for the funding of research programs, and for related purposes.
- **Dr Kemp** to present a bill for an act to repeal or amend certain acts as a consequence of the enactment of the Australian Research Council Act 2000, and for other purposes.
Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Port Adelaide Electorate: Penrice Soda Products

Mr SAWFORD (Port Adelaide) (9.40 a.m.)—Today I wish to speak about a direction being taken by a local company in my electorate to secure the financial viability of their business for the longer term and at the same time reduce the impact on the local environment. The industry is Penrice Soda Products. From two raw resources of common sea salt, which it produces itself from the massive salt pans at Dry Creek, and the limestone extracted from its operation at Angaston in the Barossa Valley, the company produces two very important products for the Australian economy. The two products are soda ash and sodium bicarbonate, more commonly known as baking soda. Its manufactured products are used in a range of manufactured goods, including washing powders, cleaning products, the manufacture of glass products and a significant number of food products.

Penrice is a significant contributor to the Australian economy and, more importantly, a major contributor to the South Australian economy. Penrice generates about 300 South Australian jobs directly and countless jobs indirectly. It is the only such operation in Australia and has sales of $100 million. Amcor has recently announced the building of a major bottle manufacturing facility in Adelaide to service the phenomenal growth in the wine industry and will source $10 million of soda ash directly from Penrice.

Penrice is operated within a mile or so of my own home and has been part of the local landscape for over 50 years. Throughout that time, the low-grade limestone, a by-product of the chemical process, has been pumped into the Port River where it remains until it is periodically dredged and taken out into the gulf to a designated spoil ground and dumped. For the past three years, Penrice has been working on a strategy that will once and for all end the need for sea dumping of this material. After two years of trialling, Penrice has put in an application to the Development Assessment Commission for a land based solution to this problem. It will mean the end to pumping sediment into the Port River and of dredging and dumping at sea with a negative effect on local seagrasses. In fact, the company has been surprised by the number of parties interested in using the by-products of this process. For example, farmers are now using a by-product called Agri-Lime to treat acidic soils, and road manufacturers now wish to use the product as a road base.

Recently in the *Adelaide Advertiser*, Penrice and Western Mining Corporation announced that they were exploring the possibility that Western Mining, if trials were successful, would take the entire amount of the by-product and use it to reduce the level of acidity in their tailing dams at Roxby Downs. Any action which improves the water quality of the Port River must be commended and applauded. Penrice seems so far to be doing the right thing by the local environment and the local community.

Let us hope that this federal government, and the industry minister in particular, do the right thing by this industry. The South Australian economy at the moment cannot afford to lose Penrice and nor can the Australian economy.

Dunkley Electorate: Frankston City

Mr BILLSON (Dunkley) (9.43 a.m.)—The *Sunday Age* in its 27 August articles about Frankston has done the city, our community and its people great damage and disservice. Under headlines such as ‘Fortress Frankston’, ‘Police dismay where crime rules’ and ‘A long
hard night on Mean Street’, the Sunday Age police reporter, John Silvester, tore strips off Frankston as he aided and abetted the police union’s industrial campaign.

I say that he tore strips off Frankston quite deliberately as the articles represented a very superficial look at a very narrow sliver of our community through the eyes of his police union informants. The police union has its own barrow to push. The close working relationship between the force and a police reporter means that Mr Silvester would be well versed on their views. But to dress up this narrow and vested interest as the sole input to articles that tried to present a broader social commentary on an entire community does that community a huge disservice and diminishes the journalistic disciplines that underpin a credible broadsheet of record. I do not deride the Sunday Age in its entirety, as to do so would be to unfairly project a single event or element across the whole of the newspaper to its discredit, just as the articles portrayed an image and assessment of Frankston from a very limited view.

The issues raised in the articles are common to all large metropolitan communities, yet there remains a willingness by some to ‘pay out’ on Frankston to pursue self-interested agendas. Our local community now needs to focus on the causes of the criticism about Frankston and implement a planned and positive strategy to promote the city and its community. Locals know why this is a terrific place to live—the lifestyle appeal, the coastal environment, affordable housing options, easy access to good schools and services and an improving local economy.

I am hopeful of attracting community support to implement what I describe as a ‘six-point plan’. The plan involves developing a shared sense of purpose and ownership about the city’s future, developing and implementing a plan to establish and extend Frankston’s role as a key regional centre; creating a new sense of civic pride and leadership; setting up a new vehicle for business to support community priorities through Frankston Philanthropic, a marketing and promotions plan similar to Geelong’s; and making a commitment to be part of tourism for the region.

We have a few blemishes, like all communities, but they should not diminish all the positives that are part of our city. We have work to do on those blemishes, and I am prepared to be frank and up-front about the work required. But we have much to be proud of and to be optimistic about. Sometimes I think there are so many positive things about our community that we fall over our own opportunities. We need to put our best foot forward and to share the attractions, the appeal and the benefits of being part of this community in a planned and sustained way.

I invite the Sunday Age to spend some time with me and with others in our community so that they can understand why it is such a special place, and I invite them to put forward a more balanced, considered and objective view of what is a terrific part of the greater Melbourne area.

**Goods and Services Tax: Defence Reserves**

**Mr Byrne (Holt) (9.46 a.m.)**—I rise today to discuss some representations I have received from Mr Kevin Walsh, a member of the executive of the Defence Reserves Association of Victoria. He has been a member of the Defence Reserves for 21 years and is someone who has actually received the Reserve Force Decoration. He has articulated some concerns to me on behalf of some 70 active defence reservists in my electorate, most of whom actually serve in the 22 Battery 2/10 Medium Regiment at the Lonsdale Street Depot in Dandenong. Mr Walsh claims that a Senate report just released titled From Phantom to force states that the Australian Army is hollow. He says:

A significant cause of this has been a severe reduction in the Army Reserve under this government.
That recruiting targets have not been met is acknowledged by the government when it recently stated that it would pay “Employers” of Defence Reservists to release their employees to undertake training or operational service.

The government stated at the time that it hoped that this measure would lead to another 4000 Reservists enlisting, as recruiting had been poor.

So “employers” are to be—compensated—to release defence reservists. What then is happening with the conditions of service for the reservists themselves?

Well, you may not know this but the Defence Minister has stated that the Defence Reserves will be denied the GST tax cuts designed to compensate for the introduction of the GST.

Defence Reserves receive tax-free pay, therefore the tax cuts granted to most workers as GST compensation do not flow through to the Defence Reserve.

In effect Reserve pay is lower than Regular pay and the tax-free status is because as a second job most of the pay would be eaten up by high marginal rates of tax.

Therefore in order to maintain real pay rates and relative parity with regular rates of pay, there should have been an increase in Reserve pay.

The minister has said recently that there would be no such pay rise.

I understood that no group would be worse off under the GST. In the case of the Defence Reservists this is clearly not the case.

Mr Walsh goes on to say:

I would argue that the Defence Reserves have earned this pay rise.

It is widely acknowledged that the Defence Reserves have played an important if not critical role in recent and ongoing East Timor deployment.

Hundreds of volunteers from the Reserves have and are currently serving both in East Timor, Bougainville, logistics and in backfilling administrative positions to enable Australia to meet its commitments.

In addition, there are some 3,500 reservists who will now be deployed to provide security support to the Olympics. From Dandenong, in my electorate, three reservists are on their way to East Timor and 16 are providing security to the Olympics.

Mr Walsh further states:

These defence reservists have no union, get no overtime, are required to study, bring work home, maintain their physical fitness all in their own time and they get no superannuation.

I would argue that the treatment of Reserves unmasks the government.

The government claims that the GST enables tax cuts, which reward those who contribute to Australia.

This is a group who is contributing to Australia!

They are putting their lives on hold and on the line for their country!

The treatment of Defence Reserves proves that the GST is not about rewarding those who contribute!

It is about tax cuts and bribes for the rich!

I urge the government and those on the other side to take note of these concerns. These are people who are putting their lives on the line for their country, and I think the Minister for Defence should seriously reconsider his position with respect to the GST and appropriate compensation.

Blair Electorate: St Aubyns Hospital

Mr CAMERON THOMPSON (Blair) (9.49 a.m.)—I would like to speak today about St Aubyns Hospital in Kingaroy. St Aubyns Hospital in Kingaroy is an excellent, privately run
institution with excellent staff and a very good record of service to the Kingaroy community. It is operated at present by Uniting Health Care, which is an offshoot of the Uniting Church.

That long history of service to the Kingaroy community is, unfortunately, at some risk. The Kingaroy community is receiving excellent service from this hospital. This government, in particular, should be aware of the amazing and effective service provided by this hospital. In fact, this government favours diversity not only in the sphere of education, which is something which is under discussion at the moment, but also in the sphere of health. In the realm of choice in the Kingaroy and South Burnett area, we also have an excellent state-run hospital at Kingaroy, St Aubyns, and many other small hospitals in small communities such as Nanango in my electorate.

As I said, St Aubyns has been struggling for some time. The reserves that were enabling the hospital to continue have been run down, and I understand that now there are none left. I know this because I met with representatives of Uniting Health Care, Mr Alex Lobban and others, on 1 September. It is certainly not the right time for Uniting Health Care to be considering the closure of St Aubyns Hospital, which is something that has been reported recently in the local newspaper, the *South Burnett Times*.

The fact is that, under the policies of this government, private health insurance is turning the corner and that is having a massive impact on the viability of small hospitals such as this one. For years, the private health insurance industry was driven down by successive Labor Party governments. The opportunity for choice and service in places like Kingaroy has suffered as a result. Now that the government has taken the steps of introducing a 30 per cent health rebate and providing Lifetime Health Cover, it has provided an opportunity for hospitals such as St Aubyns to grow. On top of that, the Kingaroy and South Burnett district is booming. Every available shop in the town is full. Every available house is rented in the Kingaroy district. That boom is something that should also contribute to the viability of St Aubyns Hospital.

The decision as to whether to close St Aubyns Hospital is to be made by Uniting Health Care in September. But it is not a decision for them alone, because it is also something that is going to be considered by the Uniting Church synod. I would ask members of the synod to look at the record of the hospital and consider its future. (Time expired)

**Northern Territory Electorate: King Ash Bay Fishing Club**

Mr SNOWDON (Northern Territory) (9.52 a.m.)—I rise to speak on a matter which relates to what is, in my view, an abuse of power and process—a matter which undermines the democratic principles which we hold so proudly and fondly in this country, and which is a denial of natural justice.

Earlier this year, in July, I attended the community of Borroloola and King Ash Bay. King Ash Bay is 40 kilometres from Borroloola, on the Macarthur River. It is effectively a recreational fishing place. I went there to meet with residents who were concerned about the organisation of the King Ash Bay Fishing Club. They were concerned about the lack of planning in the area; the way in which commercial development was being prostituted in the region; and the way in which the Northern Territory government had sanctioned the development of a jellyfish operation within the confines of the King Ash Bay Fishing Club. Amongst the people to whom I spoke was Mr Graham Dingwall. Some time later, Mr Dingwall received a letter which stated:

At the Monthly Committee meeting of the King Ash Bay Fishing Club held on the 02/07/00 a resolution of the Committee has found you guilty of actions & conduct detrimental to the interests of the association & its members, section 32 of the constitution will be applied & you are hereby notified of your expulsion.

There was no hearing. The letter continued:
i Please make yourself aware of your rights under section 32 of the King Ash Bay Fishing Club Inc. Constitution.

ii With the allegations you have made to the local member & further allegations on ABC radio we feel your intentions towards the Club has become political. ie. Motion by the Local member in parliament—
that is, Maggie Hickey, the member for Barkly—
13/6/00. A censure Motion against two Ministers, (2) Failure to heed members of the Fishing Club &
others who have raised legitimate concerns about operations of-
(a) The Fishing Club.
(b) The jellyfish harvesting project.
These concerns are real. We have had an attempt by this fishing club to deny membership of
the club to this person who used his right of free speech to raise issues with his local member
of parliament and with his federal member. He has been pilloried, victimised and penalised by
腐rupt people who are in the pockets of the CLP government in the Northern Territory.

There should be a formal inquiry—in my view, a judicial inquiry—into the operations of
the King Ash Bay Fishing Club. There is no doubt about the level of concern regarding this
matter amongst members of the King Ash Bay Fishing Club, not least on the part of Graham
Dingwall, who has been severely penalised and has had his livelihood threatened by the
actions of this fishing club. It is undemocratic, unprincipled and unreasonable. It is something
that we should not sanction. Something needs to be done about it. It is unfair, it is corrupt and
it is un-Australian. *(Time expired)*

**Ag-Quip 2000**

**Mr ST CLAIR (New England)** (9.55 a.m.)—Today, I would like to congratulate and show
my appreciation to the organisers, the exhibitors and the general public who made their way
to Ag-Quip 2000. Every year during the third week of August, the biggest agricultural field
day in the Southern Hemisphere is held in Gunnedah, located just outside the south-west
corner of my electorate, in the electorate of my colleague the Deputy Prime Minister, Minister
for Transport and Regional Services and member for Gwydir, the Hon. John Anderson. In the
past, Ag-Quip field days have brought together all industry representatives, producers and
consumers of agricultural products and produce, along with the new businesses and
innovations that will provide a better service or product for the industries in rural and regional
Australia.

Ag-Quip is not just a field day for farmers; it is a field day for the whole community of
rural and regional New South Wales. Along with the large amounts of agricultural machinery,
the field day also provides the latest in communication and information technology available
to communities, the latest technology available and the best steak sandwiches from all breeds
in Australia. Ag-Quip 2000 was no different. This year was the largest yet, with more
exhibitors than ever before.

Every year, the National Party has its own site that promotes its members of parliament
from around the area. This year I was there for the full three days of Ag-Quip 2000, to listen
to as many people as possible from around my electorate of New England. I was able to catch
up with hundreds and hundreds of people from New England who came down to have a look
at and to purchase the things that were available there. Other National Party members who
took part in the field days were the Deputy Prime Minister, John Anderson; the Minister for
Agriculture, Fisheries and Forestry, Warren Truss; the member for Parkes, my colleague
Tony Lawler; plus a number of state members, including the state leader, George Souris.

I make special mention of one particular inventor and this year’s winner of the 2000 Land
newspaper and GrainCorp inventor of the year in the under $1,000 farm invention of the year
section for the second time, Mr Mick Davis, of Inverell, for his invention of the Davis bagmate. In 1998, he won the same category with the Davis Starlifter, and it is thought that Mr Davis is the only person to have won the annual farm inventor of the year title twice in the competition’s history. I congratulate Mr Davis for the wonderful contribution he is making to the farming sector and to all in New England.

It was tremendous to be out there amongst all our grassroots people, listening to them and providing information on any number of different issues and concerns that people have. Australia’s premier field days have once again been a huge success. I am looking forward to being part of Ag-Quip next year.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! In accordance with standing order 275A, the time for members’ statements has concluded.

THERAPEUTIC GOODS AMENDMENT BILL (No. 3) 2000

Consideration resumed from 4 September.

Second Reading

Mrs BRONWYN BISHOP (Mackellar—Minister for Aged Care) (9.58 a.m.)—I move:

That the bill be now read a second time.

The amendments provided for in the Therapeutic Goods Amendment Bill (No. 3) 2000 are necessary to ensure that the secretary, through the Therapeutic Goods Administration, has appropriate power to take action where necessary regarding access to and monitoring of use of unapproved drugs in Australia; and to enable the secretary to more effectively deal with incidents involving tampering with medicinal products.

Since 1991, a focus of the therapeutic goods legislation has been to ensure greater access by the Australian community to new drugs through the creation of exemptions to the requirement for all drugs to be entered on the Australian Register of Therapeutic Goods before supply. These exemptions include supply through clinical trials, the Special Access Scheme and Authorised Prescribers.

The resulting exemptions have been very successful in achieving greater patient access to new drugs. Notification of clinical trials to the Therapeutic Goods Administration under the CTN scheme has resulted in a very marked increase in clinical trial activity in Australia. From less than 50 clinical trials conducted in 1990 there are now well over 400 new clinical trials notified to the TGA each year.

The very success of the programs has led to occasional concern. The nature of notification schemes is such that Commonwealth involvement is minimal. They rely on certification and approval by medical practitioners and institutions. Should the processes of approval be less than rigorous, the legislation gives no ability to the Commonwealth to investigate and to take action to ensure patient safety.

The amendments in this bill provide for the secretary to have adequate power to take steps to ensure the use, handling and supply of unapproved therapeutic goods are in accord with the terms and conditions applied when the exemption for supply is granted.

This will be achieved principally through the secretary’s ability to request information and to require persons, to whom an approval or an authority has been granted to supply unapproved products, to provide information about how the goods are used. It also provides that, should the information provided warrant it, the TGA could audit the processes used to supply the goods, including the conduct of clinical trials. An amendment also enables the secretary to release information where necessary to appropriate authorities in the states or territories with functions relating to therapeutic goods and to medical or pharmacy boards.
The importance of these amendments is that they do not alter the successful processes already established. The provisions for category A patients remain in place with no change to the process. Category A is the provision that leaves the decision concerning use of any unapproved products for patients with conditions from which death is reasonably likely to occur within a matter of months to the patient and their doctor. No approval is required from the Therapeutic Goods Administration, just notification of the use. Similarly, the notification of clinical trials, established as the Clinical Trials Notification Scheme, is not altered in any way.

Some additional amendments are included to give greater recognition to the role of human research ethics committees in the approval and supply of unapproved products. The definition of ethics committees is amended. All ethics committees, in addition to being constituted in accordance with the recently updated National Health and Medical Research Council’s ‘National statement on ethical conduct in research involving humans’, must have notified their existence to the Australian Health Ethics Committee, which is a subcommittee of the NHMRC. This will ensure ethics committees overseeing the supply of therapeutic goods have access to documents and guidance of the AHEC.

A further amendment relates to the authorisation, under subsection 19(5) of the act, of a medical practitioner to become an authorised prescriber—that is, to supply specified unapproved drugs to a specific class of patients. This process removes the need for individual approval for each patient when doctors are likely to treat a large number of patients with the same condition with the same drug. The amendment ensures authorised prescribers will have received the approval of an ethics committee to supply the drugs prior to the granting of the authorisation.

In relation to the amendments directed at product tampering, members will be aware that since March of this year there have been two instances of product tampering involving paracetamol products. Both incidents involved attempted extortion and resulted in serious poisoning. In both cases, the sponsors of the paracetamol products, Herron Pharmaceuticals and SmithKline Beecham, undertook voluntary recalls of potentially affected products. To date, the extortionist has not been apprehended.

On 31 March 2000, following the contamination of products supplied by Herron Pharmaceuticals, the Premier of New South Wales, the Hon. Bob Carr, wrote to the Prime Minister seeking agreement to urgent action by the Commonwealth to take a leading role in streamlining the product recall process at a national level. This was in response to concern that the Commonwealth government had already exhibited.

In June 2000, the National Coordinating Committee on Therapeutic Goods, comprising representatives of Commonwealth, state and territory health authorities, met urgently to agree on strategies to manage future attempts to tamper or interfere with therapeutic goods. At the meeting the adequacy of recall powers and other powers available under existing therapeutic goods legislation, particularly those in the Commonwealth Therapeutic Goods Act of 1989, was also examined.

The committee urged that the legislative amendments be made with some urgency to safeguard the integrity of medicines and medical devices in the marketplace and to minimise the risk to public health.

The committee recommended that the Commonwealth’s Therapeutic Goods Act 1989 be amended to include:

- a requirement for immediate mandatory reporting of product tampering or implied tampering, incorporating penalty provisions for non-compliance;
. mandatory recall powers in cases of product tampering and/or where sponsors refuse to recall products, with penalty provisions for non-compliance;
. the introduction of a new category of offence for the supply of a recalled product; and
. the release of information by the Commonwealth relating to product tampering to state, territory and overseas regulatory authorities with responsibilities for therapeutic goods or law enforcement.

