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Mr SPEAKER (Mr Neil Andrew) took the chair at 9.30 a.m., and read prayers.

WORKPLACE RELATIONS AMENDMENT (UNFAIR DISMISSALS) BILL 1998 [No. 2]

First Reading

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

Second Reading

Mr REITH (Flinders—Minister for Employment, Workplace Relations and Small Business) (9.31 a.m.)—I move:

That the bill be now read a second time.

I reintroduce the Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2].

The bill will amend the Workplace Relations Act 1996 to exclude new employees of small businesses, other than apprentices and trainees, from the federal unfair dismissal regime and to require a six-month qualifying period of employment before new employees, other than apprentices and trainees, can access the federal unfair dismissal remedy.

This bill is the same bill that was introduced into the House of Representatives on 12 November 1998 and passed by the House of Representatives on 2 December 1998 but rejected by the Senate on 14 August 2000.

The government is not reintroducing this bill because it wants to have an election over it. The government is reintroducing this bill to implement its mandate and policy and to unlock small business access to some 50,000 new jobs which would be created in the economy if this bill were passed.

The proposed small business exemption has been the subject of an almost unprecedented degree of political obstructionism. In less than four years, it has been voted down in one form or another on eight occasions by the Labor Party and on five occasions by the Australian Democrats.

On each occasion these parties have done so, they widen the chasm between their rhetoric and practice when it comes to small business issues.

More importantly, on each occasion Labor and the Australian Democrats oppose this measure they leave more families coping with unemployment to continuing economic and social disadvantage. They vote against giving small business employers the confidence to take on unemployed Australians without the risk of being tied up for months in the unfair dismissal courts.

The coalition’s workplace relations policy at the October 1998 federal election, More Jobs Better Pay, committed the coalition to the re-introduction of this measure as a priority on being re-elected, after it was three times rejected in the previous parliament. This we have done, only to still be blocked in implementing our mandate. Again today, we ask the parliament to let the government legislate to keep its promises.

The case for the passage of the bill is overwhelming. Whilst in our first term the government made major inroads into the reform of workplace relations, including improvements to the worst aspects of Labor’s job-destroying unfair dismissal laws, it is widely recognised that ongoing labour market reform is required to drive unemployment down further.

That is an aspiration we as a government have. It should be shared by this parliament. To achieve that goal requires a willingness by this parliament to ease the burden of unfair dismissal laws on the employment generator of our economy—small business.

The government recognises that passage of this bill now requires the Labor Party and the Australian Democrats to abandon the political obstructionism that has to date characterised their stance. They would be required to balance in a different way competing interests between the purpose of unfair dismissal laws and the negative impact these laws have on small businesses and the rights of unemployed Australians to access new jobs. If they did so, and allowed this bill to pass, they might even be given credit within the broader community.

What is required is less political opportunism and a more objective and common-sense analysis of the evidence in support of this bill.
That evidence has been communicated to the Labor Party and the Australian Democrats in writing and orally, in public and in private. Last year a majority report of a Senate committee recommended that the bill be passed without amendment. Despite this, Labor and the Democrats still claim that there is no evidence linking the impact of unfair dismissal laws on hiring intentions by small business employers.

There is—as a majority of the Senate committee found. Ignoring the evidence and these findings is like burying one’s head in the sand. Indeed, after months of complaining that no such evidence existed, the Labor Party even opposed the government bringing real small business employers before the Senate committee as part of its submission to give their evidence first hand. That suggests a closed mind intent on obstructionism, not a fair assessment of the policy balances, which should be made by this parliament.

In fact, Labor’s position has become more regressive as the months of obstructionism have passed. In August 2000, Labor adopted a national policy to expand rather than limit the adverse impact of unfair dismissal laws. Should Labor return to government, they now have a policy to reintroduce the discredited unfair dismissal laws they first introduced in 1993—laws that cost thousands of jobs and even had Labor Premier Bob Carr repudiating Labor policy during the 1996 federal election campaign.

The measures in the bill are balanced. They retain rights in respect of unlawful, such as discrimination based, dismissals for all employees new and current, including those in small business. Further, given that the bill applies only to new employees, it does not remove rights of existing employees in small business to access federal unfair dismissal laws should their employment be terminated.

It is an unavoidable fact that the defence of an unfair dismissal claim, however groundless, is especially burdensome for small businesses. In many larger businesses, more expertise and resources can be put into recruitment and termination procedures. Small businesses have no such resources. Even attendance of witnesses at a hearing can bring a small business to a standstill.

The bill also proposes the introduction of a six-month qualifying period. This provides a fairer balance between the rights of employers and employees. It will provide some relief for medium and larger businesses which may not benefit from the small business exemption. It will deter frivolous claims. This standardisation of a six-month period will also remove the uncertainties that can affect businesses relying on probation periods introduced for specific employees. The six-month period is reasonable for Australian employees and employers, and may be compared with qualifying periods in place in other countries, for example, the United Kingdom, which has a 12-month qualifying period. In 1994 Labor itself in government legislated, with Democrat support, a six-month qualifying period for fixed term employees—a fact apparently lost on today’s Senate.

I turn now to the terms of the bill itself.

The exemptions are to commence on royal assent. However, the exemptions will not apply to existing employees. As it is intended to encourage new employment, the exclusion will apply only to employees who are first taken on by the relevant employer after the commencement of the amendments.

The exemptions are from the federal unfair dismissal provisions only. Employees to whom the exemptions apply will still be protected by other provisions of the Workplace Relations Act in respect of termination of employment.

The exemptions do not apply to apprentices or trainees, whose position remains unaltered.

The small business exemption applies only to businesses employing 15 or fewer employees. This size of small business was chosen because of the precedent provided by the Employment Protection Act 1982 of New South Wales, introduced by the Wran government, and followed by the then Australian Conciliation and Arbitration Commission in the 1984 termination, change and redundancy test case.
The bill provides that, in counting the number of employees in a business, casual employees are to be counted only if they have been engaged on a regular and systematic basis for at least 12 months. The intention of this exclusion is to reflect the fact that a business which occasionally engages additional casual employees is not necessarily a large business.

The qualifying period of six months will need to be continuous employment. The regulations will be able to prescribe circumstances to be disregarded in determining whether employment is continuous or not, much as is presently done in calculating length of service for the purposes of the entitlement to pay in lieu of notice.

The government believes that this is an important piece of legislation. It is deliberately aimed at supporting small business. We believe that, by supporting our small businesses, this will help to create jobs. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Bevis) adjourned.

APPROPRIATION BILL (No. 3) 2000-2001

Message from the Governor-General recommending appropriation announced.

First Reading

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

Second Reading

Mr FAHEY (Macarthur—Minister for Finance and Administration) (9.41 a.m.)—I move:

That the bill be now read a second time.

It is with great pleasure that I introduce Appropriation Bill (No. 3) 2000-2001, which, together with Appropriation Bill (No. 4) 2000-2001 and the Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001, which I shall introduce shortly, comprises the additional estimates for 2000-01 in Appropriation Acts Nos 1 and 2 and the Appropriation (Parliamentary Departments) Act last budget.

The additional appropriations in these three bills total some $2,258 million: $1,879 million is sought in Appropriation Bill (No. 3), $378 million in Appropriation Bill (No. 4) and $0.5 million in the Appropriation (Parliamentary Departments) Bill (No. 2).

These amounts are partly offset by expected savings made against Appropriation Acts Nos 1 and 2 and the Appropriation (Parliamentary Departments) Act 1999-2000.

These savings, amounting to some $831 million in gross terms, are detailed in the document entitled Statement of savings expected in annual appropriations, which has been distributed to honourable members.

After allowing for prospective savings, the provisions represent a net increase of $1,427 million in appropriations in 2000-01, an increase of 3.3 per cent on amounts made available through annual appropriations at the time of the 2000-01 budget.

It should be noted that the additional amounts included in the bills relate only to expenses financed by annual appropriations, which comprise about 30 per cent of total general government expenses and capital appropriations. They do not include revisions to estimates of expenses from special appropriations.

I now turn to the main areas for which the government seeks additional provisions in Appropriation Bill (No. 3). This bill provides authority for meeting payments or expenses on the ordinary annual services of government. Details of the proposed appropriations are set out in the schedule to the bill.

The principal factors contributing to the increase are:

- $183 million for the Australian Taxation Office to cover the increased cost of administering the GST, which arises largely from a higher than expected number of GST registrants;
- $20 million additional funding to the Australian Taxation Office to implement the new business tax arrangements;
• $66 million for the Sugar Industry As Package;
• $18 million for the Photovoltaic Rebate Program;
• $41 million for a commitment by AusAID to the Asian Development Bank;
• a transfer of $659 million from capital (reflecting a reduction in the Appropriation Bill (No. 4) estimate of $659 million) to departmental outputs, and increased funding of $350 million for the Department of Defence to meet increased non-cash expenses; and
• around $230 million for the rephasing into 2000-01 of annual administered expense appropriations, of which the bulk is for the Department of Health and Aged Care ($137 million) for a range of annual administered programs.

The balance of the amount included in Appropriation Bill (No. 3) is made up of minor variations in most departments and agencies. I commend the bill to the House. 

Debate (on motion by Mr Horne) adjourned.

APPROPRIATION BILL (No. 4) 2000-2001

Message from the Governor-General recommending appropriation announced.

First Reading

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

Second Reading

Mr FAHEY (Macarthur—Minister for Finance and Administration) (9.46 a.m.)—I move:

That the bill be now read a second time.

Appropriation Bill (No. 4) provides additional revenues for agencies to meet:

• expenses in relation to grants to the states under section 96 of the Constitution and for payments to the Northern Territory and the Australian Capital Territory;
• administered expenses; and
• equity injections and loans to agencies as well as administered capital funding.

Additional appropriations totalling $378 million are sought in Appropriation Bill (No. 4) 2000-2001. This is additional to the appropriations made in Appropriation Act (No. 2) 2000-2001 last budget.

The principal factors contributing to the increase are:

• a $100 million loan to the Defence Housing Authority to assist the authority in moving towards a more commercial capital structure;
• $45 million for the payment of the GST liability on all non-premium games ticket sales by the Sydney Organising Committee for the Olympic Games;
• $42 million for a deferred loan payment (from 1999-2000 to 2000-01) towards the Syntroleum Sweetwater Investment Incentive;
• $21 million rephasing of capital expenditure for the Australian Customs Service from 1999-2000 to 2000-01; and
• $57 million to fund the supply of plasma to the Red Cross.

The balance of the amount included in Appropriation Bill (No. 4) is made up of minor variations in most departments and agencies. I commend the bill to the House. 

Debate (on motion by Mr Horne) adjourned.

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 2000-2001

Message from the Governor-General recommending appropriation announced.

First Reading

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

Second Reading

Mr FAHEY (Macarthur—Minister for Finance and Administration) (9.49 a.m.)—I move:

That the bill be now read a second time.

In Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001, appropriations totalling $0.5 million additional to those made in the Appropriation (Parliamentary Departments) Act 2000-2001 are
sought for recurrent and capital expenditures of the parliamentary departments.

The increases sought primarily relate to:

- funding for the departments of the Senate and the House of Representatives for the Citizenship Visits Program; and
- the House of Representatives for holders of public office, along with performing the secretariat role for matters raised by the Auditor-General and the Joint Committee of Public Accounts and Audit.

I commend the bill to the House.

Debate (on motion by Mr Horne) adjourned.

ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION AMENDMENT BILL 2000

First Reading

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

Second Reading

Mr Ruddock (Berowra—Minister for Immigration and Multicultural Affairs and Minister Assisting the Prime Minister for Reconciliation) (9.50 a.m.)—I move:

That the bill be now read a second time.

The Aboriginal and Torres Strait Islander Commission Amendment Bill 2000 establishes a new body known as Indigenous Business Australia (IBA) by expanding the functions of the Aboriginal and Torres Strait Islander Commercial Development Corporation (CDC).

The bill reflects the government’s commitment to increasing opportunities for indigenous Australians to participate in commercial development. Participation in business enables more indigenous Australians to escape the cycle of welfare dependency and provides opportunities for employment and the creation of wealth and capital to generate further economic development opportunities.


The government is committed to ensuring that outcomes from indigenous business support programs are optimised. Accordingly, the government is commissioning an independent review of indigenous business programs to recommend mechanisms for the most appropriate and effective delivery of such programs.

The bill is also designed to improve current services and contains three key aspects.

The first aspect is changing the name of the CDC to IBA. The establishment of a new organisation, with a new name, will provide an opportunity to refocus business client expectations on commercial objectives clearly differentiated from the broad social and economic objectives of the Aboriginal and Torres Strait Islander Commission, ATSIC.

The second aspect is expressly allowing ATSIC to outsource its commercial functions. ATSIC will be enabled to use IBA or other organisations to deliver its commercial services, such as the provision of loans, to indigenous businesses. These changes are designed to encourage a shift in culture surrounding indigenous business support and, in particular, to help bring the public and private sector closer to an effective partnership.

The final aspect provides the option of appointing a full-time chairperson to IBA. Currently the chairperson of the CDC is appointed on a part-time basis. The option to appoint a full-time chairperson is in recognition of the significant role that IBA will play in stimulating the economic advancement of indigenous Australians and will help to ensure that IBA can maintain and expand the successful joint venture arrangements the CDC has established with a wide range of Australian companies.

In conclusion, I would like to say that an important means for addressing indigenous employment and economic disadvantage is to promote growth in indigenous business. The bill is a significant step towards improving indigenous participation in viable businesses, and is part of the government’s ongoing commitment to assist indigenous Australians achieve economic independence.
I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Horne) adjourned.