The recommendations of the committee have been discussed with, and agreed to, by the Consumers’ Health Forum and the peak therapeutic goods industry associations. They include the Australian Pharmaceutical Manufacturers Association, the Australian Self-Medication Industry, the Complementary Health Care Council of Australia, and the Medical Industry Association of Australia. State and territory governments have given their written support for the proposed measures to be effected through the changes to the Therapeutic Goods Act 1989. I commend the bill to the House.

Mr Griffin (Bruce) (10.07 a.m.)—I will be brief today as my Senate colleague in the other place Senator Forshaw indicated in his speech during the second reading debate last week that Labor supports the passage of the Therapeutic Goods Amendment Bill (No. 3) 2000.

The bill provides an additional safety net for Australian consumers who through either severe ill health or participation in clinical trials will have access to medicines that have not been approved by the Therapeutic Goods Administration. As a consequence of this bill, ethics committees, which will be responsible for authorising practitioners who wish to supply unapproved products, must now operate in accordance with NHMRC guidelines and be registered with the Australian Health Ethics Committee.

Finally, and I will talk more about these amendments later, the bill addresses some of the more serious issues that have arisen following the recent experiences of extortion attempts made on manufacturers of paracetamol products.

Looking firstly at the provisions relating to unapproved products, the government has assured Labor that the new powers available to the secretary of the TGA to impose conditions and require information will not extend to the current time lines associated with Special Access Scheme and clinical trial processes. There will also be no additional cost. Labor will monitor the situation to ensure that this is in fact the case.

As I have said in the House on numerous occasions, the Australian drug regulatory system is one of the toughest and best in the world. It is a system that inspires confidence in the community and, as a result, confidence in the products that are released on to our market. That being the case, it may seem a little strange that there is bipartisan support for improving and potentially expanding a system that allows unapproved products to be accessed by the Australian public.

It is important to make two points here. Firstly, we are talking about access to products that are prescribed or recommended by medical professionals only under certain conditions. For those Australians who are suffering from a fatal illness and where death is imminent, being able to try a product that may only be available overseas is often their last chance for recovery. In these cases, administrative and regulatory barriers should not stand in the way. Nor should such barriers prevent or discourage the clinical trial process that provides not only another important means of accessing new medicines, but brings with it employment, technology and science benefits as well. It is only under these specific conditions, under the supervision of a medical practitioner and the TGA, now with additional powers, acting as a watchdog that unapproved medicines should be available to the Australian public.
The purchase of unapproved medicines over the Internet is another matter and remains a major potential source of harm for the Australian public. In the United States, people are able to buy medicines over the Net without even seeing a doctor face to face and, at times, even without a doctor’s prescription. In fact, the US President, Bill Clinton, was so concerned about this practice he had the Federal Drug Administration develop a specific plan to address the issue. That was in January this year. Unfortunately, our government has not been so quick to act, despite the fact that it has been aware of the issue since 1998. If my memory serves me correctly, it was in August 1998 that Dr Wooldridge announced that the government had fast-tracked the approval of Viagra because:

We wanted to make sure that a decision was reached as soon as possible to prevent the growth in a black market or via the Internet.

Despite concerns here, by the US and by the World Health Organisation, the issue of how to address sales of unapproved medicines in Australia, over the Net and, possibly, without a prescription remains unresolved. I called on Dr Wooldridge in January this year to do something about this issue and, this morning, some nine months and no solutions later, I repeat that call.

I now move on to the amendments to this bill which introduce provisions that relate to the regulation and management of product tampering. It is unfortunate that these provisions have had to come about as a result of the pain and suffering of the Australians who became the victims of two recent extortion bids. While I do not want to go into the detail of how each extortion bid was handled, I will say that it was the difference in approaches that has given rise to these changes, which Labor wholeheartedly supports. It is pleasing to see that the TGA will finally have some real power not only to recall products but to enforce that recall. It is also good to see that public health and safety must now be placed by law ahead of corporate process. Together with the sales of unapproved medicines on the Internet, the process of recall not only of medicines but also of other products has been a subject on which I have publicly voiced concern.

The only way a mandatory or immediate national product recall can be achieved is under the Trade Practices Act, a matter for the Minister for Financial Services and Regulation. While this may work well for toys and cars, it is not a satisfactory way of dealing with foods and medicines that may cause harm or death to Australians. It is also because mandatory recall powers are dealt with under the Trade Practices Act that the government’s safety recall web site is administered by the department of financial services. This, according to the government, is the definitive site for the public to find out about all product recalls from food through to light globes. Unfortunately, not only is this one-stop shop for information on recalls difficult to find but also the information is not available until days after the recall has been announced. In the case of the Herron paracetamol recall, it took over a week to post the information. In another case, pistachio nuts that were recalled due to contamination with a substance that is also used in the production of biological weapons never made it to the site. This is just not good enough, and it should not take the hospitalisation of Australians, as in the contaminated paracetamol cases, for the government to look at how these issues should be dealt with more appropriately.

My point is that perhaps it is time for the government to consider providing the additional recall and enforcement powers to some of our other health and safety regulators such as ANZFA and, in the future, the Office of the Gene Technology Regulator. In conclusion, this bill is welcomed. It provides legislation that will give the TGA powers to further protect the health and safety of Australians, and I commend the bill to the House.
Ms JULIE BISHOP (Curtin) (10.13 a.m.)—The Therapeutic Goods Amendment Bill (No. 3) 2000 was originally introduced with provisions to deal with the monitoring of access to unapproved drugs in Australia. It is not in fact these original amendments that have aroused my interest and impelled me to speak but the further amendments that the government wishes to add to the bill. For the record, the original amendments reflected the government’s recognition that a focus of the therapeutic goods legislation has been to ensure greater access by the community to new drugs by means of exemptions to the requirement for all drugs to be entered on the Australian Register of Therapeutic Goods before supply. The exemptions include clinical trials, special access schemes and authorised prescribers. The original amendments went to this issue of exemptions to give greater control to the secretary of the TGA to ensure that the use, handling and supply of unapproved therapeutic goods is in accordance with the terms and conditions applied when the exemption was granted.

The proposed amendments also deal with a quite different issue: what has become a bizarre, yet tragic, symbol of late 20th century counterculture known as consumer terrorism. This phenomenon has become a growing threat in Australia and it manifests in conduct known as product tampering, or the threat of product tampering, accompanied by an extortion demand. This growing threat to consumers in the form of business blackmail was highlighted this year by two very public incidents of product tampering in Australia involving paracetamol. Both incidents involved attempted extortion and resulted in a number of consumers being poisoned. The response of the two companies involved differed in a particularly significant way—and I will return to that point.

Following the first contamination of Herron products, the New South Wales government sought federal action to take a lead role in streamlining the product recall process at a national level. When a further incident involving the product Panadol occurred, representatives of Commonwealth, state and territory health authorities met urgently as the National Consultative Committee on Therapeutic Goods to agree on strategies to manage future attempts to tamper or interfere with therapeutic goods.

The committee’s recommendations, which have been taken up in these amendments, include a requirement for immediate mandatory reporting of product tampering or implied tampering, incorporating penalty provisions for non-compliance; mandatory recall powers in cases of product tampering when the sponsors refuse to recall the goods; the introduction of a new category of offence for the supply of a recalled product; and the release of information by the Commonwealth relating to product tampering to state, territory and overseas regulatory authorities with responsibility for therapeutic goods and consumer terrorism. These measures will be particularly significant given the Sydney Olympics and the need to safeguard the integrity of medicines and the like in the marketplace.

Sadly, some consumer terrorism incidents cause enormous harm to consumers and to the companies that manufacture the product that is under attack. The people behind such crimes should be condemned for their callous and brutal actions. In a number of high-profile cases, the people responsible have not been apprehended. The history of such incidents underscores how necessary these amendments are. Prior to 1980, few companies thought about—or even contemplated—an attack on their products by way of deliberate tampering, let alone considered how they would respond. Events in 1982 shattered that illusion.

In the United States that year seven people died when a pain-killer called Tylenol was targeted with cyanide. This paracetamol was the biggest-selling product name in the United States, commanding about 30 per cent of that market with sales of about $US350 million per year. The consequences were enormous. In the face of the extortion threat, the company acted immediately. At a cost of about $US100 million, the parent company Johnson and Johnson recalled and destroyed nearly 30 million capsules in a nation-wide recall. All the deaths
occurred in the Chicago area, but it was a nation-wide recall. The company estimated that it lost about $US400 million—I am not sure what that would translate to in constant dollar values, but $US400 million in 1982, or at any other time, is a lot of money.

The extortionists were never caught, but the event had a number of consequences. It led to the issuing of a series of regulations by the Food and Drug Administration in the United States for tamper-resistant packaging—that is where it all started—to prevent poisoning, such as occurred with the deaths from cyanide in the Tylenol case. It also led to the Federal Anti-Tampering Act, which was passed in 1983, that made it a crime to tamper with packaged consumer goods. Of particular relevance to the proposed amendments to the legislation before the House today is the corporate response of that US giant, Johnson and Johnson. In what has become a classic textbook script for crisis management, the company voluntarily recalled its product, worked closely with authorities and went public very early on—keeping the public informed of the steps that it took to recall and destroy the 30 million Tylenol capsules.

The scene was set in 1982, but thereafter incidents of consumer terrorism seemed to take off, first in the United States and then later in Australia. Some of the motives have been quite strange. In 1986, with the Tylenol murders fresh in her mind, a woman named Stella decided to kill her husband, as some do. His name was Bruce.

Mr Rudd—How did Bruce put up with it?

Ms JULIE BISHOP—Bruce was very unhappy, as a matter of fact, because she attempted to poison him with foxglove seeds. She stood to gain a couple of hundred thousand dollars from insurance policies. He did not die from the foxglove seeds, so she put cyanide in some pharmaceutical capsules and Bruce died, but the insurance companies refused to declare the death accidental and would not pay out on the insurance. She felt very cheated by this, so in a fit of rage she planted more cyanide in bottles and placed them in stores. A woman bought a bottle and died of the cyanide poisoning. The manufacturer of the capsules offered a $300,000 reward and went into the crisis management mode of Johnson and Johnson. Stella’s daughter dobbed her in to collect the $300,000 reward, and Stella was charged with ‘causing death by product tampering’. She was the first person in the United States to be convicted on this charge and in 1988 she was sentenced to 90 years imprisonment for the death of not only the husband but also the other woman.

The FDA report, regrettably, that they now receive reports of possible tampering on a regular basis, and the FDA treat each threat as a real threat, even though some incidents can take a rather bizarre turn. While the media can be a useful tool in keeping the public informed of a threat, it can be a two-edged sword. In 1993 a woman reported a syringe in a can of Diet Pepsi, and the FDA issued an alert in five states where they thought the cans might have been sent. They told people to pour their Pepsi into a glass before drinking it, without actually explaining what the threat was. Not surprisingly, it became a lead media story all around the country and reports of syringes in Pepsi cans started popping up all over the place. What happened was that it led to a wave of false claims—hypodermic hysteria—and over 60 claims were reported, but not one incidence of tampering was, in fact, confirmed. There is this copycat mentality that kicks in as well. The FDA did arrest some 53 people in some 20 states for lying about consumer product tampering, and the scare was said to cost Pepsi some $25 million in lost sales as well as massive publicity and advertising costs to battle the hoax.

The media often play a significant role in the way some of these incidents play out. I guess it could be argued that the group out of sync with the nationwide approach, such as we are trying to achieve here, which tries to deal with such crime, is the media. Their reporting can often play into the hands of the criminals who are behind these incidents. The press coverage often helps these people realise their economic objective, which is usually to damage a
company. As more of these cases are being reported it has become apparent that product tampering might be less attractive if it did not generate the publicity, which is often what the people behind the crime wish for.

A number of experts have looked into this and they suggest that there are three main motivations behind product tampering. The first is political or social terrorism. The second is economic gain—people threaten to tamper with a product unless they are paid not to. The third is vengeance—a disgruntled employee trying to get back at a company.

Here in Australia we have had our fair share of incidents. Probably the most public instance started in 1991 when extortionists demanded $250,000 from Colgate Palmolive, threatening to contaminate their toothpaste with cyanide. Then there was the threat to distribute contaminated Arnotts Monte Carlo biscuits in 1997. It was a very unsophisticated attempt at food tampering. Arnotts was the innocent party seemingly randomly selected by someone who was actually targeting the Queensland Police, but it had a catastrophic impact on the company, one of Australia’s icon companies. The Arnotts executives had obviously been to US business schools for their response to the extortion threat was textbook Tylenol-style crisis management, beginning with the voluntary recall of more than 350 products—not just the Monte Carlos biscuits—that occupied, on average, 20 metres of shelf space from every supermarket in Australia.

It was backed by a massive public information campaign which kept the public informed of every action taken by the company according to a very well-rehearsed crisis management strategy, so that when the company were able to declare that the crisis was over, the public believed it, but it had cost Arnotts some $35 million in the meantime.

Notwithstanding the publicity given to these incidents and our understanding of them, real problems in corporate responses can still arise and so we come to March this year. It was an attack bearing a striking resemblance to the Tylenol case. The Australian family company, Herron, had its paracetamol tablets recalled after a doctor and his son were admitted to hospital after taking Herron tablets laced with strychnine. The difference in this case from the Tylenol case was the company’s response. It seems that the company had received an extortion threat several weeks earlier, but had not notified the police, choosing instead to place the matter in the hands of a private investigation firm. It was not until authorities were notified of the poisoning of the doctor and his son that the police learned of the earlier threat.

The company’s failure to report the threat has been widely criticised as a major error of judgment. Given the impact that even the mere reporting of a threat can have on a company, it is perhaps understandable, but not excusable, that a company like Herron tried to minimise the damage. However, at the end of the day, companies must put consumer interests and safety first. Once the police were involved, the company swung into action recalling, in all, 17 Herron products on a national basis. Then, perhaps the copycat phenomenon kicked in again, for in June, the manufacturer of Panadol—Smith Kline Beecham—received an extortion threat. The police were called immediately and the company decided on the nationwide recall of Panadol, in the absence of any hard evidence at all that any product had actually been tampered with.

It was against that background that the National Consultative Committee on Therapeutic Goods met and made the recommendations which are now contained in these amendments. Clearly, a coordinated national approach is needed. It cannot be left to the individual companies alone to resolve and to make the decision to recall products—how many, how much and whether it should be Australia-wide—given what can be at stake for a company.

The requirement for immediate mandatory reporting of product tampering, or implied tampering, puts the onus on a company that finds itself in the position of Herron. Instead of trying to deal with a threat by internal means, it will now be required to report that threat. We
can all appreciate the impact that such an extortion threat can have on a company. Johnson and Johnson could withstand the financial impact in 1982, but in the case of Herron, it was a much smaller family company in a highly competitive market and far less likely to be in a position to survive the consequences. Given the high level of corporate responsibility that has been demanded by consumers as reflected in these mandatory reporting provisions, companies must put in place crisis management strategic plans. It is a worrying trend. It impacts on the insurance industry as companies seek cover for the loss and damage they can suffer as a result of consumer terrorism and it has an enormous impact on business. We must bear in mind that for every extortion threat made public there are many others that do not make it into the public arena.

Consumer terrorism in the form of product tampering is reprehensible. We must do what we can to stamp it out in the interests of consumers, in the interests of corporate Australia, its shareholders and its employees. The steps that the government is taking in these amendments are to be applauded.

Mr RUDD (Griffith) (10.29 a.m.)—I rise today in the Main Committee in support of the Therapeutic Goods Amendment Bill (No. 3) 2000. It is one of those important pieces of legislation that affects tens of thousands of Australians and arguably hundreds of thousands of Australians, and is deserving of the parliament’s bipartisan support.

I have listened with some interest to what the member for Curtin has just said about the importance of product tampering as an issue of public policy in this country. I agree with her. When we look at the Tylenol and Panadol cases and product tampering in other categories of pharmaceutical and food products, we clearly begin to see, across Western and other countries, the emergence of new threats to security. Our traditional concept of national security in this country and others has been often limited to clinical questions of defence, and that is: how do you maintain the security of the realm against a classically defined external aggressor? With this form of terrorism that is now emerging, we must widen our definition of what constitutes national security. In some countries, this has led to an important debate on what they describe as total security, not just threats to security from so-called classical means but new threats to security by the new forms of terrorism which exist around the world, of which this is a significant category. Some of the practical measures outlined in the legislation aimed to impose a particular responsibility on companies that become the subject of these terrorism threats are to be welcomed.

My interest in the legislation is triggered by another dimension of the bill, and that relates specifically to the special access regime for unapproved pharmaceutical products. I should at this point in the debate confess a personal interest in the matter. I became interested in the availability of these pharmaceuticals when my mother began suffering from Parkinson’s disease some years ago. That, for me, opened up a whole new world in terms of the availability and effectiveness of various pharmaceutical treatments for diseases like Parkinson’s but also other diseases for which those drugs provided and approved specifically by the TGA may not be the most appropriate.

Parkinson’s disease is one of many serious diseases that afflict people in this country and around the world. We are aware of the high-profile sufferers such as His Holiness the Pope, the US Attorney-General, Janet Reno, and others. The level of incidence in this country is probably underreported. We have estimates from the various Parkinson’s associations that the level of affliction across Australia runs to the several tens of thousands. But there is, conspicuous in their argument, underreporting of the actual incidence. In other Western countries, there is a concern about the emergence of a Parkinson’s epidemic—that is, with the ageing of the population, we begin to see Parkinson’s become a much broader public health issue and therefore of more concern to legislators than it has been in the past.
Parkinson’s sufferers depend on a range of support mechanisms in order to cope with, what is at this stage, an incurable disease. Those support groups include, of course, their families, their treating general practitioners and specialists, and also support associations such as the Parkinson’s support groups of which Parkinson’s Queensland is one. It has been my privilege to deal with Parkinson’s Queensland in recent years on the question of appropriate drugs treatment for Parkinson’s sufferers, and in particular I make reference to Dr Peter Silburn, who I understand is a senior office holder of that association. Dr Silburn is from Brisbane.

In the past, one of the principal treatments for Parkinson’s has been a drug whose trade name is Tasmar. It was widely prescribed until a year or two ago to a range of patients suffering from Parkinson’s, often Parkinson’s in its advanced stage. However, a year or so ago, the TGA decided, based on recommendations to it, that Tasmar should be withdrawn from regular availability in Australia based on what they have identified as being an excessively high level of mortality arising from it.

I am not a medical practitioner. It is not for me to gainsay the professional deliberations of bodies who are employed specifically for these purposes. However, I would simply make the observation—which has been argued by many medical practitioners treating Parkinson’s around this country—that, at a time when the mortality rate arising from the use of Viagra was considerably in excess of that which had been attributed to the use of Tasmar, an anti-Parkinson’s treatment, we seemed to be quite willing, able and permitted to have access to Viagra with free abandon across this country but not to have similar access to a lower mortality drug treatment, namely, Tasmar. So it seemed to be okay at the time that, if the blokes around the country needed a little lift in life, Viagra was freely available, yet, when it came to something treating a more serious condition than the one which Viagra treats, the drug was not available. This is not my area of expertise; I am not an authorised medical practitioner. But I do reflect here the comments made by some, including treating specialists who specialise in the Parkinson’s field.

The TGA’s response was to replace Tasmar with a new drug with the trade name Comtan, its clinical name being intecapon. In the view of many treating specialists around the country, Comtan, while useful in some cases, was frankly not useful in others—particularly for those who had had longstanding exposure to Tasmar and had found that drug treatment particularly useful.

That brings us to the substance of the legislative changes which are proposed in the legislation before the Main Committee today. I support the legislation, as does the Australian Labor Party. I support it particularly in relation to the changes which it proposes for the future personal importation of unauthorised pharmaceuticals, a special access regime for such pharmaceuticals and a so-called authorised provider system for pharmaceuticals in this category.

I am critical of the government in one respect: the excessive delay that has occurred in the introduction of this legislation to the House. We all would understand the difficulties in the timetabling of legislation before the parliament. This bill has been ready for a long time. It has taken a very long time to reach this chamber. As a consequence, the guidelines and the regulations which flow from it have not been able to be introduced. These guidelines and regulations, I believe, have been in existence for quite some time, and it would have been far more advisable, given the large number of Australians who are dependent on these access regimes for unapproved pharmaceuticals, had we been able to consider this matter in the parliament much earlier than this.

To move on to the substantive provisions of the legislation: essentially, what is alive in the bill and in the associated, upcoming regulations and, I am advised, the associated guidelines which depend on those regulations is a simplification of the administrative procedures which
govern the operation of the access regime for unapproved pharmaceuticals. The last set of regulations and guidelines was looked at in about 1991, and I think it is the general view of many users of those guidelines—which have been operating for virtually the last 10 years—that they are excessively bureaucratic and complex. It is not a question of partisan politics; if they were developed in 1991, they were plainly developed under a Labor government. But when it comes to their current use and the experience of medical practitioners in the field, I think it has been the feeling among many, including those treating Parkinson’s disease, that those guidelines have been excessively cumbersome, to the detriment of the wellbeing of their patients.

The substantive provisions of the bill do not substantially change previous law. The real change, I am advised, will be reflected in the regulations and guidelines which will ensue. The guidelines on ‘access to unapproved products’ constitute a generic document which covers a specific set of sub-guidelines which go to the categories of personal importation, special access and authorised providers.

Firstly, on those guidelines which relate to personal importation, under these circumstances individual patients can have access to pharmaceuticals unapproved by the TGA on the basis of personal importation. Under those circumstances, if patients do need a particular pharmaceutical treatment they will do so at excessive cost. It is probably the least desirable way of obtaining the particular pharmaceutical but for some patients it is the only one available. When Tasmar was unilaterally withdrawn from the market by the TGA last year, the only course of action available to many Parkinson’s sufferers, for example, was to go to personal importation—at huge financial penalty to themselves. I regret to report to the House that under those circumstances we began to see the emergence of those who could afford a particular treatment for a most serious condition and those who could not, and their quality of life differed substantially accordingly. Many of us thought that was particularly unfair.

A second set of guidelines relates to the provision of unapproved products for clinical trials. Improvements in clarification of procedures in relation to these trials are to be welcomed and supported, as outlined in the act and the associated regulations and guidelines.

The third set of guidelines relates to procedures for so-called ‘special access’. These guidelines will deal principally with access to an unapproved pharmaceutical product on an individual doctor-individual patient basis. Basically, if a doctor is of a view that a particular patient, by name, has a particular condition which cannot be treated effectively by a drug currently approved by the TGA, then that doctor may individually apply to the TGA for an individual access permit for that particular drug to be introduced and used by that particular patient under those particular circumstances surrounding that patient’s condition. There are subcategories which relate to the availability of pharmaceuticals under this individual special access regime—those which relate to life threatening conditions and those which relate to non-life threatening conditions—with the criteria in the guidelines to be much simpler than they are at the moment.

The fourth set of guidelines—and I believe the most important set of guidelines which will emerge from these legislative and regulatory changes foreshadowed by the government—relates to the so-called ‘authorised prescriber system’. Here we have, in contrast to the special access regime for individuals, what we would describe as a ‘class treatment’. If you have a particular doctor who has a range of patients with a particular condition—let us again take the example of Parkinson’s disease—where the doctor can argue that, given the particular circumstances, condition or advanced state of the disease in question, a particular drug—again, in this case, Tasmar—is the only effective treatment available, then that treating specialist can now make direct application to either of two bodies: his or her
In the past, the system was as follows. The treating specialist, irrespective of who his or her patient was and whether or not the patient was in hospital, had to apply to either the hospital ethics committee or to the college ethics committee and obtain a letter of support from either of those bodies. They, in turn, would provide that letter of support to the TGA, and the TGA would then make a determination. As I understand the changes which are to be outlined clearly in the guidelines governing the authorised prescriber system, it will operate along these lines: the treating specialist will now only be required to provide such a letter of application to his or her local hospital ethics committee.

I think I may have said this incorrectly several minutes ago when I said that it was both to the hospital and to the college ethics committee. That, in fact, was the previous system which this system now replaces. Under the new system, the treating specialist will only be required to make an application to the hospital ethics committee. That hospital ethics committee, in turn, will or will not endorse that application for a class of patients. This, of course, represents an enormous administrative simplification for treating specialists. They can now obtain a job-lot approval for 20 or 25 patients who exhibit a particular dimension of the disease which that specialist is treating which is not appropriate to be treated by approved products under the TGA regime.

There is a further fall-back mechanism available in the guidelines, and this is quite an intelligent move on the part of those officials who have been responsible for the drafting. There may be hospitals around the country whose ethics committees may not feel qualified or predisposed towards providing a particular doctor with a letter of support for an application for a particular unapproved pharmaceutical product, either because that hospital ethics committee do not believe they have the expertise or because they may be unwilling to provide guidance or advice for a doctor in the absence of that doctor having a particular patient resident within their hospital. The cultures of hospitals around this country differ considerably. What we have, therefore, in the proposed guidelines, is a fall-back mechanism whereby a doctor, for example one in a regional area, may be able to write a letter to the Australian Health Ethics Committee, for that committee in turn to write to the TGA to give their advice on the acceptability or otherwise of the doctor’s recommendation, and for that, in turn, to go off to the TGA for consideration and approval. If, of course, the Health Ethics Committee was to write a letter of approval, it would follow automatically, I would think, that the TGA would then authorise general access to the provisions under the authorised prescriber system.

In summary, what we have is a simplification through these proposed guidelines and associated regulations which fall under the architecture of the bill which is before the House. We on this side of the parliament welcome those changes. Of course, it raises the associated question of cost. It may be all very well for patients and doctors to have access to unauthorised pharmaceutical products through the operation of these new regimes contained in the guidelines to which I have just referred, but there is a question still of cost.

The system as it operates at the moment provides the pharmaceutical industry of the country with discretion on this question: they can either choose to provide such drugs free of cost, at nominal cost, or at full international market price. My advice is that that practice varies hugely across this country in terms of how individual pharmaceutical companies operate. In the case of Tasmar, for example, originally it was provided, when authorised by the TGA, as a free drug. When it was withdrawn from sale, the pharmaceutical company concerned said they would charge the full market price for it. I understand that, as a result of
subsequent negotiations with that company, Tasmar is now provided on the free list again—but that is simply my advice, and not necessarily authoritative advice.

I issue a call to the national and international pharmaceutical industry: that where you are, frankly, making a very large amount of money indeed through the operation of the PBS system in this country—through the huge range of pharmaceuticals which are approved by the TGA and subsidised through the PBS—when it comes to that much smaller number of drugs proposed to be made available through the various special access regimes, to which I have referred in my address to the Main Committee this morning, then that should be done on a free basis as well. These pharmaceutical companies are making a lot of money through the regular system. I think it would not cost them a lot at all to provide some level of community service obligation by providing free pharmaceuticals across the board when those pharmaceuticals are accessed through the special access regimes in general outlined under this bill.

As I said before, the regime which we are referring to, the new regulations, the new guidelines, are not operational yet. I have already placed on the record my concern about the delay in the introduction of the legislation and the associated delay in the introduction of the associated regs and guidelines.

I would like to thank those officers of the TGA with whom I have spoken on this matter, in particular Sue Ogden. I thank also the office of Senator Tambling for making the TGA officials available to me to have reasonably detailed discussions about the improvements and changes outlined in the legislation before us today. I would also thank those individual officers who work for Senator Tambling for their frank discussions with me about what is possible under this new regime.

The overall changes which have been outlined are good; they are worthy of the House’s support. I place on record, however, the fact that I will be monitoring most closely how this new regime operates for those who suffer from Parkinson’s and who are dependent on the drug treatments associated with it, and, more broadly, those other drugs which become available through this new special access regime. I support the bill before the House.

Mr HARDGRAVE (Moreton) (10.49 a.m.)—The Therapeutic Goods Administration officials must be shaking in their boots this morning to know that the member for Griffith is going to be monitoring their performance. There are a number of aspects of the member’s contribution which I think need to be instantly corrected as far as the record is concerned. One of the matters that he has raised is to do with the pace of reform. The Therapeutic Goods Amendment Bill (No. 3) 2000 that we have before us today went through the Senate last week on 31 August. What is before us this morning is simply the House of Representatives continuing to consider the matter.

Mr Rudd interjecting—

Mr DEPUTY SPEAKER (Mr Hawker)—Order!

Dr Nelson—The member for Griffith was heard in silence as should the member for Moreton.

Mr DEPUTY SPEAKER—Order! The member for Griffith has had his opportunity. It is now the turn of the member for Moreton.

Mr HARDGRAVE—The member for Griffith needs to instruct his speechwriters to monitor what is occurring in the Senate before he speaks in this place. He criticises the government for being slow or tardy—or whatever his words were—with regard to dealing with the important matters in this bill. The member for Griffith this morning has, perhaps unintentionally, trivialised the dreadful difficulty that some sufferers of various diseases and
disorders, such as diabetes, have in relation to impotence. He either does not understand why people who have those difficulties seek attention from pharmaceutical sources, or he is just simply being blatantly ignorant.

Mr Rudd—Mr Deputy Speaker, on a point of order: I made no reference to diabetes in my address at all. I am plainly being misrepresented by the member for Moreton.

Mr DEPUTY SPEAKER—There is no point of order.

Mr HARDGRAVE—The member for Griffith did, however, make reference in a trivial way to the availability of Viagra to try to make his point with regard to Parkinson’s disease. I do not believe he fully understands what causes some to seek access to that particular remedy, medicine or pharmaceutical. Therefore I believe that the member for Griffith has shown himself to be totally lacking in understanding as far as the causes of impotence are concerned. I am sure he did not mean that to occur but I am amused by how precious he is about my correction of the record.

We on this side of the House are concerned about those who suffer from Parkinson’s disease. We understand that organisations like the TGA do not make decisions lightly with regard to pharmaceuticals being admitted into the broad community. I would welcome any opportunity to see Tasmar, or any other pharmaceutical devices, being made available to those who suffer from the horrors of PD providing, of course, that they do not just suit some but are generally safe for all. That is the role of the Therapeutic Goods Administration: to make proper clinical assessments about matters. The member for Griffith chose not to talk much about the pace of reform on matters to do with the extortion attempts on some pharmaceutical providers this year which, he claimed, the government was not showing urgency on. Rather, he decided to speak about other matters. I think it is important to try to get this matter corrected in the Hansard for those who may choose to read it in the future.

The matter before us has come about because the government was gravely concerned after two extortion efforts on pharmaceutical companies in this country this year. Since March both SmithKline Beecham, a large multinational pharmaceutical company marketing the product Panadol—one of the largest paracetamol products on the market—and Herron Pharmaceuticals, a much smaller family-owned company which sells their own range of pharmaceuticals, suffered the indignity of product recalls. This was as a result of some mischievous efforts by some unknown and so far undetected person to extort money from them. Was it simply to get back at them for something, or was it the thrill of knowing that their phone calls, threats or letters, in fact elicited some response from what they perceived to be big companies?

In the case of Herron Pharmaceuticals, they are based in my electorate and they employ people from my electorate. They are a family company that has very successfully built themselves into a very strong market position. Herron Pharmaceuticals received a threat and consulted their security advisers. The security advisers basically made an assessment that the threat was not worth responding to, that it was not a realisable threat. It was so vague that a major security company declared it to be no threat and that no police authority or government organisation would have ordered the recall of any product based on the veiled hint that something might happen somewhere, sometime to somebody. That is what Herron faced. Herron now understand that regardless of the advice they will pass on information in a far more timely way. In fact, the matters before the House demand that they do.

As a result of those sorts of activities, the National Consultative Committee on Therapeutic Goods met on 29 June, after we had two incidents in this country, and recommended the sorts of amendments before the House today. Those amendments include the requirement for the immediate mandatory reporting of product tampering or implied tampering, incorporating penalty provisions for non-compliance; mandatory recall powers in case of product tampering
and/or where sponsors refuse to recall goods, with penalty provisions for non-compliance; the 
introduction of a new category of offence for the supply of a recalled product; and the release 
of information by the Commonwealth relating to product tampering to state and territory and 
overseas regulatory authorities with responsibilities for therapeutic goods or terrorism.

These matters are not taken lightly. They have been taken in a very timely manner, hence 
my determination to rebuke the member for Griffith’s assertion that the government has 
delayed action on this. We welcome the support of the opposition on this matter, 
notwithstanding the member for Griffith’s heavy qualification of that support.

I also think it is important to note that Herron Pharmaceuticals themselves have played an 
active role in the drafting of these matters. They contacted me as their local member and I 
wrote to Minister Wooldridge on 7 July. His parliamentary secretary, Senator the Hon. Grant 
Tambling, has been excellent in his role and his conduct on this issue. He has ensured that 
there has been proper and timely stewardship in dealing with this issue. But I think it is 
important for the public record to note that Herron Pharmaceuticals have been determined that 
they should have an absolute and constructive input on this.

It is also worth noting that Herron Pharmaceuticals have suffered a huge multimillion 
dollar loss as a result of the recall of their products. Despite that, they have managed to 
reinvest in an innovative way and have come up with a seamless capsule that, essentially, if it 
is ever tampered with, it will show up. Their packaging has been changed. They have a 
consumer focus on their goods to ensure that the many millions, I suspect, of consumers of 
Herron Pharmaceuticals, paracetamol in particular, are very comfortable with the fact that this 
company has taken seriously their responsibility to community safety. So I think Herron 
Pharmaceuticals need to be congratulated in that regard.

Of course, the matters before the House also raise the prospect of the style of response one 
must undertake if someone decides, either for a get-back reason or a thrill reason, or if they 
even think they can get some money out of somebody, to attempt to extort money from a 
pharmaceuticals company. What sort of response should we actually undertake because, after 
all, the prospect of enticing the copycats out there is a very real possibility? Should we engage 
in a full product recall regardless of where the tampered products, or possibly tampered 
products, may be, or should we act in such a way that you cauterise the difficulty and the 
potential hurt by recalling only from certain areas? One suspects that that is the ongoing role 
of the government and the National Consultative Committee on Therapeutic Goods.

One would suspect that the early advice, as far as potential threat is concerned, is tailored 
to specifically target areas where there may be a problem. So rather than recalling a product 
from Port Hedland, Perth, Adelaide or Melbourne when the product might be at Moorooka, in 
my electorate in Brisbane, and therefore inflicting more pain on the company involved by 
recalling nationally, I suspect that the idea of early advice, encouraging early action, 
encouraging some limitation of the effect of the potential threat, is the very best way to go.

Herron Pharmaceuticals conducted a self-analysis of the Tylenol crisis compared to their 
own circumstance earlier in the year. In the case of the Johnson and Johnson Tylenol crisis, 
seven people died in Chicago of cyanide poisoning. In the case of the Herron matter, two 
people were poisoned and they recovered. In the case of speed of warnings to the public, 
within hours, police drove through Chicago announcing the warning over loudspeakers and 
three national television networks reported the deaths on the evening broadcast. The Food and 
Drug Administration in the US advised customers to avoid Tylenol capsules the next day. In 
the case of Herron, within two hours, Herron announced the withdrawal of its paracetamol 
products and national TV networks reported the crisis on the evening broadcast.
With respect to the probability that it occurred at the plant, Johnson and Johnson declared that their strict quality control systems made it impossible for it to have been done at the plant and concluded that it was localised to Chicago. Herron was strongly confident that the tampering did not occur at their plant at Tennyson. Quality control systems are, of course, in place and the incident was localised to just one suburb in Queensland.

With respect to the speed of recall, a week later, after extensive discussions about which products to recall, in the Tylenol case, Johnson and Johnson announced that a nationwide recall had been offered to consumers, and an exchange of all Tylenol capsules for Tylenol tablets. But within two hours—not a week—Herron announced the withdrawal of all their paracetamol products instead of focusing on the vulnerability of the capsules as they were then. Of course, compared to Johnson and Johnson, Herron over-reacted and possibly further confused the consumer by recalling other non-branded capsules and tablets, because Herron make a lot of the no-name brands that are available in generic form in various supermarkets.

In the case of a reward, Johnson and Johnson, a company selling $27.5 billion worth of products annually, offered a $100,000 reward a week later. That is about $150,000 in today’s dollars. Herron offered a quarter of a million dollar reward within two days. It is worth noting that Herron is 1,300 times smaller than Johnson and Johnson, but they offered a reward 3,000 times larger.

I think it is important that the record reflects Herron Pharmaceuticals’ commitment to community safety. I think it is important that Herron have also made a major contribution to the matters that are before us today, learning lessons from their own circumstance, passing them on for the benefit of everybody in this industry and for the benefit of every consumer in Australia. They can be well satisfied that, in the case of Herron Pharmaceuticals, there is a very safe and innovative product now available on the supermarket shelves.

I make these comments because, as I said, they are a local business—a business that suffered a great indignity, as did the consumers of their products earlier this year. I welcome the timely introduction of this bill into the House of Representatives today. I welcome the fact that it is being passed in a bipartisan manner. I welcome the fact that it has already been passed by the Senate, and I commend it to the House.

Mrs BRONWYN BISHOP (Mackellar—Minister for Aged Care) (11.03 a.m.)—in reply— I would like to make a few general comments first and then note some of the comments made by the members for Bruce, Curtin, Griffith and Moreton. Firstly, there has been a lot of consultation with the industry prior to the drafting of the recall provisions to secure industry support for these provisions. A special committee was convened to examine the issue and the Therapeutic Goods Amendment Bill (No. 3) 2000 was drafted from the recommendations of that committee.

With regard to the difficult problem of the sale of products over the Internet, the government is closely monitoring the use of the Internet and the sale of pharmaceutical products by that medium. The Therapeutic Goods Administration is also studying this issue with a view to establishing an appropriate strategy to deal with it; noting, of course, that regulation of the Internet is problematic, as the activities often occur outside Australia and in circumstances that make it extremely difficult to regulate through legislation. However, the government is examining this issue and maintaining a close monitoring of it.

I turn to some of the points that were made by the members who spoke in the debate on the bill. Issues that were raised included the question of delays in the provision of information regarding recalls. The new provisions in the bill will ensure that information concerning tampering will be communicated to the public in a more timely manner. Persons who receive information and know about product tampering will be required to notify the secretary about such incidents within 24 hours. The secretary will have the power to require publication of
such information to the general public and to release that information to state, territory, Commonwealth and overseas regulatory authorities with responsibilities in this area. That is an important new point.

The member for Curtin spoke particularly of her interest in the question of tampering and gave us an exposition as to what the experience in the United States has been. She spoke firmly in support of the bill.

The member for Griffith disclosed a particular interest in the drug Tasmar and made some remarks with regard to the cancellation of the registration of that drug being a decision of the TGA. That decision by the TGA was based on an assessment of the benefit risk ratio of the product and factors that were taken into account included the recommendations of the Australian Drug Evaluation Committee. That committee is an independent expert advisory committee comprising specialist medical practitioners.

The second issue he raised with regard to the guidelines for the various mechanisms of access to unapproved products was a point that can be dealt with in this way. The review that gave rise to this bill made a number of recommendations with regard to the administration of that scheme. One such change has been to better codify the criteria for decision making on applications received by the TGA including a comprehensive outline of information required by the TGA in each application. I am pleased to say that these guidelines will be released very shortly. The member for Moreton indicated that Herron Pharmaceuticals is indeed an all-Australian company which is situated within his electorate. He spoke very passionately about that corporation.

I might say finally that these changes have the support of industry. They increase public protection. The government would like to express its appreciation of industry in the process of drawing up the guidelines for these changes.