MIGRATION LEGISLATION AMENDMENT (MIGRATION AGENTS) BILL 2000

First Reading

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

Second Reading

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs and Minister Assisting the Prime Minister for Reconciliation) (9.54 a.m.)—I move:

That the bill be now read a second time.

This bill amends the Migration Act 1958 to improve arrangements for the regulation of migration agents.

The act provides a scheme for regulating the migration advice industry and those who seek to practise as migration agents.

The regulatory framework requires the registration of people who provide various kinds of assistance to visa applicants. The process of registration is administered by the Migration Agents Registration Authority, MARA.

MARA is given power under the act to refuse, cancel or suspend registration of persons who are not people of integrity or otherwise not fit and proper to provide assistance to visa applicants who are a particularly vulnerable client group.

These decisions are based on a number of factors set out in the legislation, including, amongst other things, the person’s knowledge of migration procedure, whether they have a criminal record and aspects of their professional and financial history.

The primary aims of this bill are to expand the powers of MARA to take action on integrity issues and to reduce uncertainty in the registration process for agents.

The expansion of MARA’s powers provided by this bill will allow the commencement and completion of investigations of complaints against migration agents even if they are no longer registered.

Under the act as it stands, MARA is forced to abandon this kind of disciplinary action when a person who is the subject of a complaint deregisters.

The consequence of this is that migration agents who have acted improperly can leave the industry with an apparently untarnished reputation.

One agent who deregistered last year was the subject of numerous unresolved complaints, a number of them quite serious.

The agent deregistered when MARA requested to meet with him in the course of investigating the complaints.

As a result, MARA was unable to make any findings or take action against the agent.

In fact MARA cannot presently reveal anything adverse about a former agent in these circumstances.

These new provisions will prevent such agents from avoiding the disciplinary provisions of the scheme simply by deregistering or allowing their registration to expire.

Using these powers MARA will be able to bar a former agent from re-entering the industry for up to five years and to make public the reasons for its decision.

These provisions will operate in a similar way to MARA’s current disciplinary and publication powers in relation to registered agents.

The provisions ensure that agents are accorded procedural fairness and have the opportunity to make submissions before the authority makes a decision barring the person from returning to the industry.

MARA’s decision will also be reviewable on its merits by the Administrative Appeals Tribunal, and in due course by the proposed Administrative Review Tribunal.

Under the regulatory framework, agents are required to seek registration each year in order to keep working in the industry.

MARA currently receives around 1,800 repeat registration applications each year.

There is a significant administrative burden for MARA where an agent makes a repeat registration application very close to the expiry of their existing registration.
MARA is currently holding three to five meetings per week to decide these applications.

Under the carryover provisions of this bill, an agent’s existing registration will be taken to continue until MARA makes a decision on their repeat registration application.

This provision will have the added benefit of easing uncertainty for agents.

Currently, if an agent’s registration has expired, they are not able to practise until MARA has approved their repeat registration application.

The bill also provides that, if MARA has not made a decision at 10 months, the agent’s registration application will be deemed to have been granted.

These provisions will deal with those situations where some time might elapse before MARA is able to make a decision on an agent’s repeat registration application.

An example of where this might occur is where a previous decision of MARA to suspend or cancel the agent’s registration is the subject of review proceedings, and that decision has been stayed pending a full hearing of the matter.

The deemed registration at 10 months will ensure that the normal cycles of registration and repeat registration are maintained, including compliance with obligations to undertake continuing professional development.

The bill also provides a mechanism to end uncertainty over some kinds of activities that were never intended to be captured by the regulatory scheme.

These amendments would allow regulations to be made setting out specific circumstances in which registration as an agent would not be required when providing advice on visa related issues.

For example, it would be possible to use these powers to clarify the status of employers who provide advice to actual or intending employees on immigration matters related to their employment.

Employers who provide this kind of advice to their own employees were never intended to be regulated by the scheme.

In summary, the amendments made by this bill will significantly enhance client protection as well as improve the efficiency of the industry regulation arrangements.

The professionalism of this industry is the subject of some interest to all members of the parliament, and I am confident that these measures will enjoy support from all sides.

I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Horne) adjourned.

MIGRATION LEGISLATION AMENDMENT (INTEGRITY OF REGIONAL MIGRATION SCHEMES) BILL 2000

First Reading

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

Second Reading

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs and Minister Assisting the Prime Minister for Reconciliation) (10.00 a.m.)—I move:

That the bill be now read a second time.

This bill introduces a new visa cancellation scheme for Regional Sponsored Migration Scheme visas into the Migration Act 1958.

The Regional Sponsored Migration Scheme was established, as a pilot, in 1995.

Since 1995 there has been an increasing trend of Regional Sponsored Migration Scheme visa grants.

170 visas were granted in 1996-97; 581 visas were granted in 1997-98; 765 visas were granted in 1998-99 and 640 visas were granted in 1999-2000.

In order to gain a more even distribution of skilled migrants across the country, substantial concessions are made in relation to the criteria for the grant of a Regional Sponsored Migration Scheme visa.

These include the need only for diploma level qualifications and the possible waiver of language and age requirements.
However, the key criterion for the grant of a Regional Sponsored Migration Scheme visa relates to employment in Australia.

The criterion is that the visa applicant has been nominated by an employer in respect of an approved appointment in the business of the employer that will provide full-time employment for at least two years in regional or rural Australia.

This requires a two-year contract of employment between the visa applicant and the nominating employer.

Ensuring compliance with this criterion is essential to the continued integrity of the scheme.

While there is little evidence at the moment to suggest widespread abuse of the scheme, the new visa cancellation powers are necessary to safeguard against any future misuse and to deter persons who do not have any genuine intention of settling in rural or regional Australia.

The business advisory panel, which provides expert advice in relation to the government’s business entry programs, is also of the view that measures to safeguard against possible future abuse of the Regional Sponsored Migration Scheme are necessary.

In its recent review of the Regional Sponsored Migration Scheme, the business advisory panel recommended that a Regional Sponsored Migration Scheme visa should be cancelled if the visa holder fails to fulfil a two-year contract term with his or her employer.

In addition, the Regional Sponsored Migration Scheme is the subject of a current inquiry by the Joint Standing Committee on Migration which is reviewing the operation of ‘state-specific migration mechanisms’.

The new visa cancellation scheme in the bill will enable the cancellation of a Regional Sponsored Migration Scheme visa in two broad circumstances:

- first, where the visa holder has not commenced the employment referred to in the relevant employer nomination within the period prescribed in the regulations and he or she has not made a genuine effort to commence that employment; and
- second, where the visa holder’s employment referred to in the employer nomination terminated within the required employment period of two years and he or she has not made a genuine effort to be engaged in that employment for the required period.

An example of a situation in which this new visa cancellation power could be used occurred recently.

A person applied for and was granted a Regional Sponsored Migration Scheme visa at an overseas Department of Immigration and Multicultural Affairs office.

On arrival in Australia, this visa holder informed his nominating employer that he did not want to start work immediately.