Question resolved in the affirmative.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

**CRIMINAL CODE AMENDMENT (UNITED NATIONS AND ASSOCIATED PERSONNEL) BILL 2000**

*Second Reading*

Debate resumed from 28 June, on motion by Mr Williams:

That the bill be read a second time.

**Mr KERR** (Denison) (11.08 a.m.)—The Criminal Code Amendment (United Nations and Associated Personnel) Bill 2000 complies with the obligation under Article 9 of the Convention on the Safety of the United Nations and Associated Personnel. It makes certain crimes against UN and associated personnel punishable by penalties under Australia’s domestic law. It also allows Australia to ratify the convention. We became a party to the convention in 1995. The bill establishes the individual criminal responsibility of people who attack United Nations personnel and associated personnel in situations other than a UN enforcement action. The law of international armed conflict applies in the situation where the United Nations or associated personnel are connected with authorising enforcement actions and engaged in combat against armed forces.

Associated personnel are defined as persons assigned to the United Nations or deployed by a humanitarian non-government organisation under an agreement with the United Nations to carry out activities in support of a UN operation. The bill establishes the offences of intentional and reckless murder, manslaughter, serious harm, harm, sexual penetration,
kidnapping, detention, damage to property and threatening to commit an offence. The
definition of the offences and the prescribed penalties accord with the recommendations of
the relevant reports of the model criminal code committee.

The bill’s jurisdiction extends to circumstances where either the victim or the offender is
an Australian or the offence occurs within Australia or in an Australian ship or aircraft. If the
conduct constituting the offence under the bill also constitutes an offence against the law of a
territory or a state, state or territory courts will have no jurisdiction to convict a person—
territory and state criminal laws are expressly preserved. Proceedings under this legislation
cannot be commenced without the written consent of the Attorney-General.

The opposition has pleasure in supporting this measure. It is important that we put in place
an effective legal framework for the protection of UN personnel and those who serve with the
United Nations. I know we are presently undergoing what seems a less than well-intentioned
attack upon the auspices of the United Nations and the committees which are established
under it, but I believe that our world would be a far less civilised place for nations such as
Australia to operate in if we were to forgo our participation in the organisation. It would be
more difficult to work as a middle power nation with strong commitments to the rule of law
and the protection of peace and civil liberties, were we to resile in any way from our
commitments to that organisation. Far be it from me to pretend that we live in a world where
good order and peace, democracy and all those values that we treasure are universal.
Nonetheless, we do have very significant national and international interests in ensuring that
our participation in such organisations leads to a betterment of outcomes on a global scale. It
is also in our domestic interest to ensure that that occurs. This bill is a small measure in
ensuring that UN personnel are adequately and properly protected, and I have pleasure on
behalf of the opposition in indicating our support for it.

Mr PYNE (Sturt) (11.12 a.m.)—The government welcomes the support of the opposition
for the Criminal Code Amendment (United Nations and Associated Personnel) Bill 2000 and
I thank the member for Denison for his remarks. Of course I disassociate the government
from his remarks with respect to our intentions regarding the United Nations. Kofi Annan,
only this week, has described Australia as a model member of the United Nations. While we
do not always agree with some of the committees of the UN, I do not think we are expected
to. The point of a democracy is to allow disagreement and to understand that that does not
mean a total breach with the person with whom you disagree. But I know that the opposition
has a strong commitment to the United Nations, as does the government and Australia as a
country. That has always been so, since its inception. Australia is very proud of its role in
United Nations conventions and other fora of the UN.

As the member for Denison points out, this bill is a small step—but another example—of
our support for the United Nations and our willingness to enter into conventions. I note that it
was the Labor Party that signed this convention. We have the responsibility for implementing
it, and I am glad therefore that the Labor Party is happy with the way that we have come to do
so.

The bill makes it an offence to attack UN and associated personnel, and it enhances the
ability of Australian authorities to take action against alleged offenders. It implements the
convention was a legal response by the international community to the growing number of
attacks that were being seen against UN personnel around the world.

The convention was adopted by the UN General Assembly in 1994 and came into force in
1999. Australia signed it in 1995. The Joint Standing Committee on Treaties examined it and
supported its ratification. This government, in the 38th parliament, beefed up the Joint
Standing Committee on Treaties, referring many more treaties and conventions to that
committee, which, under the member for Wentworth, has had quite a good record in examining those conventions and treaties and giving good advice to the government about the direction in which we should proceed.

The bill specifically adds a new division—division 71—to the Commonwealth criminal code, making the crimes set out in the convention offences in Australian domestic law. The offences it covers include murder and kidnapping, other attacks on the person, other attacks on liberty, violent attacks on official premises, threats, attempts and accomplices. It protects two categories of person: UN personnel as well as associated personnel if the associated person has a connection with a UN operation. To comply with the convention, the bill will not operate in respect of UN enforcement operations where the United Nations is involved in some kind of armed conflict.

The Australian courts will have jurisdiction over offences committed in Australia and over crimes committed overseas if the alleged offender is Australian, the crime is committed against an Australian or Australia’s national interests, or another country that has ratified the convention, has established jurisdiction and the alleged offender later enters Australia.

To avoid the new Commonwealth offences overlapping with existing state and territory criminal offences, proposed section 71.17 excludes the new offences if the conduct constituting the offences is an offence under a state or territory law. The effect of this provision is that a prosecution for new offences is likely to occur only where a crime is committed overseas, excepting where there might be some gap that exists in the criminal laws of a state or a territory where the offence is committed. Significantly, it will not be possible for an offence under division 71 to be prosecuted unless the Commonwealth Attorney-General provides written consent.

This bill will provide greater protection for a range of Australians who are serving with the United Nations or who are associated personnel. That includes defence personnel and humanitarian workers in groups such as the Red Cross. It strengthens the international legal regime for their protection and enhances the ability of the Australian authorities to take action against them. For that reason the bill should be supported. The bill has the support of the opposition, and the government welcomes that. I commend the bill to the House.

Mr WILLIAMS (Tangney—Attorney-General) (11.17 a.m.)—in reply—In closing the debate I would like to thank the members for Denison and Sturt for their contributions, and I thank the opposition for its support of the Criminal Code Amendment (United Nations and Associated Personnel) Bill 2000. As members have indicated, this bill will add new offences to the Commonwealth criminal code dealing with crimes against the United Nations and associated personnel. The establishment of those offences in Australian domestic law will enable Australia to ratify the Convention on the Safety of United Nations and Associated Personnel. This implementing legislation will give greater protection to the men and women who put themselves at risk by taking part in United Nations operations to maintain international peace and security.

Recent events in East Timor clearly illustrate the significant dangers faced by persons engaged in United Nations operations. The legislation demonstrates the government’s determination to deter attacks on such persons and to do everything possible to bring offenders to justice. The bill assists the attainment of these ends by strengthening the ability of Australian authorities to take action against alleged offenders.

I am pleased that the bill has received bipartisan support. The convention, as the member for Sturt indicated, was signed by Australia under the former government, and the present government is taking the steps necessary for Australia to become a party. In addition, the

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REPRESENTATIVES MAIN COMMITTEE
governments of the states and territories support Australia becoming a party to it. I commend the bill to the Main Committee.

Question resolved in the affirmative.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr Kerr (Denison) (11.19 a.m.)—As we are awaiting the next speaker on the Criminal Code Amendment (United Nations and Associated Personnel) Bill 2000, I will ask the Attorney-General a question on the express requirement of the Attorney’s consent in relation to the institution of proceedings. I assume that this is done because there may be a multiplicity of jurisdictions with the possibility of putting someone on trial for an offence of this nature. I wonder whether that could be explained, because the ordinary course of action under most legislation is to put those decisions to the Director of Public Prosecutions and not to require such consent. Is there a specific reason for this provision? Perhaps the Attorney-General could clarify that matter for the record because, on the face of it, it is an unusual procedure.

Mr Williams (Tangney—Attorney-General) (11.20 a.m.)—The requirement of ministerial consent is not so unusual when there is an international element to the offences. That is the general reason why ministerial consent is required in this particular case. There is other legislation.

Mr Kerr—Oh yes, the child sex legislation.

Mr Williams—That was the example that I intended to mention specifically because of the honourable member’s interest in that legislation. It is not uncommon that, when there is an international component to the events surrounding a prosecution, there are issues of relevance that do not apply in the normal domestic situation and to which the Director of Public Prosecutions might not have regard in the ordinary course of events.

Ordered that the bill be reported to the House without amendment.

COMMITTEES

Employment, Education and Workplace Relations Committee

Report

Debate resumed from 31 August, on motion by Dr Nelson:

That the House take note of the report.

Mr Andrews (Menzies) (11.22 a.m.)—I am pleased to contribute to the debate on this important report, *Age counts: an inquiry into issues specific to mature-age workers*, which goes to the heart of crucial issues such as employment, retirement and the preservation of living standards that will take us well into this century. There is no doubt that age is a cause of discrimination. It is an issue both for young people without qualifications and for older people who have them, but it is the plight of older workers that I wish to address today.

Anyone over the age of 40 who has lost their job or is seeking another job will find that their age acts against them unless they are extremely well connected or have skills that are in great demand. We all have anecdotal evidence on this score—whether it be the plight of family members, neighbours or acquaintances. Mature age Australians—Australians aged over 40 years—are indeed a disadvantaged group. However, this point has not been given great credence, hence the need for this report.

I note the point made by the member for Dickson in her paper *The lost workforce* that the knee-jerk media response to this idea is to pooh-pooh it by saying that baby boomers have enjoyed the ‘good life’, including free university education and subsidised health coverage—the implication being that it is time to roll over and take to the banana lounge forever. This is
he implication being that it is time to roll over and take to the banana lounge forever. This is of course a stupid and irresponsible caricature of a whole generation. People of that same generation are often still supporting children, looking after their children’s children and/or caring for sick and elderly parents.

Mature age workers have been particularly vulnerable to being restructured out of the work force in the past two recessions, and have suffered disproportionately from corporate downsizing as companies have shed their middle management in what has since come to be seen—at least by some—as an enormous mistake. The growth in new technologies has also led to mature age workers being excluded from these areas because of lack of training.

Mature age workers make up around one-third of the work force. In 1978, almost three million workers in Australia were aged 45 years and over. Since 1970, there has been a steady decline in the work force participation of older workers, especially of men aged 55 and over. As against that, the participation of mature age women has risen from 46.8 per cent to 70.2 per cent in the period since 1970. This disparity reflects the growth in the casualisation of the work force and the relative increase of part-time jobs, the growth of the service industries and the decay of manufacturing, all of which have tended to promote female participation. According to Adriana Vandenheuvel of the Institute of Labour Studies, the plight of older workers has not been recognised as a problem, because much of it is hidden. Unemployment statistics underestimate actual employment for older workers. Although they prefer to be employed, they often give up their job search and drop out of the work force when they can find no work, or—as many constituents in my electorate who have come to see me about this issue have indicated—they are working now as consultants, in effect doing very little work at all.

A division having been called in the House of Representatives—

Sitting suspended from 11.26 a.m. to 11.38 a.m.

Mr ANDREWS—Prior to the division, I was noting the comments made by Adriana Vandenheuvel from the Institute of Labour Studies about the plight of older workers. I was about to say that discouraged male job seekers make up a considerably larger percentage of the population of older male workers—that is, aged 55 and over—than of younger males. The differences by age are even larger for women—one in 36 women aged 55 to 59 is a discouraged job seeker. Vandenheuvel calculates that 26,500 mature age men and 43,200 mature age women—a total of 69,700 mature age persons—were not looking for work only because they could not find any. She concludes:

While recorded unemployment rates suggest unemployment is not an issue for these older workers, the inclusion of discouraged job seekers indicates the very opposite.

The other point about unemployment for this older age cohort is that it tends to be long term. In the past decade, the duration of unemployment has increased, particularly for women. By 1998, both men and women aged 55 and over had an average unemployment duration of two years or more. The fact is that, if you become unemployed as an older worker, you are more likely to stay that way. The Australian Bureau of Statistics does not calculate the average length of unemployment for workers over 44 but only for those 55 and over.

What is important to recognise is that you are not merely highly likely to remain unemployed if you become unemployed at an older age but that the incidence of this happening is also high, with the data indicating that in 1998 nearly a quarter of a million—236,200—mature age Australians were involuntarily jobless. The paradox is that, while the proportion of Australians working longer hours—the overworked—is greater than ever before, the number of those who are underemployed because they are not able to get full-time work has increased more than threefold during the last three decades. Women are far more
likely to be underemployed, but men have fast been catching up. Ten years ago, twice as many women as men were underemployed; now the proportion is only about 350,000 women to 250,000 men.

On the other side of the coin, workers working 49 hours or more a week were overwhelmingly men. This group of overworkers, as a proportion of the work force, has risen from 21 per cent of full-timers in 1980 to 33 per cent in 1999. No less than 40 per cent of the male work force is overworking, by this definition. Working longer hours is, according to the National Centre for Social and Economic Modelling, related to an increase in the risk of disease, disability and premature death.

This is an extremely timely debate—or rather I should say that it is not before time. It is clear that we need a change in our culture of thinking, particularly in management, and for managers across the whole spectrum not to think in a vacuum. One of the insights in the report *Age counts* is that employers take their cue from society, and the belief is that youth matters and the social security system will take care of older people in the society.

The trouble is, of course, that we live in a youth culture and have done so since the 1950s. It is youth and beauty which are celebrated in the West. In the United States, this has been taken to extremes, and the can-do society spends much of its energy trying to look young—hence the growth of the cosmetic surgery industry which promises to nip and tuck us into perpetual youth. The unspoken but never far removed threat is that those over 40 are not valued. This has long been the case for women but is increasingly so for men as well.

The scary thing is that, as part of this youth culture and entirely against the trends in the ageing in the work force which mean that we should be valuing and keeping our older workers, the notion of older age and obsolescence has been steadily creeping down, so that in many fields 40 is considered to be at the limit of usefulness. In many areas where youth is prized, such as in advertising, it is said that if you have not got to where you wanted to go by 40, you will never get there, and that if you have already arrived, all you can hope for is to stay on a plateau—otherwise it is all downhill.

While the work force has changed in dramatic ways in the past 10 years, dinosaur ideas remain in management about what should be. Companies still have the old ‘all or nothing’ idea of work: if you cannot commit to your job way and above what you would do in a marriage, for instance, then you are not a team man and certainly not a company man. I use the word ‘man’ advisedly, because it is this sort of corporate thinking which drives women out in droves to begin their own companies so that they can find the flexibility they need for both work and family. Working at weekends and long hours during the week is considered an essential requirement of keeping many an executive job.

For the same reason, company lifers tend to be looking to employ people who can foreseably commit to a lifetime in the firm. This, of course, goes against all current trends, which suggest that jobs are not for life and that the most ambitious will opportunistically job hop to find better opportunities for promotion. Yet this concept that an employee must have a minimum of 20 years in them to devote to the company goes against the employment of older workers—that is, increasingly, anyone 40 and over.

What is valued is an idealised energy which employers identify in younger people. They seem to forget that energy without experience, including the important experience of life itself, is often counterproductive. There are other traditions, such as that of China, which actually hold experience extremely dear and venerate age as a repository of wisdom.

One of the things we need to remember is that this group is just as diverse as any and their needs and desires will be various. Some will want to go on working after retirement age just because they like to keep their minds active, others will only want bridge jobs after the age of 50 and others will want to forge new careers and/or retrain.
In the US, the idea of retirement is changing rapidly. There are now around 12 to 16 per cent of retirees working after retirement. A recent survey by the American Association of Retired Persons shows that 80 per cent of the baby boomers expect to work after their retirement. But according to gerontologist Scott Bass, from the University of Maryland, around half of these will be working because they have no choice. Lacking adequate pensions, he says, they will be the ‘have-nots’ of the ageing American population. The other half will be working because they want to. Despite the tight job market and the ageing of the work force, very few American companies are courting older workers. The Society for Human Resource Management in the US did a survey of employers which found that 65 per cent of companies do not actively recruit older workers to fill vacant positions and less than half—45 per cent—try to hang on to their older workers. Eighty-one per cent of companies offer no inducements or benefits designed to cater specifically for older workers.

Employers, both here and in the US, are not looking towards the future. This myopia, I suggest, goes against all the trends, for it is precisely on this ageing work force that we will need to draw to retain our current standards of living. Companies will have to find ways to induce workers to stay on after retirement age. Some are already doing this. Nineteen per cent of employers in the Society for Human Resource Management survey have set up a phased retirement program that enables workers to ease into retirement by easing their work schedule. This is a win-win outcome because it allows workers flexibility and increased financial support into retirement while giving employers the benefit of their knowledge and experience, reducing the considerable costs of hiring and retraining of a new employee. Flexibility is the key here. This is what older workers want. Older workers often have 80-year-old parents to look after, as well as their children’s children. For serial marrying men who marry younger women, many will still be putting kids through school in their 50s and even their 60s.

Ongoing education and training is important for keeping older workers. It is also being recognised overseas that older workers need to be valued for their experience. According to Kathleen Conroy, Vice-President of Client Relations at employeesavings.com, a provider of web based work/life programs, employers:

... are beginning to reach out to their retiree populations, bringing them back and creating mentoring relationships. They take a retired executive, for example, and match him up with one of the younger professionals, somebody who might be a rising star but who doesn’t have the same kind of executive experience and acumen and doesn’t know all of the boardroom politics.

This not only shows older workers that they are valued but gives continuity in organisations. One of the elements in work after retirement which I believe we shall see increasing is work from home. Telecommuting is particularly adapted to keeping older workers and allowing them to balance the needs of work and family. As the report under consideration, Age counts, shows, unless we can harness the experience of our older workers we will not continue to enjoy our present standards of living as society cannot pay for the burgeoning group of ageing or aged baby boomers and there will not be enough workers to go around. This is an important report and I commend it to the Main Committee.

Mr SAWFORD (Port Adelaide) (11.48 a.m.)—That was a good speech, Member for Menzies—I enjoyed that. It is generally agreed that capitalism began in the Netherlands some 400 years ago. It has always been challenged by those who are true small ‘l’ liberals, those who are progressives and those of the Left and the Centre Left. Some say that over the last 10 or 20 years it is no longer true, that capitalism now reigns unfettered and unchallenged. This has serious ramifications for unemployment. Some in the financial press define unemployment as a ‘check on inflation’—that is the change that has happened in the last 10 years. No more so is this true than for the mature age unemployed.
The member for Menzies mentioned what has happened since the 1950s. Let me tell you what has happened. Capitalisation has quadrupled, productivity has trebled and it is on its way to being quadrupled. Energy consumption has trebled and is on its way to being quadrupled and employment has grown by one-third. It is the last bit, Madam Deputy Speaker, that we do not do too well; employment has grown by only one-third in the last 50 years. It results in an inefficient economy, it blows out health costs, it blows out welfare costs and it blows out crime costs to such an extent we no longer tell the real truth about unemployment. In fact, we have not done so in this country or in any country in the OECD since about 1993. In fact, we do not know the whole truth about unemployment.

Consider the following, which I have stated over and over in this parliament without once ever being challenged. There are 700,000 people in this country who are full-time unemployed. Another 700,000 are under-employed. Another 700,000 are hidden unemployed and there are 70,000 advertised job vacancies. Tim Colebatch in the *Age* a few weeks ago reported that 22 per cent of working age Australians are on social security benefits. That is a big difference from the official six per cent unemployment. Maybe that is why I can state that 700,000 Australians are under-employed and another 700,000 are hidden unemployed and no-one seriously challenges me. The simple truth is that I do not know how many there are. But the more important and worrying point is that neither does anyone else. That is the nub of the problem. Accurate, comparative data and longitudinal study references are not available in this country to identify the whole problem of unemployment. If you cannot identify the problem, there is no way anyone will come up with a set of appropriate solutions.