Subsequently, the visa holder and his family moved to a capital city in another state and presented at Centrelink for assistance.

The visa holder is now apparently renting a house in that city, has a telephone connected and has bought two cars.

It would seem that this visa holder has no intention of settling in regional or rural Australia.

The new power to cancel a Regional Sponsored Migration Scheme visa would not generally be used where a nominating employer terminates the employment contract within the two-year period.

Cancelling a Regional Sponsored Migration Scheme visa in such a situation would not serve the purposes of the scheme, particularly where the circumstances leading to the termination are outside the employer’s or visa holder’s control.

For example, a failure to commence or remain in employment will not generally lead to visa cancellation where a downturn in business activity, closure of the business, financial loss or bankruptcy is involved.

Finally, the new visa cancellation scheme will not have any retrospective effect. It will only apply to Regional Sponsored Migration Scheme visas granted after the bill com-
mences as a result of applications made after
the commencement of the bill.

I commend the bill to the chamber and
present the explanatory memorandum to this
bill.

Debate (on motion by Mr Horne) ad-
journed.

REMUNERATION TRIBUNAL
AMENDMENT BILL 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) (10.05 a.m.)—I move:

That the bill be now read a second time.

The government has established a remunera-
tion environment that attracts and retains the
best people in the Commonwealth public
sector and that meets high standards of ac-
countability.

The amendments to the Remuneration
Tribunal Act 1973 that are proposed in this
bill support this policy objective. They go to
clarifying the respective roles of the tribunal
and the responsible minister in relation to
principal executive offices.

Under the Remuneration Tribunal Act,
principal executive offices fall outside of the
determining jurisdiction of the tribunal.

The tribunal can provide advice on their
remuneration but has no authority in this
area.

In the Public Employment (Consequential
and Transitional) Amendment Act 1999, the
parliament decided to expand the functions
of the Remuneration Tribunal to allow it to
determine a classification structure for prin-
cipal executive offices.

This change was an important step in im-
proving and reforming executive remunera-
tion in the Commonwealth.

It was designed to encourage employing
bodies—to the greatest extent possible and
appropriate in a public sector context—to
engage in productivity based bargaining with
their employees.

Allowing the Remuneration Tribunal to
set a framework ensured that these negotia-
tions would take place within appropriate
parameters and with consistent reference
points across decentralised authorities.

The Remuneration Tribunal issued a clas-
sification structure on 7 December 1999. It
was tabled in this House as determination
1999 No. 15 on the same day.

The classification structure for principal
executive offices consists of five remunera-
tion bands, with broad rules and defined
boundaries.

It allows for a total remuneration ap-
proach, with limits for annual variations in
remuneration and productivity based bar-
gaining.

Its detail mirrors in many ways the ar-
rangements that were put in place by the tri-
bunal for departmental secretaries in early
1999.

It is a good framework, but legal advice
suggests it is one that an employing body can
ultimately choose to disregard because of the
wording of the amendments to the Remu-
neration Tribunal Act last year.

The government wishes to rectify this
situation through the amendments contained
in this current bill.

Following discussions with the Remu-
neration Tribunal, the government has de-
cided to take forward changes that enhance
the role of the tribunal in relation to the clas-
sification structure and to spell out clearly
the process for translating public offices into
the structure.

These changes improve the accountability
of setting and reviewing the remuneration of
principal executive offices. They also rein-
force the tribunal’s decision making and co-
ordinating role in the remuneration of Com-
monwealth public office holders.

The impact of the amendments includes:

• giving the Minister for Finance and Ad-
ministration the responsibility to make
declarations for principal executive of-
fices. The Governor-General previously
created principal executive offices
through regulation. There are currently
11 principal executive offices. The gov-
The government hopes to increase this number significantly. Because of the large volume of offices involved, we believe that allowing the minister to declare an office, with notification through the Commonwealth of Australia Gazette, is a better way of transacting this reform.

- giving the Minister for Finance and Administration the power to declare the employing body and the classification band or level in the principal executive office classification structure to which the office will be assigned, as well as the power to set the commencing remuneration for the office. This is designed to improve accountability. It also ensures that in the translation of public offices into a total remuneration environment, the starting point is set explicitly.

- giving the Minister for Finance and Administration the power to assign an office into a particular classification temporarily, and/or to identify a level of commencing remuneration that is person specific. This will help to deal with anomalies that may arise because of existing person-specific loadings, benefits or allowances, which are not relevant to an office in the long term. It is designed to ensure that the market position of that office is not distorted.

- providing that the Minister for Finance and Administration must consult with the Remuneration Tribunal in creating a principal executive office and making the decisions mentioned above. This reinforces the coordinating role of the tribunal on the remuneration of public office holders. It is consistent with the advisory role the tribunal plays in relation to departmental secretaries and heads of executive agencies under the Public Service Act 1999.

- providing that an employing body cannot determine terms and conditions for a principal executive office that are inconsistent with the broad rules and defined boundaries established by the tribunal. An employing body can only put in place arrangements that are inconsistent with the classification structure for that position when it has gained the written consent of the Remuneration Tribunal.

The bill also contains provisions to ensure that the arrangements that are in place for existing principal executive office holders before the commencement date for these provisions are not affected by what is contained in this legislation.

I commend the bill and present the explanatory memorandum.

Debate (on motion by Mr Horne) adjourned.

VETERANS’ AFFAIRS LEGISLATION AMENDMENT (BUDGET MEASURES) BILL 2000

Consideration of Senate Message Consideration resumed from 27 November.

Senate’s requested amendment—

(1) Page 20 (after line 21), at the end of the bill, add:

Schedule 6—Amendment extending veterans’ benefits to members of medical or surgical teams who served in Vietnam

Veterans’ Entitlements Act 1986

1 After subsection 5C(2)

Insert:

Members of medical or surgical teams under the SEATO program

(2A) For the purposes of this Act, a person who rendered service outside Australia, in an area described in item 8 of Schedule 2 (in column 1) during the period specified in column 2 of that Schedule opposite to that description, as a member of a medical or surgical team provided by the Commonwealth at the request of the Republic of South Vietnam under the South East Asian Treaty Organisation aid program, is taken to have been serving as a member of the Defence Force while rendering that service.

Mr BRUCE SCOTT (Maranoa—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (10.12 a.m.)—I move:

That the requested amendment be not made.

The government cannot accept the amendment requested by the Senate. Since World
War II the policy on repatriation benefits for civilians has consistently required that they be attached to Australia’s defence forces: that is, civilians must have served under Australian military command to be eligible for veterans’ entitlements. The repatriation system is intended to provide a special level of benefits and care to our ex-service men and women in recognition of their service and sacrifice in times of war and conflict. The extension of these benefits to civilians who have not served under military command would be contrary to the intent of the Veterans’ Entitlements Act and previous legislation that has underpinned this system. That is not to say that repatriation benefits have never been extended to certain civilians.