This report *Age counts* indicates that the mature age unemployed are not easily identified. Evidence given to the committee strongly suggested that concentrating on the recorded unemployment rates overlooked much of mature age difficulties in the labour market because of the propensity of so many mature age unemployed not to be counted. However, what picture can be claimed about mature age unemployment is not encouraging. Consider the following: they comprise a high share of discouraged workers—63 per cent in 1998. Certainly company profits are up by 30 per cent, but at a huge cost to unemployment. There are also the underemployed. In January 2000, 40 per cent of men aged 45 to 55 wanted to work more hours. What a waste of expertise and experience. Two-thirds have low literacy levels. They have been abandoned by the very people they gave loyalty and work. Just over 40 per cent live outside the state capitals. Rural Australians who are mature age unemployed have simply been abandoned. National Party members ignore this at their peril but that is what they need to consider. Other than the top percentage of rural children, they are also abandoned as far as educational opportunity is concerned. They get a double whammy.

Long-term unemployment is greatest among the 45- to 54-year-old age group. The average duration of unemployment is nearly 150 weeks and increasing—almost three years of wasted opportunities to contribute to an efficient economy. All this is highly accentuated and extremely difficult for indigenous Australians, those from non-English speaking backgrounds and those in certain non-metropolitan areas. Unemployment mid life has a severe effect on people’s lives, affecting not only the unemployed person but also family members and the wider community. “Unemployment,” as the member for Menzies said, ‘makes people sick,’ and it adds huge costs to the nation’s health bill. It is even worse than sickness; it kills people. It breaks up relationships. It destroys assets and it induces negative mindsets in the children of the families. Unemployment contributes significantly to the growing alienation, anger and resentment in this country. The well-heeled may try to closet themselves in what they think are secure households in secure suburbs, but if they do not participate in sharing the wealth in this country then some people may simply take it upon themselves to take it away from them. That would be a disaster.
This report offers a range of solutions and possible directions to address the mature age unemployed. The best solution is not a solution at all—it is the deliberate long-term gathering of data through longitudinal studies. I repeat, if you cannot identify the problem of unemployment, and we cannot in this country, there is no way you can solve the problem even with the best will in the world. The most agreed solution is early intervention. I am pretty pleased about that term because I introduced that into the parliament in my maiden speech in 1988, when the previous reference was October 1975—a Whitlam minister, whose name I have unfortunately forgotten. The term was not even on the agenda in 1988.

Employment assistance is best prior to retrenchment with peer group support and with self-esteem still intact. An urgent solution is a public education campaign to address age discrimination, which is rife in this country and a disgraceful commentary on all of us. If civilised countries are defined as those who care for their young and their old, we are suddenly getting to a stage where we do not care about our young and we are caring even less about our aged. There is a pie-in-the-sky solution in this report: it is called a voluntary code of conduct among employers when considering retrenchments. Although we had no disagreement with the intention of a code of conduct, Labor members on the committee had no faith at all in it being voluntary. If those valued sentiments—and they are valued—are to be taken seriously, then legislation is the only way.

The most ignored solution is the deliberate engineering of employment dividends from government intervention—and aren’t we running away from this at a rate of knots? For example, for every $1 billion we spend on roads in this country you get about 10,000 to 12,000 permanent jobs. If you made the same investment in rail, you would double the employment—20,000 jobs. In this country, we never seem to work on maximising employment dividends. You never hear the term ‘employment dividend’ out of a limited amount of money that governments have in terms of vesting in the nation. It never seems to be considered. Perhaps it is time it was.

The most unimaginative solution in this report is the complete rejection of wage subsidies. It is true that 57 per cent of employers responded negatively to subsidies. It also means that 43 per cent were not negative. Why not ask different questions? Why not have wage subsidies to reduce overtime? There are 20 million hours of overtime in this country. That is the equivalent of 500,000 40-hour a week jobs. It is too simplistic to say that it equates, but if there are not 100,000 jobs there, I’ll go he. Why not wage subsidies to pay the on-costs for job creation? Why not some lateral thinking to create something new?

The most ridiculed solution is the proper examination of working time reorganisation. With underemployment now at twice the rate of 1980, and 33 per cent of the workforce now working very long hours, no employment debate will be complete if working time reorganisation is not seriously considered. The against the odds solution is setting up a small business. A lot of people risk their redundancy and retrenchment money in trying to set up a new business. They ought to be reminded that the success rate is as low as three per cent, and many people lose all their assets in ill-defined, ill-prepared launches into small business. The great cop-out solution in this report is the complaint about the immobility of labour. This is an affront to people not in the major states but to those in rural Australia—no comments are made about the immobility of capital.

As far as employment is concerned, orthodox and radical economics, both narrow in outlook, have failed miserably in the last 20 years. Perhaps the time for a balanced broad economics is due: the economics that has a bit of commonsense, a bit of street wisdom, a bit of non-Treasury, a bit of philosophy, a bit of process—not just pure outcome driven without any rationale whatsoever.
Governments may well continue macroeconomic management to maintain inflation and a budget in surplus and structured policy reforms aimed at producing a more flexible economy through workplace relations reforms and so on, but it comes to considerably less than desired. As the economy improves—and we are told that it is all improving—there is only very limited job creation. That limited job creation continues, and we exclude more and more people in this country from employment opportunities. We say to people, ‘Yeah, you can work five days a week for me, but we’re only going to give you 15 hours.’ So the whole week is wrecked for that person, while he is on call. Some days, he does not even know whether he is going to work. He waits for a phone call. That is the modern working condition.

The mature age unemployed are only one sector, and they are all too hidden in the increasingly intractable problem of unemployment. Let me quote from a section of the Age counts report of which I know every word in very familiar terms, because I wrote it:

Economic growth alone will not solve the problem of unemployment. Many Australians today are working longer hours than at any time during the past 20 years. One witness, Mr Michael Bittman, from the Social Policy Research Centre at the University of New South Wales, told the Committee that the increase in hours worked occurs at weekends and outside of the traditional nine to five day. Much of the additional time is ‘unpaid’ although there may be recognition of time in lieu or flexitime as an alternative. These longer working hours also coincide with a trend towards more people working fewer hours than they would like to work.

So we have got one group of people working more hours than they want to work and another group of people working fewer hours than they want to work. Ah, the strangeness of economists in a modern economy! The section of the report continues:

Using these statistics, some people have argued that by reducing this ‘excess’ it may be possible to create more jobs, especially as the long hours of work coincide with an increase in unemployment. Long hours of work are also associated with downsizing.

Downsizing—that is an interesting concept, isn’t it? There is a modern hero called the CEO of corporate Australia—Ziggy, David and all the rest of them—and we pay them millions of dollars in salary, stock options and personal favours in terms of what they do. And what do they do? They sack people—not in hundreds but in tens of thousands. And we call them heroes.

Patricia Hewitt, who was then the Deputy Director of the Institute of Public Policy Research in London, gave a very widely commentated paper at the European Jobs Summit in October 1993. The following quote from that speech is very important in the Australian context. She understands, too, that just by reorganising working time, you are not going to solve the problem of unemployment, but it is part of the way there. She stated:

No analysis of unemployment and employment will be adequate unless it takes account of the rapid changes in the structures of working time and working lifetime; and no employment debate will be complete if it omits working time reorganisation.

The critics in the financial press say that this suffers from a ‘lump of output fallacy’. But that itself is fallacious because of the productivity gains throughout the 20th century. Between 1881 and 1981, the lifetime hours worked by British men fell by nearly half, from 154,000 over 56 years to 88,000 over 48 years. While much of this change arose because technological developments made production lines more efficient, some of the reduction can be accounted for by changed working conditions such as eight-hour days and 36-hour weeks. We need to do more, and we need to put it on the agenda. (Time expired)

Ms BURKE (Chisholm) (12.03 p.m.)—I rise today to welcome the report titled Age counts: an inquiry into issues specific to mature-age workers, which has been produced under the auspices of the Standing Committee on Employment, Education and Workplace Relations. I
add that it is a fine example of the bipartisan work that is done within this parliament and which is often ignored and overlooked.

I would like to make a few general comments about mature age unemployment before turning to some of the specific recommendations in the report. Like most members of this House, I have heard so many heart-rending stories from mature age constituents about their battles to find a job. I refer to men who have worked in middle management and have been made redundant, unable to find work ever again; women who have taken years out of the work force to raise children and find their skills out of date and no-one willing to rehire or train them; 50-year-olds who are told they are simply too old and that they should ‘forget about paid work, take up a hobby, or what about volunteering?’

The rapid changes to the world economy have left many people behind. As jobs in the manufacturing and primary industries have either been moved offshore or made redundant by technology, outsourcing, downsizing—those lovely words—the new economy has not provided the transitional jobs to accommodate these dislocated workers.

In my previous life at the Finance Sector Union I saw hundreds of thousands of these individuals, people who started out at banks at 15 and who were suddenly washed up at 45 when the world had moved on. However, these people at 45 had children at school, mortgages and responsibilities, but were being told that they were too old, they were out-of-date, their skills were no longer needed. Many of these people I know are still looking for work, or at best have got part-time jobs, or are doing the wonderful Jim’s Mowing. Numbers of these individuals came to me and said, ‘We’re getting a decent redundancy and so I’m off to buy a cheesecake shop franchise.’ I am not sure if anybody else has noted the plethora of cheesecake franchises, but they are out there. They are the result of redundancy packages. Some of these businesses work, but sadly the majority do not because these people actually do not have business skills. They had great skills in the industries they were working in, but suddenly those jobs are no longer there.

The demographic trend in Australia means this issue will exacerbate rather than ease the problem of mature age unemployment. The percentage of the population aged between 45 to 65 will rise until 2011 and then taper off. As the baby boomer generation moves into this age group there will be an even greater need to look at strategies to assist mature age people to find work. This report goes some way towards tackling the complex issues that face mature age people seeking meaningful work. I would like to look first at recommendation 1 which reads:

The Committee recommends that the Government develop, in consultation with the States/Territories, a sustained national strategy and campaign targeting employers, to promote the benefits of maturity and age-balance in the workforce.

I think this is an excellent idea. I understand there are a varying number of worthwhile awareness programs operating in the various states, but I think a national approach is warranted with such a huge social and economic issue. I know the committee took evidence from a range of people who work with the long-term unemployed and some mature age unemployed people themselves. I have no doubt many of them had harrowing tales to tell of employer prejudice towards mature age workers.

I have certainly been amazed how short-sighted many employers are when they are recruiting new staff. There appears to be a real reluctance to hire anyone who is not considered to be young. There appears to be a mindset which says unless a person is young in terms of their age then they are not able to learn new skills or adapt to new technology. This has actually been proved untrue as the greatest take-up rate of the Internet is by people over
the age of 60, and they are actually the ones who are out there knocking down the doors of institutions to do courses on this new technology.

Some employers even hint that a mature age employee’s family responsibilities may make them less reliable. Again, this has been proved untrue; over a lifecycle, particularly for females, a female who has family responsibility is more likely to be responsible about turning up and being at work than younger people. These attitudes may fly in the face of both empirical and anecdotal evidence.

There is plenty of evidence that mature age workers actually stay with the one employer for longer periods of time than younger workers. Page 123 of the report says:

Research has shown the benefits of having an age-mixed workforce. In times of rapid change, mature-age workers can sustain core skills, inject experience and preserve important corporate memory. The loss of corporate memory out there is something we are going to rue into the future, and it is something nobody is thinking about.

I certainly know, again from my experience in the finance sector, that call centres—the big boon of the new age—took on an approach of hiring young people with technology or commerce degrees. However, the turnover rate for these young people was 100 per cent, they turned over daily, and suddenly these companies, these call centres and banks said, ‘Obviously employing the young isn’t working.’ So they went out and hired mums, mums in the suburbs, because they were prepared to take those hours, they were prepared to be there and they were prepared to stay. They were the ideal work force but it took them a long time to work this out.

I also agree with the committee’s view that publicising such success stories of mature age workers could help lift some of the barriers mature age people face when trying to obtain work. It seems to me that the pendulum has swung too far the other way in relation to age discrimination. It is almost as if our collective attempts to promote the value of young people have left many older people on the scrap heap. What we need to do is promote the virtues of all Australians both because of their age and because, in some cases, it dispels ageist myths.

In the same way the International Year of the Older Person celebrated the lives and enthusiasm and strengths of people over 65, we need to ensure we also celebrate the strengths and skills of younger people, people caught in the in-between generations. Mature age workers bring not only work experience to a new job but also the value of good old-fashioned life experience, which should never be discounted. A quick flick through the Parliamentary Handbook shows that 100 of the 148 members of the House of Representatives are aged 45 and over. I do not say this to demean in any way those 100 members but rather to emphasise that if the national parliament of this country can elect 100 members in the mature age bracket with all their collective skills, wisdom and experience, then why is it not good enough for so many Australian employers? If a person at age 45 or 55 can be entrusted with the confidence of 80,000-plus voters of his or her peers to represent their interests in the national parliament, why are so many employers so opposed to giving mature age workers a chance? We are happy to elect them; we are not happy to employ them.

One of the more legitimate reasons people will often proffer as to why they will not look at employing a mature age person is their lack of modern skills. Yet this is not the case with Mary Archibald, a constituent of mine who suddenly found herself on the scrap heap after the Kennett government closed down our local hospital in Burwood. Mary was the CEO and nursing director. I would like to read from her own words and experience subsequent to losing that job. She said:

I came to understand that my job search strategy was filled with paradox, full of traps for the uninitiated! Keep yourself in circulation we are advised ... Network ... Apply for jobs ... Target your employer ... Scope and carefully word your resume. Don’t limit yourself. Sell yourself!

I
The energy! 72 job applications later my patience was wearing thin. Potential employers are full of powerful demands. Do you have ... ‘Daring, Vision, Innovation, Creativity?’ ... ‘Professional and commercial excellence.’ Are you ‘strong, proactive and positive’... ‘a change agent’ ... ‘multi-skilled, flexible, adaptive,’ I was all of these and more. So I applied. The inconceivable happened. Out of this realm of possibilities I was called for interview on one occasion only. Rejected sight unseen, I sought answers. Was my resume too long? My letter of application targeted inappropriately? Did I match the selection criteria? My quest for answers met with a mixed response. Some feedback was too generic to be helpful, others encouraged me to try again the next time and worst of all sins—no response to my calls or letters of application. Why was this high achiever not called?

Others advised in more cryptic terms that I was just ‘too old’. My protest in the corridors of power met with the suggestion that I should retire. Yet another, that I consider doing voluntary work. The reaction of my colleagues was deafening in its silence ...

I learned an important lesson. I was being treated with apparent light heartedness and indifference.

Mary is a mature age person but she is also a phenomenal individual who is highly skilled. She has an MBA and has been awarded the Australia Day Honour Public Service Medal, the Australian Hospital Association Merit Award, the Baxter Health Care Award of Excellence, the Winston Churchill Fellowship Award and the 19th Centaur War Nurses Memorial Scholarship. She has also undertaken the director’s course to ensure that she could go on to boards of directors and has paid out of her own pocket to be qualified as a TAFE teacher. This extraordinary individual is out there still unemployed two years later and not even able to get an interview. Why? Because of her age predominantly. This is just unfair. In Mary’s own words:

I don’t want to sit at home. I have so much to offer and financially I cannot afford to.

This is something people overlook when they say, ‘Retire or take voluntary work.’ A lot of these people are not financially able to retire. Workers must be willing to undertake training and retraining through their working lives: this proposition of course presumes that there are training programs available. Unfortunately there are few accredited training courses for mature age workers and virtually no apprenticeships. I applaud recommendations 5 to 10 that deal with training programs and apprenticeships.

The report also looks at some of the failings of the government’s Job Network in assisting mature age people back into the work force. What is needed is a return to vocational training and an understanding that mature age workers have special needs. The government could do worse than look at some of the practical and successful programs under Working Nation that re-equipped many displaced workers. A salient point made in the report is that subsidised programs now to help mature age job seekers will save the taxpayer money and unemployment benefits in the long run. Moreover, it will also save expense on medical costs incurred due to the emotional and psychological scars that affect the long-term unemployed.

The recommendations that deal with ensuring mature age workers build their computer skills are vital with the rapid growth of the information economy. Some mature age people are very quick to adapt to these demands but others require the confidence that comes with sheer practice on computers. Any program which links people to the digital age should be commended.

The next issue examined by the committee that I would like to touch upon is the concern surrounding drawing down of superannuation. It is a source of constant frustration from mature age people that they have to use their superannuation benefits after claiming unemployment benefits for 39 weeks. The whole purpose of superannuation was to ensure a level of national savings and to encourage people to provide for their retirement instead of relying on the public purse. If a person does not find full-time work again, they will never be able to make up even a small amount of this super they have had to sacrifice. It really is a
false economy, as it will only increase the amount of people who will have to claim the pension in the future. People lose not only their superannuation but also the interest that would have been accumulated during that time.

I am very pleased that the committee has recommended that the government reconsider its decision to include superannuation assets in eligibility assessments for Newstart payment for people over 55 who have received benefits for at least 39 weeks. The report also makes sensible recommendations on assessing superannuation for mortgage repayments. Meeting loan repayments is often one of the most difficult financial problems a family struck by unemployment has to face. I would like to add that rent income should also have been added into this, because that is also a problem in that not everybody owns their own home or has a mortgage. To try to meet those costs is one of the difficulties people face at this time.

This report offers the prospect of some positive change for mature age job seekers but, as with all things, it must be backed up by commitment to the labour market programs that are so desperately needed. There are many problems with the administration of Job Network, including the fact that mature age workers get very little case management. But we must seek to build upon what is already there and find programs that lead to the sorts of skills that employers are looking for. Reducing the unemployment rate must always be a goal for all good governments—that is, reducing it in reality and not just in number terms by moving people off the books.

The economic costs and threats to our collective financial security that sustained unemployment brings cannot be understated. However, we must never forget the social costs. Long-term unemployment is truly a soul destroying experience for anyone, whether they are young or not so young. It is my hope that this report can lead to reform which will break down some of the barriers mature age people face when they find themselves at age 45-plus—not that old really, even for someone like me to say—and out of work.

Mr MOSSFIELD (Greenway) (12.17 p.m.)—I would like to congratulate the member for Chisholm on her excellent speech. It certainly touched on many points relating to mature age unemployment that we all recognise as being important.

Mr Neville—A very good speech.

Mr MOSSFIELD—I agree. The point needs to be made that all Australians should be entitled to employment from the time they leave school until they themselves decide that they are in a financial position to retire. I imagine that it would be extremely distressing for family breadwinners to be forced out of the employment market when they still have children to support and mortgages to repay.

The danger signs are when a particular age group is blocked out of the work force because of some artificially imposed age limit. These industries then become 'no go' areas for people in that age group, irrespective of their skills and experience. From the terms of the report, it would appear as though that age is around 45. This is, in itself, very serious when you consider that people in that age group still have some 20 years to go before they reach recognised retirement age. They still have a lot to contribute to society, and they probably have a lot of financial commitments. If I look at my personal situation and at what I have achieved over the last 20 years, it certainly would be a loss to me if I were in the position of having to retire at that particular age. The member for Chisholm made the point that the people of Australia are prepared to elect mature age people into parliament. But sometimes mature age people do have difficulty getting preselection and sometimes age discrimination is used against you within the political processes.

Mr Snowdon—in my case, a lack of hair!
Mr MOSSFIELD—That might be my problem too; I didn’t think about that. At least in my case I was able to appeal to a higher authority. Thank God for rank and file preselections!

We are looking at the age group over 45. But John Hewson wrote in the *Financial Review* last Friday that age could be an issue for those as young as 35. He said:

I have read that in some cases, job applications have been sorted into two piles, under and over 35 years of age, and the latter discarded in the bin.