A number of Australian civilians who worked during the Vietnam War under military command are eligible under the repatriation system. This includes members of organisations such as the Red Cross, the every man’s welfare service the Salvation Army, the YMCA and the Australian Forces Overseas Fund. Indeed, some 51 members of these organisations are included in the nominal role of Vietnam veterans. Under the bill currently before the parliament, about 50 merchant seamen who served under naval command on HMAS Jeparit will become eligible for repatriation benefits from 1 January 2001. This carries through an important recommendation of Mr Justice Mohr’s review of anomalies and entitlements for service in South-East Asia between 1955 and 1975. However, the distinguishing feature in these cases is that all of these civilians were subject to Australian military command.

The principle at stake here has been applied since World War II by successive Australian governments on both sides of the House. It has been supported by the Returned and Services League of Australia, which has restated its support for that position during the public debate surrounding this issue. The opposition and the Australian Democrats are now seeking to overturn this principle by extending veterans’ entitlements to a group of civilian nurses. The members of these civilian surgical and medical teams who worked in Vietnam were employed by the then Department of Foreign Affairs under the South-East Asia Treaty Organisation aid program. While they could be seen to have supported the military commitment, their service was not equal to military service. They were not bound to take up arms under control of the military if threatened; in fact, they would most likely have been evacuated from the country if the situation worsened and they came under fire. Similarly, today, in the Department of Defence military personnel and civilians work side by side, but civilians do not come under military discipline.

There is no doubt that the civilian surgical and medical teams did an excellent job—many of them under difficult conditions. It is entirely appropriate that they be compensated for any ill effects their employment had on their health. That is why the civilian teams are covered by the Commonwealth employees’ compensation legislation, now the Safety, Rehabilitation and Compensation Act 1988. This was clearly indicated in the contract of employment agreed to by each member of the civilian teams. Under this act, the nurses can access compensation for any effects on their health of their employment, including psychiatric conditions such as post-traumatic stress disorder.

To date I understand that, out of the 400 or so members of the civilian teams, nine have lodged claims with Comcare. Of these claims, eight have been fully or partially successful; only one has been rejected. I am also aware that some of these nurses have concerns about their access to compensation through Comcare. These are important issues that need to be addressed. I issued an open invitation earlier this month on radio for the nurses and their representatives to meet me, members of my department, Comcare and the Department of Foreign Affairs and Trade to try to resolve those concerns. As recently as last week my office wrote to the Australian Nursing Federation inviting them to discuss this matter further. (Extension of time granted) So far that invitation has not been taken up, but I hope that the nurses will come forward to ensure that they are able to access appropriate compensation arrangements.
The government has been accused of moving the goalposts on this issue, of making it harder for civilian nurses to justify a claim. The fact is that the goalposts have been standing firm since World War II. These nurses were not under military command and they are not eligible for veterans' entitlements. It is the opposition and the Australian Democrats who are proposing, with this amendment, that the goalposts be moved, that a special case be made for the nurses. More than 1,100 other Australian civilians worked in Vietnam during the war. These included privately contracted entertainers, non-accredited war correspondents and Qantas aircrew who transported troops to and from Vietnam. None of them served under military command and none of them is covered under the Veterans' Entitlements Act. If a special case is made for these nurses, it will create a precedent for these other civilians. Further, it will create a precedent for many other civilians who have worked in countries to which Australian forces have been deployed since Vietnam. The result would—and this is important—undermine the integrity of the repatriation system, and the government cannot accede to such a request.

While the opposition and the Democrats pursue this misguided amendment, they are delaying the passage of legislation that gives rise to a series of important budget initiatives benefiting the veteran community. This includes the extension of full repatriation benefits to more than 2,600 veterans who served in South-East Asia between 1955 and 1975 and the provision of psychiatric assessment and counselling services to adult children of former partners of Vietnam veterans—issues which have been a high priority for the Australian veteran community.

Mr ALBANESE (Grayndler) (10.20 a.m.)—On behalf of the Australian Labor Party, I express disappointment with the government’s position. We have sought to amend this legislation, which would allow Vietnam civilian surgical and nursing teams to be granted entitlements under the Veterans’ Entitlements Act, in consultation and cooperation with the Australian Democrats in the Senate. This was recommended by the independent inquiry conducted by Major General Mohr, which was tabled earlier this year. I note that the minister himself praised that inquiry in his speech before the House, which we have just heard. Major General Mohr stated very unequivocally:

It is recommended the Australian civilian surgical and medical teams operating in Vietnam during the Vietnam War be deemed as performing qualifying service for repatriation benefits.

Why is this the case? Because it is common-sense. As the minister has said, these Australians were subject to the same conditions as military personnel. The government has accepted every other significant recommendation of this report. It is, in our view, being stubborn in now rejecting the recommendation of its own inquiry. Evidence to the inquiry and to the Senate legislation committee covering veterans showed that the surgical and nursing teams served in appalling conditions and at considerable danger to themselves. We in this House in recent years have made some effort to recompense our failure as a nation to acknowledge the contribution that Vietnam veterans in particular made, and we have tried to do that across party lines.

This amendment is a logical step. Many of these people are suffering from the same illnesses and physical complaints that affect our Vietnam veterans. The workers compensation arrangements under Comcare have proved inadequate. These people will be able to access adequate care only if they receive VEA entitlements. The government believes approximately 410 to 420 people served in civilian surgical units. It has estimated that it may cost up to $3.5 million if these people were granted VEA entitlements. I think this is a very generous estimation.

I note that other members on this side of the House wish to contribute to this debate. We support all the other provisions of the bill, which improve the care of the Vietnam veterans. The government is being bloody-minded and is holding up the other entitlements that we support by not agreeing to award entitlements to the surgical units. I urge the government to reconsider its position.
Mr EDWARDS (Cowan) (10.23 a.m.)—I must express my disappointment at the government’s attitude to this issue. This week we have witnessed one of the greatest pork-barrelling exercises in the history of Australia. Hundreds of millions of dollars—a windfall that has resulted from the incredible amount of money that this government is raking in from GST on petrol—will be spent. Yet, at the same time as it is reaping that benefit, the government says that it cannot afford to extend the Veterans’ Entitlements Act benefits to people who cared for—and, indeed, saved the lives of—Australian service personnel in Vietnam. Those medical teams worked side by side and shoulder to shoulder with medical personnel from our armed forces.

In endeavouring to explain the government’s position, the Minister for Veterans Affairs harks back to World War II. Vietnam veterans had great problems accessing benefits when they returned from Vietnam because people referred constantly to World War II. We are talking about Vietnam. We are not talking about entertainers or journalists, but people from medical teams who worked on, and saved the lives of, allied service personnel in Vietnam.

I cannot understand why the government has rejected this one recommendation from the Mohr inquiry. It has picked up every other significant recommendation so why has it rejected this one—particularly in view of the very strong support for civilian nurses from within the Vietnam veteran community? I refer honourable members to the summer 2000 edition of Debrief published by the Vietnam Veterans Association of Australia. In his report, the National President, Brian McKenzie, says:

Nurses from Australian Surgical Teams, Vietnam, also attended the council meeting to inform us of the current state of play with their efforts to get coverage under the Veterans Entitlements Act. Delegates were able to question those in attendance for us to understand the role they played in the war. They had the expectation that Comcare would look after them, but the bureaucrats using an outdated and antiquated piece of legislation have pushed them from pillar to post. The association decided to support the civilian nurses in their endeavours to obtain their entitlements, to provide advice and to make representations on a political level.

A number of those people are members of that association. It is time that the government provided some justice, particularly to civilian nurses. Many of them served in remote and exposed areas, were exposed to herbicides and suffered post-traumatic stress disorder. Yet those nurses cannot receive compensation under the act about which the minister spoke.

I conclude by complimenting John Meehan, a member of the Noble Park branch of the RSL in Victoria, who has worked tirelessly for many years to secure support and recognition for these civilian medical teams. It is time that this parliament gave those sorts of people the support that they deserve.

Ms HALL (Shortland) (10.28 a.m.)—I am absolutely disgusted that the government is refusing to accept this amendment. It was a recommendation of the Mohr report and the government has accepted all other recommendations in that report. The surgical teams in Vietnam suffered enormous hardship and I believe they are entitled to the coverage that they would receive under the Veterans’ Entitlements Act. This government is being petty and bloody-minded in refusing to accept this recommendation.

It was interesting listening to the Minister for Veterans’ Affairs talk about the dangerous precedent that would be set. He said that people must have been under direct military command in order to be entitled to coverage under the Veterans’ Entitlements Act. I draw the minister’s attention to the case of the merchant mariners who in 1994 were granted the coverage that nurses and doctors are currently seeking. Those mariners certainly deserved to receive those benefits.

It is argued that the civilian surgical teams were not under direct military command and were paid much more money than military personnel were. Minister, the nurses and doctors in Vietnam were not under direct military command, they were being paid through the private sector, but the conditions under which they had to operate certainly justify their being given this coverage. The situation is very similar to that of the merchant mariners. Often the nurses would work
on a Friday, fly to Vietnam and on Sunday morning be out in the field, working under conditions where they had no support and had no debriefing when they finally finished. I have looked at the contribution made by the shadow minister in the Senate where he spoke about one nurse who was working in the Austin hospital. She served for nine months in Vietnam, flew back to Australia and was back at work in the Austin hospital within days of returning to Melbourne.

Those conditions—the employment situation, the lack of support received by the nurses and doctors—in themselves really lead to the development of disorders such as post-traumatic stress disorder, and the minister has mentioned that some cases have already been lodged in that area. The more I think about it, the more I feel that the government is just being pig-headed about this whole matter. It is not being at all realistic to say that, to be eligible, the individual needed to be under direct military command. Those nurses and doctors were part of the team. They operated out there along with all the other Defence Force personnel, who were under direct military command, and they suffered in exactly the same way.

The precedent is there. I urge the minister to just think about it for a little bit—to think about it carefully and reconsider his position. I ask him to think about these people, think about the contribution they made to Australia whilst in Vietnam and accept the amendment that was put forward by the opposition.

Mr BRUCE SCOTT (Maranoa—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (10.32 a.m.)—I would like to add a couple of comments, given the comments that have come from the other side of the House. I would not like to leave the House with the impression that the government does not care about the surgical teams that served in Vietnam, under a civilian aid program, along with 14 other countries. A couple of comments were made by some on the other side the House in relation to PTSD. PTSD is a condition which can be claimed under the Commonwealth's Safety, Rehabilitation and Compensation Act. In fact, there have been nine claims lodged by members of those civilian surgical teams, eight of which have received compensation under the Commonwealth's Safety, Rehabilitation and Compensation Act. So it is wrong to suggest that there is not an avenue through which the civilian surgical team members can claim.

Also coming from the other side of the House has been the suggestion—and I was interested in this—that civilian nurses, under the civilian aid program, were under military command. If they were under military command, I would welcome that information being brought to my office and I will work and put all the resources that I have into helping those people establish their case. If they were under military command, they will receive a veteran entitlement. In fact, I am also advised that there are some members of the civilian surgical teams who were able to demonstrate that they were under military command and do, in fact, receive a veteran entitlement. Can I just repeat that: if there is a civilian nurse or anyone in one of the medical teams who can prove that they served under military command, some have done, they will receive a veteran entitlement.

I will just conclude by saying that the national body of the Returned Services League very strongly supports the government's position on this. It believes that the veteran entitlement has been built up over many, many years for very right and special reasons: to make sure that we care for our veterans in a very special way. If any of our civilian nurses or civilian medical team members can demonstrate that they were under military command whilst in Vietnam, they too will have access to that veteran entitlement, because that will preserve the integrity of the veteran entitlement. To do otherwise would be to undermine the veteran entitlement and render it a civilian entitlement, which at some time in the future would, I believe, see veterans not being treated in the special way they have been since the establishment of the repatriation system during the First World War.

Ms HALL (Shortland) (10.35 a.m.)—Very briefly, I would just like to pick up on a couple of points that the Minister for Veterans' Affairs made. The provisions of Comcare do
not provide adequate coverage for the nurses and members of the surgical teams that were in Vietnam. It is an inadequate coverage, and it is not designed to support the needs of people who have been in war zones. Secondly, the point I made that the minister did not pick up on—and I would be most grateful if he did—is the similarity between the merchant mariners and the nurses and doctors who served in Vietnam. Neither was under direct military command, although I still maintain that they were part of a team that was operating in those war zones; yet the minister refuses to give adequate coverage to the surgical teams. There is a precedent, and I believe that the nurses and doctors who were in Vietnam definitely deserve to have the coverage of the Veterans’ Entitlements Act.

Mr EDWARDS (Cowan) (10.37 a.m.)—The Minister for Veterans’ Affairs is misinformed when he quotes the position of the RSL. There is very strong support in the RSL for this position, and I know it is something that the national executive will have to look at again because of the strong support that has come from the rank and file membership of the RSL for the position of the civilian medical teams. If the minister got out and spoke with some of the people from the branches, he would find that that is the case.

The other thing is this: the RSL is not the authority in this matter; this parliament is. I also referred to the fact that the Vietnam Veterans Association—an association dedicated to the people who served in Vietnam—strongly support the position of the nurses. The Vietnam Veterans Federation when I last spoke to them strongly supported the position of the nurses. I know that at some stage in the not too distant future RSL policy will recognise that support. It is an opportunity for the minister to get in front of the argument, it is an opportunity for the parliament to get in front of the debate, and it is an opportunity for the parliament to stamp its authority on this whole issue. I encourage them to do so.

Question put:
That the requested amendment be not made.

The House divided. [10.43 a.m.]
Question so resolved in the affirmative.