Society in general has been caught by surprise on this issue of mature age unemployment. I can speak from my own position as a trade union official in the metal industry when jobs started to disappear in the late seventies and early eighties when unemployment in some parts of Western Sydney—as you would appreciate, Madam Deputy Speaker—reached 18 per cent. We prided ourselves on the redundancy schemes we negotiated for our members. We were able to get one, two or three weeks pay for each year of service—with a special loading for retrenched workers over 45 years of age. So we were encouraging older workers to be retrenched, unfortunately. Little did we realise that some of these workers that we were negotiating these redundancy schemes for would never work full time again. Of course, it is not only in the metal industry. As the previous speaker would be well aware, the banking industry and the financial sector industry have also been hit very hard, and retrenchments continue even today.

While employment security is desirable, many workers were lulled into a false sense of security by being employed in what we all thought were safe jobs. Workers now know there is no such thing as a secure job and that they must be prepared to plan ahead. They need to be aware of not overcommitting themselves financially. They need to continue to update their skills. And they need to be aware of the telltale signs of downsizing and, if possible, move ahead of the axe. Again, I quote from the John Hewson article:

These days, kids think nothing of hopping from one job to another—even after a few months. Indeed, it can be a positive disadvantage if you have stayed in one position for more than a couple of years.

It has also been said that you must maximise your opportunities, because your “use-by-date” may come much earlier than you expect.

In a convoluted sort of way, the insecure environment that a lot of our young workers now enter into on leaving school probably conditions them better to handle employment changes later in life. I suggest that how to handle employment fluctuations should be part of apprenticeship and job entry training. Unfortunately, this is not much good for the mature age workers who now find themselves unemployed.

The committee has drawn attention in its report to retrenched mature age people being forced to draw on their superannuation before becoming entitled to receive income support. It is significant that the previous speaker mentioned this as being a very important factor, and I mention it too. As the report indicates—and I congratulate the people on the committee for homing in on this particular issue—the effect of having to access their superannuation payments means the reduction of their retirement savings as well as the future opportunities to add to those savings. The current government has added to this problem and, I suggest, it created the problem during its first term of office when slash and burn was the order of the day. I intend here to make this government accountable for some of its past sins in this area.

The drawing down, as the report calls it—an interesting concept, ‘drawing down’ something that you yourself own before you really want to use it—came about as a result of legislation passed in the last parliament, the Social Security Legislation Amendment (Further Budget and Other Measures) Bill 1996. That bill included superannuation entitlements for the purposes of the social security income and assets test where the person with such entitlements is over 55 years of age, has not reached pension age and has been in receipt of social security
benefits for 39 weeks since turning 55. Speaking on the bill in the early hours of the morning of 13 December 1996, I made the following points:

Working people who have planned through their working lives for a secure retirement will feel cheated by this coalition government’s decision to force them to access their superannuation payments prior to reaching retirement age. People who started work, say, 40 years ago had an expectation that, barring ill health, they would be able to work through until they had reached retirement age. For many workers, this dream has not come true due, as the member for Jagajaga said, to the culture of industrial downsizing. Many people have been forced out of the work force long before they have been in the financial position to be. Many people in this age group want to continue to work; however, due to employment conditions, illness and disability, they are unable to do so. Rather than preserving their superannuation entitlements until they have reached 65 years of age, they will be required to draw on this money to replace lost income.

This applies to workers who are 55 years of age or over. Fifty-five seems to be the age that a lot of employers think it is a good idea to ease older workers out of the work force. However, many people in this particular age group still have financial commitments, children at school, mortgages and various other forms of debt arising from supporting a family.

That highlights the economic problems that people would have if they were forced to retire early and draw on their superannuation. The committee, to its credit, has addressed this issue in recommendation 28. I congratulate the committee for that.

To move on to another area that I believe is causing difficulty in this field of mature age unemployment: in the deregulated industrial relations environment that has been forced upon us by the current government there exists an unequal sharing of work. In some cases, workers who are retrenched are brought back on a contract basis to continue doing the same work but in a less secure environment. In other industries, overtime continues to be worked even after retrenchments have taken place. For many employees, the last 10 years have seen a dramatic increase in working hours. The Australian Bureau of Statistics reports that the percentage of people working a normal 35 to 40 hours per week declined to under 50 per cent between 1978 and 1998. In the same period, the percentage of people regularly working over 49 hours per week increased from 20 per cent to around 35 per cent. This has occurred at a time when we have seen an unprecedented increase in part-time employment. Some 25 to 30 per cent of those employed today are part time, compared with fewer than 10 per cent in the 1960s. The number of people working non-standard work schedules is also rising.

Allied with this move away from standard work schedules is the length of time typically worked by shift workers, which has increased from eight hours per shift to 12 hours per shift. The ACTU, in its submission to the Senate committee on the Workplace Relations Legislation Amendment (More Jobs, Better Pay) Bill 1999, referred to an ACIRRT report which found that only one-third of employees now work a ‘standard’ working week of 35 to 40 hours, while others work in multiple jobs, are part time wanting more hours, are unemployed or are working unpaid overtime. The report concludes:

First, we see that the distribution of working hours in Australia appears inequitable and that available work is not being shared evenly or fairly. Some Australians are working excessive hours while others are not working at all and others are under-employed.

Another comment on the trend towards longer working hours is made in a study by Dr Ernest Healy, of the Centre for Population and Urban Research, at Monash University. He writes:

Many older men, knowing full well the plight of others similar to themselves, may feel that they have no choice but to ensure employer demands for very long hours of work.

In a speech in this place in September I had reason to refer to the fact that people who are in employment are working increased hours. I said:

Nearly 80 per cent of enterprise agreements deal with changing the times people work. The arrangement covering the number of hours worked each week increases the span of ordinary hours each day or each
week, so what was previously paid as overtime is now paid at ordinary time. Enterprise agreements have given management greater control over how hours are worked. This has resulted in the working week becoming long for many full-time workers.

I am pleased that this issue too has been addressed in the report. I congratulate the people that drew up the report for that enlightened contribution.

The report also gives me the opportunity to comment on some community disquiet regarding how unemployment figures are arrived at. It is suggested that the ABS figures hide the true level of unemployment. According to the ABS, a person who has worked for one hour or more in the reference week is counted as being employed. This includes a person who has worked for one hour or more without pay in a family business or on a family farm. What sort of economic or job satisfaction would a worker get from working a few hours each week?

Likewise, most of the job growth is part time. I refer to a newspaper article that highlights this point. In the Tuggeranong Chronicle—my local newspaper when I live in Canberra—Don Allan wrote:

In my view, the constant claim by government that economic growth is the sole reason for the low unemployment rate is a myth. In a recent effort to bolster its claim, the government said that 75,000 new jobs were “created” in July. Unfortunately the claim did not mention that 60,000 of these jobs were part time and low paid, that they provided no security or work satisfaction and that often the work conditions were poor.

Nor did it mention that most of these jobs were only in and around Sydney, that they were created because of pre-Olympic demand and once the Olympics were over the jobs would vanish like early morning mist on a summer’s day.

I believe many people have concerns similar to the views expressed by that journalist. I am pleased to have this opportunity to speak on this excellent report and I congratulate the committee on its work. I certainly hope that this government will implement some of its recommendations.

Mr Martin Ferguson (Batman) (12.32 p.m.)—I am pleased to speak to this report, which is about the active participation of mature age Australians in our economy and our society. I believe that issue should be at the centre of what we think about as a community but, unfortunately, it has been largely neglected by policy makers and politicians for far too long. Many of the people whom we are trying to help in this report feel that they lack a voice in the political process. Often having lower levels of initial education and not finding it easy to speak out about the troubles they have making ends meet, too many older Australians have been left behind and, more often than not, forgotten.

I commend the work of the Standing Committee on Employment, Education and Workplace Relations that produced this report. The committee is chaired by the honourable member for Bradfield, and the honourable member for Port Adelaide is the deputy chairman. I wish to make a few observations about some of the recommendations advanced by the committee. The committee recommended that a national strategy be developed to promote the benefits of maturity and age balance in the work force. The Labor Party has pushed for this for a long time. The member for Dickson and shadow minister for employment and training compiled an initial report recommending this course of action two years ago. I am also pleased to say that I promoted this proposal during my time as shadow minister for employment and training, and the member for Dickson reminds the government of it on a regular basis.

It was further recommended that a code of conduct of best practice principles be applied to dealing with retrenchments. The question that stands out is: why is this not in place? Why are there no such guides for employers, employees, their agencies and for their families when
dealing with this issue? One of the problems we have faced for some time when dealing with structural change is that we have not been sensitive enough as a community to the costs involved in the process of change and the supports that people require through these transitions. This is about not just workers but their families and communities. It is also about how we work with employers and the agencies that people rely on when they are retrenched.

This was always a key concern of Labor governments and, for that reason, we put in place Working Nation and other labour market programs and a number of adjustment mechanisms. If the relevant Howard government ministers had the will, they would have developed a strategy similar to that which the former parliamentary secretary the member for the Northern Territory was intimately involved in putting in place during the last years of the previous Labor government.

I note that the report recommended that the requirement for employers to notify Centrelink in advance of the retrenchment of 15 or more staff be made more widely known. This is another thing that simply needs to happen. It is a must. It is another matter that is not difficult but just needs pushing from a government that seems unprepared to show any initiative.

It was recommended that a universal, professional careers guidance service be made available to young people at school and all job seekers on benefits. This proposal highlights one of the major deficiencies in the way the Howard government communicates with people at a local level. I suggest to the Main Committee that people need information; they need guidance on some things. What we need is a coordinated approach to skills development, and to disseminating information to younger and older people alike. Only Labor is committed to meeting that challenge, and our Workforce 2010 report, which was released by the member for Dickson some months ago, along with the Leader of the Opposition, puts much of this on the agenda. We are committed to meeting that challenge, and it is integral to the report.

The report on the mature aged then recommended that training courses designed specifically for mature age clients be developed. This is a proposal that needs serious consideration, and an institutional structure that can actually deliver it. I stress, in relation to this, the importance of work based training for mature age Australians. One of the clear lessons from training over the past decade has been the need for training to be made relevant to people; otherwise they will not embrace it, because they cannot see an end benefit from it. For individuals, that means making the training culturally accessible, and for companies it means making it relevant to the workplace and to local communities.

The report recommended that we trial a training credit scheme, linked to a definite job offer, for long-term unemployed mature age people. I am pleased to say that Labor has committed itself to promoting training opportunities for people in work, as there is limited incentive for employers to train their own work force, particularly those with a low skills base. This proposal picks up a novel approach to encourage employers to take on the long-term unemployed. It is an approach that says, in essence, ‘Give the person the job and we’ll underwrite it with the costs of training.’

This concept has been applied internationally in a number of contexts. Some European countries, for example, use an offer of a guaranteed skilled work force to attract new businesses. That would be a novel idea for regional Australia. In the United Kingdom, employers have an offer of the government covering the costs of in-work training if the employer offers the work component. That applies to very disadvantaged early school leavers. I welcome consideration of this concept in relation to the mature age unemployed and urge the government to consider the range of possibilities in the area.

The report also recommended that we develop a national computer literacy and training program for mature age people. As we all know, computing skills will be a critical determinant of whether people get the jobs not just of the future but the jobs emerging today.
Computing skills need to be considered as foundation skills. They need to be thought of in the same way as we think of traditional literacy and numeracy—as essential tools for both functioning in society and taking advantage of new opportunities.

My travels around regional Australia have brought home to me just how difficult it is for mature age Australians to commit to learning new computing skills. I wonder how many members of parliament—people who hold senior positions in society—have a solid foundation in computing skills. If that is the case for many of us, think how hard it is for someone who is long-term unemployed, who is coming off a low education base and does not have the opportunity to access the computing technology and assistance in learning that are available to us as members of parliament.

I suggest that it is possible. There are examples of communities that are making this work. The key point is that the environment in which learning takes place, and the people involved in training, must be trusted, and well supported and resourced. We must make it easy for people if they are to develop the confidence to take on the challenge of learning computer skills.

It was also recommended that training components funded under Job Network be given vocational training recognition according to endorsed national competency standards. There is a need to get our accreditation aspects of Job Network training right. The truth is that, at the moment, as the member for Dickson and shadow minister for employment and training knows, Job Network training is not working for people trying to get into new industries, particularly in small and micro businesses. Our training framework is simply not integrated with the operation of the Job Network. That has been the case from the very beginning, and the government has done nothing to improve the situation, despite feedback not only from the training community but, importantly, from the unemployed themselves, many of whom are of a mature age.

It was then recommended that a wage subsidy apply to mature age people undertaking apprenticeships or training. The Labor Party proposed this some years ago. During the course of the inquiry, officials of both Treasury and the Department of Family and Community Services noted that, when you have a demand side problem, wage subsidies are an effective response. That is what Labor has been saying since 1996 when the government abolished Jobstart, the most successful labour market program we have had this decade, and we will continue to argue it. Training wage opportunities and subsidies are about getting a foot in the door while attending to the long-term needs through structured training. This is a practical example of a partnership approach between the worker, the employer and the government, all facing up to their obligations to assist, develop and put in place a sense of community, especially for the most disadvantaged around Australia, many of whom are of mature age—the very issue discussed in this report.

I would argue that those subsidies are an investment and to the long-term benefit of the community. They are cost-effective and represent a good return on investment from the taxpayers’ point of view. It is an approach that Labor pioneered in government and one that was slashed, unfortunately, by the Howard government in slash and burn budgets commencing in 1996. The government reconsidered training wage subsidies in developing its indigenous employment strategy, a strategy that we complimented despite the huge cuts initially made to the indigenous employment strategy.

I urge the government to pick up from the mistakes it learnt with respect to its early approach to indigenous employment and training and to consider such subsidies for other groups in the community who are disadvantaged in the labour market. Many are youthful or mature age. It is about trying to ensure that the success we have seen from applying these
subsidies to indigenous people under this government—which builds on our success when the Labor Party was in government, and, more importantly, the success of training and subsidies we had in the broader community—now be extended to mainstream employment and training opportunities for all Australians, irrespective of one’s background or where one lives.

*Mr Snowdon*—Hear, hear!

*Mr MARTIN FERGUSON*—As the member for the Northern Territory also noted to me, there are a number of recommendations that make it clear that our social security system is not yet flexible enough to deal with the flexibility of our labour market. I suppose this is the crux of the debate about the welfare to work responsibilities of governments of all political persuasions. What this system currently cannot handle, because it is not designed to do so, is the transitory nature of many of our activities. Employment, education, training and caring are increasingly part-time functions. That is reflected in the change in the structure of employment in Australia and the lift in the participation rate over the last 10 to 15 years.

Our social security system, our employment programs and our training system still do not reflect the reality of the world of work in Australia in the 21st century. Increasingly, it is now a debate about how we combine work, study, family and leisure at different stages of our life. People will not embrace this idea unless our social security system, skilling and employment systems, firstly, recognise it and, secondly, accommodate it. While this issue was raised in the recent welfare review, it has not been considered across the board. The report, therefore, recommends that the taper rate for benefits for long-term unemployed mature age people be reduced to encourage them to take up part-time work to get them back into the work force and then enable them to choose what is the best path for them in the future.

This is the equivalent of what Labor economists refer to as an earned income disregard. In effect, it is a form of an in-work benefit and is designed to reward work over welfare. This is something Labor has consistently been promoting. The Treasurer told us alternatively a year ago that so-called tax reform would solve the problems of work disincentives, but it has not done so, and I think we all know that.

The report recommends looking at whether transport difficulties are disadvantaging job seekers, and suggests trialling a transport reimbursement scheme for job seekers experiencing these difficulties. Mr Deputy Speaker, as you and I know—coming from the northern suburbs of Melbourne—mobility can be a major problem and a barrier to employment. There is no provision under the Job Network contracts that recognises lack of mobility as an additional barrier. This is something that is costing people jobs, but something that the Howard government, unfortunately, continues to ignore. I suggest that it is something that is not hard to fix. In fact, some of the better Job Network providers who are more concerned with the needs of the unemployed than the profit line are doing something by trying to access employment opportunities and overcoming transport barriers for the unemployed. Unfortunately, many job seekers are still left in the lurch because the Job Network does not make such an approach mandatory.

It is also recommended that unemployed people of 45 or over with appropriate skills and aptitude be trained as mentors and supervisors. We must think creatively about the positive contributions older Australians can make in our communities. I commend this proposal and urge members to think laterally about the opportunities here.

I would also like to note the need for reform that creates a bridge between work, particularly part-time work, and retirement. Other countries use part-time work as a bridge to retirement, and Australia’s record in this regard is abysmal. At present, superannuation, social security and eligibility for assistance are not designed to accommodate people using part-time work as a bridge to retirement.
In conclusion, the issue of mature age unemployment is serious. The report addresses some of the barriers; it is now a question of whether the government will act in a constructive and proper way in respect of some of the report’s recommendations. The clear message is this: if we do not act as a community on some of the recommendations then we are condemning a lot of Australians and Australian families, communities and suburbs to a lesser opportunity in life than is available to a lot of Australians, especially in the suburbs and communities that are doing exceptionally well at the moment. It is the responsibility of the Prime Minister and all government ministers to pick up the recommendations from the report and run with them rather than run down a line that has produced no effort in the past. (Time expired)

Ms KERNOT (Dickson) (12.47 p.m.)—This is an important report—a bit overdue, I have to say, and I do worry about how long it will take to have any of its actions implemented. But it is an important issue and I say, immodestly, that Labor recognised this issue many years ago and took action to formulate proposals—sensible proposals, in my view—many of which have been taken up in substance in this report, Age counts. How many of us know people who have been affected by retrenchment and downsizing—people of our generation who have borne a disproportionate share of the consequences of economic restructuring? We know them, we know the effect on their lives and on the lives of their families. It is an indictment on this government that, even though this report has been in the pipeline for some time, in the last budget it allocated $3 million for yet another pilot study to look into whether mature age workers suffer greater obstacles in their effort to find work than anybody else. We can tell them that the answer is yes, they do, and Labor’s 45-plus report tells them why. This Age counts report tells them why. I think it is unreasonable to expect us to keep waiting and waiting to take concrete action.

A division having been called in the House of Representatives—

Ms Kernot—I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Main Committee adjourned at 12.49 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Court Proceedings: Legal Representation
(Question No. 1169)

Mr McClelland asked the Attorney-General, upon notice, on 15 February 2000:

(1) In what percentage of cases in 1999 was one or other of the parties not represented by a legal practitioner in the (a) Family Court, (b) Federal Court of Australia and (c) High Court of Australia.

(2) Has any research been undertaken as to (a) The settlement rate in respect to cases in which one or other of the parties is unrepresented and (b) The average length of cases in which one or other of the parties is unrepresented.

(3) If so, what does the research reveal; if the research has not been undertaken will he arrange for an appropriate study and report to Parliament.

Mr Williams—The answer to the honourable member’s question is as follows:

(1) (a) The Family Court has advised that figures for the percentage of cases in 1999 in which one or other of the parties was not represented are not available.

The Family Court’s 1998-99 Annual Report indicates that 33.7% of appeals involved appellants in person in that financial year, as did 23.3% of applications for leave to appeal. The Annual Report also shows that 15.3% of applications for final orders (forms 7) were filed by applicants in person, as were 21.4% of applications for interim/procedural orders (forms 8).

Recent research conducted for the Australian Law Reform Commission (“ALRC”) of Family Court files found that 41% of applications for final orders in cases finalised in May and June 1998 involved at least one party who was not represented or who was partially represented during the proceedings.

The Family Court’s 1998-99 Annual Report indicates that research conducted by the Court in 1998 found that 35% of Family Court matters studied over a two week period in July (including defended hearings, duty matters and directions hearings, but excluding appeals) involved at least one party who was not legally represented.

(b) The Federal Court has advised that figures for the percentage of cases in 1999 in which one or other of the parties was not represented are not available.