FINANCIAL SECTOR LEGISLATION AMENDMENT BILL (No. 1) 2000

Consideration of Senate Message
Consideration resumed from 2 November.

Senate’s amendments—

(1) Page 3 (after line 10), after clause 5, add:

6 Review of operation of strict liability offence regime

(1) The Minister must, on or before the second anniversary of the commencement of Schedule 3, cause a report on the operation of the amendments to the Superannuation Industry (Supervision) Act 1993 contained in Part 2 of Schedule 3 to be laid before each House of the Parliament.

(2) A report under subsection (1) must examine the appropriateness of imposing strict liability in relation to the relevant offences under the Superannuation Industry (Supervision) Act 1993.

(2) Schedule 1, page 4 (after line 3), before item 1, insert:

1A After subsection 9(3A)

Insert:

9AA APRA may disqualify individuals

(1) APRA may disqualify an individual from being a director of a body corporate with a section 9 authority if it is satisfied that the person is not a fit and proper person to carry on banking business.

(2) A disqualification takes effect on the day on which it is made.

(3) APRA may revoke a disqualification on application by the disqualified individual or on its own initiative. A revocation takes effect on the day on which it is made.

(4) APRA must give the individual written notice of a disqualification, a revocation of a disqualification or a refusal to revoke a disqualification.

(5) APRA must cause particulars of a notice given under subsection (4) to be published in the Gazette as soon as practicable.

(3) Schedule 1, page 6 (after line 3), after item 16A, insert:

16B After subsection 63(2)

Insert:

16C After subsection 63(3)

Insert:

(3A) In making a decision whether to consent to an arrangement, agreement or reconstruction, the Treasurer must take the national interest into account.

(3B) The Treasurer must cause copies of any submissions received under subsection (2A) in relation to the proposal to be laid before each House of the Parliament within 5 sitting days of that House after making a decision whether
to consent to an arrangement, agreement or reconstruction.

(4) Schedule 2, item 8, page 12 (lines 4 and 5), omit subsection 67(2), substitute:

(2) The terms and conditions of appointment (including as to remuneration) are to be determined by the Bank, provided that such terms and conditions shall be no less favourable than those which may exist in terms of any certified agreement applicable to this group of employees.

(5) Schedule 3, item 46, page 25 (line 25) to page 26 (line 1), omit the item, substitute:

46 Subsection 36(2)

Repeal the subsection, substitute:

(2) The trustee is guilty of an offence if the trustee contravenes subsection (1).

Maximum penalty: 50 penalty units.

(2A) The trustee is guilty of an offence if the trustee contravenes subsection (1). This is an offence of strict liability.

Maximum penalty: 25 penalty units.

Note 1: Chapter 2 of the Criminal Code sets out the general principles of criminal responsibility.

Note 2: For strict liability, see section 6.1 of the Criminal Code.

(7) Schedule 3, page 32 (after line 9), after item 62, insert:

62A Paragraph 252C(2)(c)

Omit “or (7)”, substitute “, (7), (7A) or (7B)”.

62B After subsection 252C(7)

Insert:

(7A) It is not an offence if the information, or the information contained in the document, as the case may be, is all or any of the following:

(a) information identifying a particular self-managed superannuation fund (other than information disclosing the tax file number of the fund);

(b) information that is reasonably necessary to enable members of the public to contact persons who perform functions in relation to a particular self-managed superannuation fund;

(c) a statement of the Commissioner’s opinion as to whether or not a particular self-managed superannuation fund is a complying superannuation fund in a particular year of income for the purposes of Division 2 of Part 5.

Note: A defendant bears an evidential burden in relation to the matters in subsection (7A) (see subsection 13.3(3) of the Criminal Code).

(7B) If information referred to in subsection (7A) is disclosed to the Registrar of the Australian Business Register established under section 24 of the A New Tax System (Australian Business Number) Act 1999, the Registrar may enter the information in that Register.

Note: A defendant bears an evidential burden in relation to the matters in subsection (7B) (see subsection 13.3(3) of the Criminal Code).

(8) Schedule 3, item 63, page 32 (lines 10 to 17), omit the item, substitute:

63 Subsection 254(4)

Repeal the subsection, substitute:

(4) The trustee is guilty of an offence if the trustee contravenes subsection (1).
Maximum penalty: 50 penalty units.

(5) The trustee is guilty of an offence if the trustee contravenes subsection (1). This is an offence of strict liability.

Maximum penalty: 25 penalty units.

Note 1: Chapter 2 of the Criminal Code sets out the general principles of criminal responsibility.

Note 2: For strict liability, see section 6.1 of the Criminal Code.

(9) Schedule 3, item 76, page 37 (lines 4 to 11), omit the item, substitute:

76 Subsection 347A(6)
Repeal the subsection, substitute:

(6) The trustee is guilty of an offence if the trustee contravenes subsection (5).

Maximum penalty: 50 penalty units.

Note: Chapter 2 of the Criminal Code sets out the general principles of criminal responsibility.

(10) Schedule 4, page 41 (after line 7), after item 1, insert:

1A Paragraph 56(2)(c)
Omit “or (7B)”, substitute “, (7B) or (7C)”.

1B After subsection 56(7B)
Insert:

(7C) If information referred to in subsection (7A) or paragraph (7B)(a) that relates to a body that is, or has at any time been, regulated by APRA under the Superannuation Industry (Supervision) Act 1993 is disclosed to the Registrar of the Australian Business Register established under section 24 of the A New Tax System (Australian Business Number) Act 1999, the Registrar may enter the information in that Register.

Note: A defendant bears an evidential burden in relation to the matters in subsection (7C) (see subsection 13.3(3) of the Criminal Code).

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (10.48 a.m.)—I indicate to the House that the government proposes that amendments Nos 7 and 10 be agreed to and that amendments Nos 1, 2, 4, 5, 6, 8 and 9 be disagreed to, and the government will agree to an amendment to be moved by the member for Wills in place of Senate amendment No. 3. I suggest, therefore, that it may suit the convenience of the House to first consider amendments Nos 7 and 10, then consider amendments Nos 1, 2, 4, 5, 6, 8 and 9 and, when those amendments have been disposed of, consider amendment No. 3. I therefore move:

That Senate amendments Nos 7 and 10 be agreed to.

The amendments that the government moved to the Financial Sector Legislation Amendment Bill (No. 1) 2000 in the Senate are designed to enable interested parties to more easily access contact details for self-managed superannuation funds and information as to whether those funds are complying funds in terms of the Superannuation Industry (Supervision) Act 1993. Until now, publication of this information has been difficult due to the restrictive nature of the secrecy requirements under that act. We see this as good news for consumers. We see it as a good opportunity for the superannuation funds to be a little bit more transparent in relation to members’ interests.