Research conducted for the Australian Law Reform Commission published in March 1999 for cases finalised during February to April 1998 found that approximately 18% of the sample of Federal Court cases studied involved at least one party who was unrepresented or who was only partially represented during the proceedings, with migration matters having the highest proportion of unrepresented applicants, at 31% of cases.

(c) The High Court has advised that during 1999:

. Approximately 25% of all applications for special leave to appeal involved one or other of the parties not being represented by a legal practitioner.

. In matters dealt with by a single Justice, 16% involved one or more litigants in person.

. In electoral matters, where the Court sat as the Court of Disputed Returns, 80% involved litigants in person.

. There were no litigants in person involved in appeals or hearings before the Full Court brought under the original jurisdiction of the Court.

(2) (a) The Family Court has advised that, of the 3235 matters that were listed for a final hearing during the period July to December 1999, 45.5% settled prior to or after commencement of the hearing. The proportions of matters that settled by the representation status of the parties were as follows:

<table>
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<tr>
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<th>all tracks</th>
<th>standard track</th>
<th>child track</th>
<th>property track</th>
</tr>
</thead>
</table>
ALRC research published in February 1999 indicates that Family Court cases where both parties are represented are more likely to be resolved by consent. Cases in which the applicant was represented were more likely to be resolved before being listed for hearing when compared with cases in which the applicant was not represented.

In respect of the Federal Court, research conducted for the ALRC on Federal Court cases published in March 1999 found that a lower proportion of between parties settlements took place when the applicant was unrepresented. Other research conducted for the ALRC also showed a lower rate of settlement achieved by unrepresented parties compared to represented parties.

(b) ALRC research regarding Family Court cases published in February 1999 found that unrepresented parties were more likely to either settle their cases early (at or after a directions hearing) or go through to a defended hearing. Represented parties were more likely to resolve their case between the parties, but to do so at a late stage of the case.

Research published by the Justice Research Centre in June 1999 found that the presence of an unrepresented party in Family Court cases tended to reduce the overall case disposition time. A report on litigants in person in the Family Court published by Professor Dewar this year suggested that, whilst matters involving unrepresented litigants remain in the system for shorter periods of time, while in the system, they are more time intensive than matters where both parties are represented.

In respect of the Federal Court, research conducted for the ALRC published in March 1999 on Federal Court cases found no significant difference between represented and unrepresented litigants as far as the stage of disposal of the proceedings.

(3) Details of research which deals with settlement rates and the length of cases involving unrepresented parties are set out above.

**Pharmaceutical Benefits Scheme: Celebrex and Celecoxib**  
(Question No. 1285)

Mr Latham asked the Minister for Health and Aged Care, upon notice, on 3 April 2000:

(1) Has his attention been drawn to the progress being made with the treatment of rheumatoid arthritis and osteoarthritis by the new pharmaceutical product, Celebrex/Celecoxib.

(2) When will this product be included on the Pharmaceutical Benefits Scheme.

Dr Wooldridge—The answer to the honourable member’s question is as follows:

(1) Yes.

(2) 1 August 2000.

**Pregnancy Terminations: Statistics**  
(Question No. 1441)

Mr Murphy asked the Minister for Health and Aged Care, upon notice, on 13 April 2000:

(1) Has his attention been drawn to the reply given to Senator Harradine on 10 February 1999 regarding ‘the supply of Medicare statistics on pregnancy terminations for 1997 from May 5 and for the entire year 1998’, published in Australian Senate, Community Affairs Legislation Committee, Examination of Budget Estimates 1998-99, Additional Information Received, Volume 3 (Programs 2 & 3) Health and Aged Care Portfolio, April 1999.
(2) Is the prescribed definition of item 34643 given in his Department’s answer entirely due to pregnancy terminations or a percentage of them.

(3) Are the claims under item 35643 a percentage; if so what percentage.

(4) Is the prescribed definition of item 16525 given in his Department’s answer entirely due to pregnancy terminations or a percentage of them.

(5) Are the claims under item 16525 a percentage of all claims; if so, what is that percentage.

(6) Is there data for terminations of pregnancies which are not represented in the Department’s supplied data; if so, (a) what is the source of the additional data and (b) how many additional abortions were performed in Australia (i) over the same period and (ii) to date.

(7) How many abortions are carried out in public hospitals and what is the cost of those abortions.

(8) What are items (a) 35626, (b) 35630, (c) 35639 and (d) 35640 for medical services as prescribed in the relevant legislation and by-laws.

Dr Wooldridge—The answer to the honourable member’s question is as follows:

(1) Yes.

(2) Although the question refers to the definition of item 34643, I assume the honourable member is referring to item 35643 referred to in my Department’s response to Senator Harradine on 10 February 1999.

A percentage of services provided under item 35643 would be for termination of pregnancy. A percentage would be for intrauterine foetal death in the first trimester of pregnancy.

(3) Medicare statistics do not include information that would allow the calculation of the percentage of services provided under item 35643 for termination of pregnancy.

(4) A percentage of services provided under item 16525 would be for termination of pregnancy for gross foetal abnormality or life threatening maternal disease. A percentage would also cover intrauterine foetal death.

(5) Medicare data does not include information that would allow the calculation of the percentage of services falling into each of the clinical categories covered by item 16525.

(6) (a) The statistics supplied by the Department were drawn from Medicare data.

Medicare data comprises out-of-hospital services, as well as in-hospital services for private patients. Medicare data does not include medical services provided in the public sector, as such services are not directly funded through the Medicare Benefits Schedule. These services are the responsibility of the States and Territories. While some data on public sector activity is available to the Commonwealth in this area, it is not complete.

(b) The available data is provided in Q7.

(7) National Hospital Morbidity (Casemix) data for induced abortions for public patients is outlined at Attachment A.

(8) The following items are prescribed in the General Medical Services Table Regulations as follows:

- Item 35626 – Hysteroscopy, including biopsy, performed by a specialist in the practice of his or her speciality where the patient is referred to him or her for the investigation of suspected intrauterine pathology (with or without local anaesthetic), not being a service associated with a service to which item 35627 and 35630 applies.

- Item 35630 – Hysteroscopy, with endometrial biopsy, performed in the operating theatre of a hospital or approved day-hospital facility – not being a service associated with a service to which item 35626 or 35627 applies.

- Item 35639 G (non-specialist service) – Uterus, curettage of, with or without dilatation (including curettage for incomplete miscarriage) under general anaesthesia or under epidural or spinal (intrathecal) nerve block where undertaken in a hospital or approved day-hospital facility, including procedures to which item 35626, 35627 or 35630 applies, where performed.
Item 35640 S (service provided by a recognised specialist) - Uterus, curettage of, with or without dilatation (including curettage for incomplete miscarriage) under general anaesthesia or under epidural or spinal (intrathecal) nerve block where undertaken in a hospital or approved day-hospital facility, including procedures to which item 35626, 35627 or 35630 applies, where performed.

Attachment A

LEGALLY INDUCED ABORTION (ICD-9-CM CODES 635.00 TO 635.92)

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<th>Year</th>
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<th>Estimated Costs</th>
<th>All Hospitals Separations</th>
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<td>13,809</td>
<td>14,210</td>
<td>13,835</td>
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</tbody>
</table>

Note 1 Source - National Hospital Morbidity (Casemix) Data Base - Department of Health and Aged Care

Note 2 Public patients include public patients in private hospitals.

Note 3 In computing estimated costs, AN-DRG v3.0 public national cost weights were used for 1993-94 to 1995-96 and AN-DRG v3.1 public national cost weights were used for 1996-97 and 1997-98.

Note 4 Costs and cost weight relativities change over time, and now updated on an annual basis. As the AN-DRG v3.0 cost weights were based on 1995-96 data, they would be less relevant to 1994-95, and even less relevant to 1993-94. Similarly, the AN-DRG v3.1 cost weights were based on 1997-98 data.

Note 5 - DRG cost weights are based on averages relating to all episodes assigned to the DRGs in question. The cost weights above cover both spontaneous and induced abortions even though the separations statistics above relate to induced abortions only.

Family Court: Litigation Matters

(Question No. 1569)

Mr McClelland asked the Attorney-General, upon notice, on 29 May 2000:

(1) How many litigants in person were there in Family Court matters in (a) 1995-96, (b) 1996-97, (c) 1997-98 and (d) 1998-99.

(2) How many (a) litigants in person and (b) applicants in the Family Court were refused Legal Aid in (i) 1997-98 and (ii) 1998-99.

(3) How many matters in the Family Court in (a) 1996-97, (b) 1997-98 and (c) 1998-99 had both applicant and respondent as litigants in person.

(4) Is data available about disposition times of Family Court matters where one or more of the parties is a litigant in person; if so, what is that data.

(5) Are policies or guidelines in place to assist judicial officers and registry staff of the Family Court in dealing with litigants in person; if so, what are they; if not, are there plans to develop them.

(6) How many cases have been dismissed by the Family Court for non-compliance with a technicality where one or more of the parties was a litigant in person and the non-compliance was of that litigant in person.

(7) What are the aims of the Family Court Support Program at the Dandenong Registry of the Family Court.
(8) What are the aims of the Integrated Client Services Scheme at the Parramatta Registry of the Family Court.

(9) When, why and by whom were the programs or schemes referred to in parts (8) and (9) introduced.

(10) Are there plans to implement these programs or schemes at other Family Court registries.

Mr Williams—The answer to the honourable member’s question is as follows:

(1) The Family Court has recorded applications for final orders (Form 7) and applications for interim orders (Form 8) from litigants in person since 1998/99 and applications for dissolution (Form 4) since 1995/96. Table 1 gives details of the number of litigants in person applying for interim and final orders, and Table 2 gives details of the number of litigants in person applying for a dissolution of their marriage.

Table 1: Applications for final orders and Applications for interim orders by litigants in person in the Family Court - 1998/99 to 1999/00.

<table>
<thead>
<tr>
<th>Year</th>
<th>Applications for final orders filed by litigants in person</th>
<th>Applications for interim orders filed by litigants in person</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998/99</td>
<td>2852</td>
<td>4567</td>
</tr>
<tr>
<td>1999/00*</td>
<td>2908</td>
<td>4524</td>
</tr>
</tbody>
</table>

*Information for 1999/00 consists of national figures collected from 1 July 1999 to only 30 April 2000.

Table 2: Applications for dissolution by litigants in person in the Family Court - 1995/96 to 1999/00

<table>
<thead>
<tr>
<th>Year</th>
<th>Applications for dissolution filed by litigants in person</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995/96</td>
<td>32,886</td>
</tr>
<tr>
<td>1996/97</td>
<td>33,290</td>
</tr>
<tr>
<td>1997/98</td>
<td>33,149</td>
</tr>
<tr>
<td>1998/99</td>
<td>33,378</td>
</tr>
<tr>
<td>1999/00*</td>
<td>27,897</td>
</tr>
</tbody>
</table>

*Information for 1999/00 consists of national figures collected from 1 July 1999 to only 30 April 2000.

(2) (a) Data is provided to the Commonwealth by legal aid commissions in all jurisdictions on the number of applications for assistance in Commonwealth matters. Table 3 gives details on the number of applications for assistance in relation to family law matters.

Table 3: Applications for assistance in family law matters

<table>
<thead>
<tr>
<th>Year</th>
<th>Total applications approved (family law)</th>
<th>Total applications refused (family law)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997/98</td>
<td>30883</td>
<td>14194</td>
</tr>
<tr>
<td>1998/99</td>
<td>30294</td>
<td>14690</td>
</tr>
</tbody>
</table>

The Department does not collect data on the numbers of litigants in person who were refused legal aid.

(b) See table 3.

(3) The Family Court has only collected data on litigants in person in defended hearings since 1998/99. Where defended hearings commenced in the Family Court during 1998/99, there were 63 matters with both the applicant and respondent as litigants in person.

(4) The only data available from the Family Court on disposition times refers to the time from the filing to final hearing of a matter. This data does not include cases which are disposed of without a final hearing. The average time (in months) from filing date to disposal date for matters in the Family Court where a defended hearing commenced in 1998/99 and the matter has been disposed was 16.9 months.
where one party was a litigant in person, and 16.4 months where both parties were litigants in person. The median time (in months) from filing date to disposal date for matters in the Family Court where a defended hearing commenced in 1998/99 and the matter has been disposed was 14.8 months where one party was a litigant in person, and 15.1 months where both parties were litigants in person.

However, research conducted on Family Court cases by the Justice Research Centre published in June 1999 found that the presence of an unrepresented party tends to reduce the overall case disposition time.

(5) Guidelines for judicial officers were set down by the Full Court in the matter of Johnson v Johnson. The Court does not have specific guidelines for staff although it does have an information kit for litigants proceeding to trial after a pre-hearing conference. The kit is an eleven page document which sets out the things the litigant in person needs to know and do to prepare their case for a hearing in the Family Court from the pre-hearing conference stage to the final trial. It gives the litigant information about the pre-hearing conference, the final hearing, how to prepare a case for hearing, how to prepare an affidavit, how to call and question a witness, hearing fees and legal terms.

(6) The Family Court of Australia does not record any data regarding matters dismissed due to client non-compliance.

(7) The aim of the Family Court Support Program at the Dandenong Registry of the Family Court is to provide support and assistance to litigants in person. The program offers support directly to litigants in person on Court premises, and provides a link with other relevant agencies, such as Court Networkers, mediators and the Court Counselling and Mediation Service.

Since the Family Court Support Program began in November 1999 it has assisted over 600 clients.

(8) The Family Court has advised that the primary objective of implementing the Integrated Client Services scheme was to improve the provision of services to clients (both the general public and the legal profession) at the first point of contact, through several innovative changes. The most notable innovation being the early appraisal of a case so that the parties can be referred to the most appropriate pathway for resolving their dispute which may be through litigation or primary dispute resolution strategies.

Specifically, the project aimed to:
- provide better all-round service to clients by providing information and services at a single point, reducing waiting times at key points of contact, including the phone and the Filing Counter, and making more efficient use of staff expertise, knowledge and time; and
- empower clients through improved provision of information and services so that distress and frustration is reduced and clients can be more actively involved in the choice of an appropriate dispute resolution option.

As a result of the success of this project, the Court has incorporated these aims in its proposal for a new case management system. The Case Assessment event will be an early strategy in the individualised approach to the management of cases. Based on the Parramatta experience, the early, individual assessment of the needs of each case has had benefits to clients and to the Court in the early disposition of matters.

(9) The Family Law Assistance Program was chosen by the Commonwealth Attorney-General’s Department through an open tender exercise following the Attorney-General’s budget announcement in 1998/1999 of funding for four Clinical Legal Education Programs. The Family Law Assistance Program is run by Monash University through the Monash Oakleigh Legal Service.

The Integrated Client Services project began in the Parramatta Registry of the Family Court of Australia in October 1996 having been given endorsement by the Chief Justice’s Consultative Committee after considering papers on the proposal. The pilot was fully evaluated and the initiative has now become standard practice in that Registry.

(10) Yes. The essence of the Integrated Client Services project has been incorporated in the Court’s proposed case management system, known as Case Flow. A significant feature of this system is the early identification of the needs of each case and an individualised plan of management for that case through the system. This includes the appropriate primary dispute resolution intervention and/or the
appropriate and timely Court intervention. The Court plans to implement Case Flow by the end of the calendar year 2000.

The litigants in person project in Dandenong is dependent on the availability of a range of local services and the willingness of the service providers to assist in the project. The Court is exploring the possibility of setting up similar projects in its other Registries in cooperation with other service providers in those areas.

**Veterans: Hollywood Clinic, Western Australia**
*(Question No. 1598)*

**Mr Edwards** asked the Minister for Veterans’ Affairs, upon notice, on 5 June 2000:

1. Has his attention been drawn to the recent death of an SAS Vietnam veteran two days after being admitted to the Hollywood Clinic in Western Australia, and the difficult circumstances confronted by the veteran when being admitted to the clinic.
2. Was the veteran initially refused admittance to the clinic pending proof that he was a veteran.
3. Was access to the clinic only achieved after intervention by the veteran’s voluntary advocate.
4. Will he initiate an immediate inquiry into admittance procedures for veterans at this and similar clinics; if not, why not.

**Mr Bruce Scott**—The answer to the honourable member’s question is as follows:

1), (2), (3) and (4) I am aware of the unfortunate death of the veteran to which the honourable member refers.

The veteran’s volunteer advocate sought his admission to the Hollywood Clinic on 9 April 2000 and this was declined by the hospital. There are two points that need to be taken into account in this context. The Hollywood Private Hospital, of which the Hollywood Clinic is a part, does not have an emergency department and therefore is not generally equipped to manage emergency admissions. However, while the hospital does accept after hours’ admissions for existing patients of accredited psychiatrists, requests for emergency admissions to Hollywood in other circumstances are normally redirected to a facility with an emergency department.

The veteran and his advocate were reportedly informed of this on the evening of 9 April 2000 and as the veteran’s veteran status had not been established at that time, the veteran was admitted to the observation ward of the Sir Charles Gairdner Hospital (this facility is adjacent to Hollywood Private Hospital).

On 10 April 2000 the Sir Charles Gairdner Hospital sought the veteran’s transfer to the Hollywood Clinic and that was arranged that day after his eligibility under the Veterans’ Entitlements Act had been established.

An inquiry into procedures for the admission of veterans to the Hollywood Clinic and similar facilities is not proposed at this time. I understand that the veteran in question was provided with the most appropriate immediate care at the Sir Charles Gairdner Hospital until he was assessed as eligible for transfer to the Hollywood Clinic.

I understand that the Coroner completed his findings on 30 August 2000, a copy of which is being issued to the next of kin. I also understand that the Coroner does not require an Inquest. As a consequence, I do not believe there are any grounds flowing from the Coroner’s Report for any further investigation into this unfortunate matter.

**Queen Elizabeth II: Posters**
*(Question No. 1599)*

**Mr Danby** asked the Minister representing the Special Minister of State, upon notice, on 17 August 2000:
Did his Department send my electorate office 20 to 25 copies of an A3 size colour poster of Her Majesty Queen Elizabeth II, with a 'with compliments' slip from his Department, in the weeks immediately after the Republic Referendum in November 1999; if so, (a) why were the posters sent to my office without a request, (b) how many colour posters have been distributed to each Member of Parliament, (c) how many copies have been produced in total, (d) what was the cost to produce the posters, (e) from which budget was funding been sourced and (f) why was the poster produced and distributed.

Mr Fahey—The Special Minister of State has provided the following answer to the honourable member’s question:

Posters of Her Majesty Queen Elizabeth II are available under the Constituents’ Request Programme for distribution to the general public by Senators and Members. The Ministerial and Parliamentary Services Group of the Department of Finance and Administration supplies the posters to Senators and Members, for this purpose, upon request from the Senator or Member or their staff. The Ministerial and Parliamentary Services Group does not retain records of individual requests under the Constituents’ Request Programme.

(a) to (f) Not applicable.

Private Health Insurance: Lifetime Health Cover
(Question No. 1627)

Mr Danby asked the Minister for Health and Aged Care, upon notice, on 7 June 2000:

(1) Will those Australians who are not able to take out private health insurance prior to the 30 June 2000 be permanently excluded from the Government’s scheme to allow people to join a private health insurance fund and remain at the same rate.

(2) Will the Government be providing hardship exemptions for those who are not able to join a private health insurance fund prior to 30 June 2000, including those persons who, (a) were members for more than two years but not on 30 June 2000, (b) were overseas on that date, (c) were in the Australian Defence Force on that date, (d) were working in remote areas without access to private health facilities on that date, (e) are unemployed, (f) were in prison on that date, (g) have a lower than normal income at that time and (h) have recently arrived in Australia, yet may or will be able to, join a private health insurance fund after 1 July 2000.

Dr Wooldridge—The answer to the honourable member’s question is as follows:

(1) Everyone who has hospital cover on 1 July 2000 is entitled to pay the base rate premium for as long as they maintain their cover. Everyone born on or before 1 July 1934 is entitled to pay the base rate premium. The Government has included provisions under the Lifetime Health Cover legislation to provide for Australians who are not able to take out private health insurance prior to 1 July 2000 due to certain circumstances (see answer to Q2).

(2) There is a hardship provision in the National Health Act 1953 (the Act). Clause 10 of Schedule 2 of the Act provides that the Minister must determine that a person is to be treated, for the purposes of Lifetime Health Cover, as having had hospital cover on 1 July 2000 and on 30 June 2000 if the Minister is satisfied that the circumstances specified in the regulations applies to the person.

Regulations 7, 8, and 9 of the National Health (Lifetime Health Cover) Regulations 2000 specify that the Minister must be satisfied that:

. the person received an income support payment, within the meaning of the Social Security Act 1991, or was the holder of a Health Care Card, during the period beginning on 1 July 1999 and ending on 1 July 2000, and:

(a) has had hospital cover, or cover for ancillary benefits provided by a registered organisation, that, in total, amounts to at least 3 years; or

(b) during the period beginning on 1 July 1997 and ending on 1 July 2000, has had hospital cover, or cover for ancillary benefits provided by a registered organisation, that, in total, amounts to at least 12 months.

. on 1 July 2000, the person is not entitled to Medicare benefits, and:
(a) is a person who:
   (i) on 30 September 1999, was an Australian resident; and
   (ii) holds a permanent visa; or
(b) is a person to whom an item in Schedule 1 applies.
   . because of exceptional circumstances affecting the person, it would be unreasonable to expect
the person to have had hospital cover on 1 July 2000, but the person:
   (a) has had hospital cover, or cover for ancillary benefits provided by a registered organisation,
that, in total, amounts to at least 3 years; or
(b) during the period beginning on 1 July 1997 and ending on 30 June 2000, has had hospital
cover, or cover for ancillary benefits provided by a registered organisation, that, in total, amounts to at
least 12 months.

Schedule 1 provides that:

For a person to whom paragraph 8 (1) (b) applies, the Minister must be satisfied that any of the
following circumstances apply:

(a) the person has applied for a permanent visa, or permanent entry permit, before 30 September
1999 and, as a result of the application:
   (i) is granted a permanent visa, or a transitional (permanent) visa, before 1 July 2002; and
   (ii) if granted the visa outside Australia, enters Australia as holder of that visa before 1 July
2002;
(b) the person has applied for an Extended Eligibility (Temporary) (Class TK) visa and General
(Residence) (Class AS) visa on or after 1 September 1994 and before 30 September 1999, and:
   (i) is granted an Extended Eligibility (Temporary) (Class TK) visa, before 1 July 2002; and
   (ii) remains an applicant for a General (Residence) (Class AS) visa;
(c) the person has applied for a Spouse (Provisional) (Class UF) visa and Spouse (Migrant) (Class
BC) visa on or after 1 September 1994 and before 30 September 1999, and:
   (i) enters Australia as holder of a Spouse (Provisional) (Class UF) visa, before 1 July 2002; and
   (ii) remains an applicant for a Spouse (Migrant) (Class BC) visa;
(d) the person has applied for an Interdependency (Provisional) (Class UG) visa and Interdependency (Migrant) (Class BI) visa on or after 1 September 1994 and before 30 September 1999,
and:
   (i) enters Australia as holder of an Interdependency (Provisional) (Class UG) visa, before 1 July
2002; and
   (ii) remains an applicant for an Interdependency (Migrant) (Class BI) visa;
(e) the person has applied for a Resolution of Status (Temporary) (Class UH) visa and Resolution
of Status (Residence) (Class BL) visa before 30 September 1999; and:
   (i) enters Australia as holder of a Resolution of Status (Temporary) (Class UH) visa, before 1 July
2002 or, being in Australia, is granted a visa of that class before that date; and
   (ii) remains an applicant for a Resolution of Status (Residence) (Class BL) visa;
(f) the person:
   (i) before 1 July 2002, is granted a transitional (temporary) visa because he or she has applied,
under the Migration (1993) Regulations, for a Class 820 (Extended Eligibility (Spouse)) visa or entry
permit; and
   (ii) is an applicant for a transitional (permanent) visa because he or she is an applicant, under
those Regulations, for a Class 801 (Spouse (After Entry)) entry permit;
(g) the person:
   (i) before 1 July 2002, is granted, under the Migration (1993) Regulations, a Class 820
(Extended Eligibility (Spouse)) visa or entry permit that continues in effect, under the Migration
Reform (Transitional Provisions) Regulations, as a transitional (temporary) visa; and
(ii) is an applicant for a transitional (permanent) visa because he or she is an applicant, under the Migration (1993) Regulations, for a Class 801 (Spouse (After Entry)) entry permit;

(h) the person:

(i) before 1 July 2002, is granted a transitional (temporary) visa because he or she has applied, under the Migration (1993) Regulations, for a Class 826 (Extended Eligibility (Interdependency)) visa or entry permit; and

(ii) is an applicant for a transitional (permanent) visa because he or she is an applicant, under those Regulations, for a Class 814 (Interdependency (Permanent)) entry permit;

(i) the person:

(i) before 1 July 2002, is granted, under the Migration (1993) Regulations, a Class 826 (Extended Eligibility (Interdependency)) visa or entry permit that continues in effect, under the Migration Reform (Transitional Provisions) Regulations, as a transitional (temporary) visa; and

(ii) is an applicant for a transitional (permanent) visa because he or she is an applicant, under the Migration (1993) Regulations, for a Class 814 (Interdependency (Permanent)) entry permit;

(j) the person:

(i) before 1 July 2002, is granted a transitional (temporary) visa because he or she has applied, under the Migration (1989) Regulations, for an extended eligibility (spouse) entry permit or visa; and

(ii) is an applicant for a transitional (permanent) visa because he or she is an applicant, under those Regulations, for a spouse (after entry) entry permit;

(k) the person:

(i) before 1 July 2002, is granted, under the Migration (1989) Regulations, an extended eligibility (spouse) entry permit or visa that continues in effect, under the Migration Reform (Transitional Provisions) Regulations, as a transitional (temporary) visa; and

(ii) is an applicant for a transitional (permanent) visa because he or she is an applicant, under the Migration (1989) Regulations, for a spouse (after entry) entry permit;

(l) the person:

(i) before 1 July 2002, is granted a transitional (temporary) visa because he or she has applied, under the Migration (1989) Regulations, for an extended eligibility (interdependency) entry permit or visa; and

(ii) is an applicant for a transitional (permanent) visa because he or she is an applicant, under those Regulations, for an interdependency (permanent) entry permit;

(m) the person:

(i) before 1 July 2002, is granted, under the Migration (1989) Regulations, an extended eligibility (interdependency) entry permit or visa that continues in effect, under the Migration Reform (Transitional Provisions) Regulations, as a transitional (temporary) visa; and

(ii) is an applicant for a transitional (permanent) visa because he or she is an applicant, under the Migration (1989) Regulations, for an interdependency (permanent) entry permit.

Clause 4 of Schedule 2 of the Act provides that a person is taken to have hospital cover if the person is included in a class of persons specified in the regulations. Regulation 6 provides that the following classes of people will be taken to have hospital cover:

(a) a person whose health services are provided by the Australian Antarctic Division of the Department of the Environment and Heritage;

(b) a member of the Australian Defence Force on continuous full time service whose health services are provided by the Australian Defence Force;

(c) a dependant of a member mentioned in paragraph (b) whose health services are also provided by the Australian Defence Force;

(d) a person who is an Australian citizen or the holder of a permanent visa (within the meaning of the Migration Act 1958), if the person:

(i) is overseas on 1 July 2000; and
United Nations: Convention on the Rights of the Child

(Question No. 1673)

Mr McClelland asked the Attorney-General, upon notice, on 26 June 2000:

2. Did the Joint Standing Committee on Treaties table its report on the convention in the Senate on 10 November 1998.
3. With which Departments must the Government consult, and from which Departments must it have input, before it finalises and tables its response to the report.
4. When did his Department first seek consultation with, and receive input from, each of the other Departments.

Mr Williams—The answer to the honourable member’s question is as follows:

3. The Department has consulted with the following Commonwealth Departments and agencies in the preparation of the Government’s response to the Joint Standing Committee on Treaties Report on the Convention:
   - Employment, Training and Youth Affairs;
   - Family and Community Services;
   - Communication, Technology and the Arts;
   - Immigration and Multicultural Affairs;
   - Prime Minister and Cabinet (including Office of the Status of Women);
   - Centrelink (then Department of Social Security);
   - Foreign Affairs and Trade;
   - Health and Aged Care;
   - the Aboriginal and Torres Strait Islander Commission; and

   The Department is at varying stages of consultation with each of these Departments and agencies.

4. The Department first wrote to each of the above Departments and agencies in September 1998. Initial input was received from most in November 1998, with further input and updates received subsequently.

Department of Health and Aged Care: Transactions

(Question No. 1685)

Mr Tanner asked the Minister for Health and Aged Care, upon notice, on 26 June 2000:

1. How many individual transactions with individual members of the public were conducted by each agency in the Minister’s portfolio in (a) 1998-99 and (b) 1999-2000, and if available, what are the forecast figures for (c) 2000-01,
   (d) 2001-02, (e) 2002-03 and (f) 2003-04.
2. What definition of transaction is used to determine these figures.
3. What proportion of these transactions were or are expected to be conducted online.
4. What was the total cost of administering these transactions for each agency in (a) 1998-99 and (b) 1999-2000 and what is the estimated cost for (c) 2001-01, (d) 2001-02, (e) 2002-03 and (f) 2003-04.
(5) What was the total cost of administering the online transactions in (a) 1998-99 and (b) 1999-2000 and what is the estimated cost for (c) 2000-01, (d) 2001-02, (e) 2002-03 and (f) 2003-04.

Dr Wooldridge—The answer to the honourable member’s question is as follows:

(1-5) Given the complexities and scope of the question I am not prepared to divert Departmental resources from existing priorities at this time.

Refugee Detention Centres: Hunger Strikes
(Question No. 1799)

Dr Theophanous asked the Minister for Immigration and Multicultural Affairs, upon notice, on 15 August 2000:

(1) What are the reasons behind the several hunger strikes that have recently occurred at refugee detention centres.

(2) Have any of the complaints highlighted by these hunger strikers been rectified within the detention centre system.

(3) How many people were involved in these hunger strikes, and how many of these are of (a) Chinese, (b) Arabic, (c) African and (d) other backgrounds.

(4) Why were the Villawood detainees on hunger strike removed to the Port Hedland Detention Centre.

(5) Was the Human Rights and Equal Opportunity Commission permitted to interview these detainees to ensure the protection of their rights under Articles 7 and 10 of the International Convention on Civil and Political Rights, before they were removed to Port Hedland.

(6) What is the current status of these refugees.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) I am advised that the detainees who recently engaged in protest action at the Villawood Immigration Detention Centre were protesting against perceived delays in their immigration processing and negative decisions.

(2) All unauthorised arrivals, whether protection visa applicants or not, are required by law to be detained until they are either removed from Australia, or granted a visa. On current nationality compositions, a large number of unauthorised arrivals are found to require Australia’s protection. However, a significant number are found not to require it. Australia’s detention regime ensures that persons to whom Australia does not owe protection can be quickly removed. Importantly, detention also ensures that a protection visa applicant is readily available to assist in a thorough examination of their protection claims and resolution of issues surrounding their identity. As you are aware, enhancements have been made to the system to ensure that every effort is made to ensure that protection claims are examined and decisions made as quickly as possible, while maintaining the integrity of the system. Protection visa applicants in detention are provided with publicly funded migration agent assistance to ensure that their claims are presented quickly and comprehensively.

(3) Data on people in detention records stated nationality not ethnic, geographical or linguistic background. I have therefore attached a table showing stated nationality of the 56 detainees who participated in the recent protest action at Villawood IDC.

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iraqi</td>
<td>13</td>
</tr>
<tr>
<td>Kuwaiti</td>
<td>8</td>
</tr>
<tr>
<td>Afghan</td>
<td>5</td>
</tr>
<tr>
<td>Indian</td>
<td>5</td>
</tr>
<tr>
<td>Sri Lankan</td>
<td>4</td>
</tr>
<tr>
<td>Turkish</td>
<td>3</td>
</tr>
<tr>
<td>Kurdish</td>
<td>2</td>
</tr>
</tbody>
</table>
(4) A number of detainees at Villawood IDC undertook a sit in and hunger strike protest action during the period 23 to 29 July 2000. This protest action involved both male and female detainees and several children. On 29 July 2000, in order to more appropriately manage this protest action a number of the detainees were transferred to the Port Hedland and Woomera Immigration Reception and Processing Centres (IRPC). Decisions were taken to separate and relocate to Port Hedland and Woomera IRPCs a number of detainees involved in the protest action in the interests of the safety of all detainees, including the protesters, and in the interests of restoring order to the Villawood facility. The majority of the detainees ended their protest action shortly after this action was taken.

(5) No. The Human Rights and Equal Opportunity Commission did not seek to question these detainees in relation to their rights under ICCPR. If they had done so, access to the detainees would have been facilitated.

(6) As can be seen by the table below, the majority of the detainees undertaking this protest action have been found not to be refugees ie all those other than the persons whose applications are awaiting a primary or RRT decision.

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Libyan</td>
<td>2</td>
</tr>
<tr>
<td>Stateless</td>
<td>2</td>
</tr>
<tr>
<td>Nigerian</td>
<td>1</td>
</tr>
<tr>
<td>Iranian</td>
<td>1</td>
</tr>
<tr>
<td>Albanian</td>
<td>1</td>
</tr>
<tr>
<td>Bangladeshi</td>
<td>1</td>
</tr>
<tr>
<td>Egyptian</td>
<td>1</td>
</tr>
<tr>
<td>Zaire</td>
<td>1</td>
</tr>
<tr>
<td>Congo</td>
<td>1</td>
</tr>
<tr>
<td>Palestinian</td>
<td>1</td>
</tr>
<tr>
<td>Pakistani</td>
<td>1</td>
</tr>
<tr>
<td>Fijian</td>
<td>1</td>
</tr>
<tr>
<td>Eritrean</td>
<td>1</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>1</td>
</tr>
</tbody>
</table>

As can be seen by the table below, the majority of the detainees undertaking this protest action have been found not to be refugees ie all those other than the persons whose applications are awaiting a primary or RRT decision.

<table>
<thead>
<tr>
<th>Immigration processing status</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awaiting Primary decision</td>
<td>14</td>
</tr>
<tr>
<td>Awaiting RRT decision</td>
<td>3</td>
</tr>
<tr>
<td>Federal Court (plus Full Bench Federal Court) decision</td>
<td>12</td>
</tr>
<tr>
<td>Awaiting the outcome of a request for Ministerial Intervention</td>
<td>6</td>
</tr>
<tr>
<td>Awaiting outcome of a complaint made to UNCAT</td>
<td>3</td>
</tr>
<tr>
<td>Awaiting provision of travel documents</td>
<td>18</td>
</tr>
</tbody>
</table>

Dr Theophanous asked the Minister for Immigration and Multicultural Affairs, upon notice, 15 August 2000:
(1) Why has he accused genuine refugees who have been granted Temporary Protection Visas of rorting the system when he forbids them from having English classes in order to help their efforts to become employed and therefore financially self-sufficient.

(2) Does the Temporary Protection Visa bar the reunion of refugees with their spouses and children; if so, why does he believe that a refugee should be forbidden from sending financial assistance to his or her spouse and children.

(3) Does he have evidence that these refugees are sending monies to people other than their spouse and children; if so, what; if not, will he apologise to the refugees and the Australian community.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) The numbers of Temporary Protection Visa holders making approaches to welfare agencies in some areas have exceeded the numbers of these people released into those areas. This suggests that these people could be seeking support beyond what others in similar circumstances would receive. Temporary Protection Visa holders have access to a basic package of services, including means-tested income support, the right to work, access to Medicare, rent assistance and a Special Benefit. They have also had access to basic English classes in detention facilities.

(2) Temporary Protection Visa holders are not eligible to sponsor family members to Australia. Temporary Protection Visa holders, by paying people smugglers, have chosen to come to Australia and leave their families behind. While there is no restriction on Temporary Protection Visa holders sending financial assistance to their families or any other person outside Australia, I would be concerned that the assistance sent to families is from support they receive from welfare agencies who could be supporting other needy members in the Australian community.

(3) I do not have concrete evidence of monies being sent out from Australia, though there is anecdotal evidence to suggest that some of these people are using support provided through the Special Benefit and welfare agencies to assist their families overseas.

Regional Australia Summit: Allowances Paid

(Question No. 1806)

Mr Martin Ferguson asked the Minister for Finance and Administration, upon notice, on 15 August 2000:

(1) Further to his answer to question No 1612 (Hansard, 28 August 2000, page P17723) concerning the 1999 Regional Australia Summit, if invitations were not issued to all Senators and Members to attend the Regional Summit Dinner, how can Senators and Members claim payment for travel allowances, airfares, cars and taxi costs under clause 10(g) of Determination 8 of 1998, which relates to payment of travel allowances for attendance at official government, parliamentary or vice-regal functions.

(2) Since when has clause 10(g) of Determination 8 of 1998 been extended to the payment of travel allowances for attendance at official government, parliamentary or vice-regal functions when the only Members and Senators invited to such events are Coalition Members and Senators.

Mr Fahey—The answer to the honourable member’s question is as follows:

(1) and (2) The provisions now contained in clause 10(g) of Remuneration Tribunal Determination No 8 of 1998 have been in place since 1975. For the purpose of these provisions, a function is taken to be official if it is hosted or authorised by someone with appropriate authority. In the case of official government functions, a Minister is regarded as having such authority.

I am also informed that the allegation made in part (2) of the question that only Coalition Senators and Members were invited to the function is incorrect. I am informed that the following non-Coalition Parliamentarians were also invited to attend the Regional Summit Dinner:

The Leader of the Opposition;
The Leader of the Australian Democrats;
Ms Cheryl Kernot MP;
Mr Martin Ferguson MP; and
Senator Sue Mackay.
Department of Health and Aged Care: Family Planning Australia Funding
(Question No. 964)

Mr Laurie Ferguson asked the Minister for Health and Aged Care, upon notice, on 11 October 1999:

(1) What sum was provided by his Department to Family Planning Australia in (a) 1995-96, (b) 1996-97, (c) 1997-98, (d) 1998-99 and what sum will be provided in 1999-2000.

(2) Has secretariat funding been provided by his Department to the Australian Federation of Pregnancy Support Services; if so, (a) when did funding commence, (b) what are the purposes for which funding is provided and (c) what sum will be allocated to the Federation in 1999-2000.

Dr Wooldridge—The answer to the honourable member’s question is as follows:

(1) Direct Commonwealth funding was provided to Family Planning Australia Inc., the national peak body for the Family Planning Organisation, in respect of each of the periods 1995-96 to 1999-2000.

<table>
<thead>
<tr>
<th>Year</th>
<th>Family Planning Australia</th>
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<tbody>
<tr>
<td>(a) 1995-96</td>
<td>$206,177</td>
</tr>
<tr>
<td>(b) 1996-97</td>
<td>$196,766</td>
</tr>
<tr>
<td>(c) 1997-98</td>
<td>$110,889</td>
</tr>
<tr>
<td>(d) 1998-99</td>
<td>$85,014</td>
</tr>
<tr>
<td>(e) 1999-2000</td>
<td>$87,143</td>
</tr>
</tbody>
</table>

(2) Funding has been provided to the Australian Federation of Pregnancy Support Services.

(a) Funding commenced in February 1999.

(b) The purpose of the funding is to establish a staffed national office, establish an accredited training course, establish a national 24 hour counselling service and provide assistance for an annual conference for the Australian Federation of Pregnancy Support Services.

(c) The total amount paid in 1999-2000 is $132,400.