Mr KELVIN THOMSON (Wills) (10.50 a.m.)—The opposition have no difficulty supporting the motion the Minister for Financial Services and Regulation has just moved. I would put on record in relation to the fit and proper person test, which was the subject of debate both here and in the Senate, that we have subsequently received a letter from the Minister for Financial Services and Regulation which says:

I agree to provide you with an undertaking that the government will bring forward a statutory fit and proper person test to insert into the Banking Act 1959. In relation to timing, I understand APRA is currently developing a suitable test and proposes to finalise this work early in the new year. The most appropriate legislative vehicle in which to include the fit and proper test would be the Financial Sector Legislation Amendment Bill (No. 1) 2001, which I intend to introduce in the autumn sittings next year.

We note that the government has agreed to a fit and proper person test for banking direc-
tors and are pleased to have received that assurance.

Question resolved in the affirmative.

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (10.51 a.m.)—I move:

That Senate amendments Nos 1, 2, 4, 5, 6, 8 and 9 be disagreed to.

I will first deal with Senate amendment No. 1 moved by the Democrats. This amendment would require that I report to parliament on the operation of the amendments to the SI(S) Act contained in part 2, schedule 3 of the bill within two years of those amendments taking effect. In particular, the report must examine the appropriateness of imposing strict liability in relation to certain offences under the SI(S) Act.

The government consider that the relevant regulators under the SI(S) Act—the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission and the Australian Taxation Office—are best placed to report on the use of strict liability offences that are to be created by the bill. The annual reports of these regulators must be laid before the parliament and the regulators frequently appear before parliamentary committees. These avenues would give more than adequate means of monitoring the extent to which strict liability offences are to be created by the bill. The annual reports of these regulators must be laid before the parliament and the regulators frequently appear before parliamentary committees. These avenues would give more than adequate means of monitoring the extent to which strict liability offences were being used by the regulators and whether that use was appropriate. We reject this amendment because it just piles more bureaucracy on top of already existing bureaucracy. The time, the effort and the cost of doing this sort of thing are just totally inappropriate. It is best served by existing processes rather than new processes that may end up being cumbersome, costly and time wasting. In view of this, the government do not see the need for this amendment.

The second amendment was moved by the Australian Labor Party and relates to amendments to the Banking Act. This amendment will provide APRA with the power to determine whether a director of an authorised deposit taking institution, ADI, is fit and proper before granting a banking authority and will provide APRA the power to disqualify an individual from being a director of an ADI. The shadow Assistant Treasurer referred to a letter that I sent the shadow minister for financial services and regulation which outlined the government’s position in cases where APRA is satisfied that a person is not fit and proper to carry on banking business. It is a pretty reasonable sort of compromise. There is general support for the use of a fit and proper test. However, the current amendment has a number of significant shortcomings. Although APRA has a fit and proper requirement in its prudential guidelines, APRA is currently in the process of preparing a revised test that is consistent with international best practice and the requirements of the Basel core principles of effective banking supervision. This amendment pre-empts this process and may result in a less than optimal outcome.

Secondly, the amendment does not address the issue of individual rights—for example, the right of appeal. Thirdly, the amendment applies only to bank directors and would not apply to senior executives and other persons who are often captured in fit and proper provisions in overseas legislation. Fourthly, the amendment does not consider whether any additional powers, such as collection of information powers, may be required to assist the application of fit and proper provisions. Fifthly, the amendment does not consider whether any additional powers, such as collection of information powers, may be required to assist the application of fit and proper provisions. Finally, under the proposed section 9AA(5), if APRA were required to disqualify a person, it would be required to publish this in the Gazette. It is possible that this may expose APRA to legal action, including defamation. So Australia will get a superior outcome if we just wait to see what APRA proposes when it has completed its review of fit and proper requirements.

Amendment No. 4 is an amendment to the Reserve Bank Act moved by the Australian Labor Party. This amendment to section 67 of the Reserve Bank Act requires that the terms and conditions of employment of Reserve Bank staff should be no less favourable than those which may exist in the certified agreement applicable to this group of em-
ployees. The Reserve Bank Act currently allows the Reserve Bank to employ staff on such terms and conditions as it determines. The amendments to the Reserve Bank Act in this bill do not seek to change any of the terms and conditions applying to those employees—rather, they are mainly aimed at streamlining service provisions in the act and updating terminology relating to Reserve Bank employees. *(Extension of time granted)*

This amendment will place restrictions on the Reserve Bank in the employment of its staff that do not presently exist and that go way beyond what is required for other employers. In particular, the amendment would impose a more onerous no-disadvantage test for the RBA relative to other employers, many of whom have extremely flexible workplace provisions. So the government is opposing that amendment.

Amendments Nos 5, 6, 8 and 9 are amendments moved by the Australian Labor Party to the SIS Act penalties. These amendments relate to four offence provisions of the SI(S) Act. The provisions in question relate to the failure to provide annual returns and other information by superannuation funds to the regulators. The government consider that the penalties proposed by these amendments will not be sufficient deterrent against breaches of these provisions. The lodgment of annual returns and the provision of other information to the regulators is an integral part of the prudential supervision of superannuation funds. To clarify, this is a prudential issue. This is not about trying to make things onerous for the industry; it is about prudential supervision. This is why we say to the Labor Party that the original provisions of the bill reinforced this by converting the existing fault liability offences covering these matters to strict liability offences with a maximum penalty of 50 penalty units. By reducing the penalties for the proposed strict liability offences to 25 penalty units, the effective enforcement of these provisions will be undermined. Therefore, we believe on prudential grounds that the government cannot accept those amendments.

Mr KELVIN THOMSON (Wills) (10.59 a.m.)—This group of amendments covers a number of amendments agreed to by the Senate which we believe are a sensible and useful change to the Financial Sector Legislation Amendment Bill (No. 1) 2000. What we are seeking to do is to make the application of the Criminal Code to the SIS Act a sensible and considered change. These amendments have been supported by Labor and the Democrats. Unlike the government’s proposals, they have been discussed with the industry—those who are in the best position to know how they will work in practice. This is one of the key differences.

As we found during the Superannuation and Financial Services Select Committee hearings on the bill, the government had not bothered to consult those on whom this bill would impact. The application of strict liability to the SIS legislation has been noticed by superannuation trustees. They do consider that this will make substantial changes to the way that these offences are dealt with, and this is one of the reasons why we have agreed to the Democrats’ proposal, amendment No. 1, that the amendments to the SI(S) Act ought to be reviewed in two years time. Given that the changes to the legislation are directly aimed at, and are intended to impact on, the way trustees go about their business, it is sensible and reasonable that we see, in two years time, what sort of impact they have had.

Personally, I find it quite surprising that the government will not agree to this amendment. It suggests arrogance on the part of the government, and it is the same sort of arrogance that we saw from Senator Ian Campbell when he was defending the government’s position in the Senate. I have to say to the minister that, until I heard Senator Ian Campbell’s performance, I thought he was entitled to be disappointed that you were doing his job. Senator Campbell saw fit, in debate on this bill, to describe distinguished Australians Bernie Fraser and Philippa Smith as ‘Labor lackeys’. I can understand that Senator Ian Campbell might be a bit unhappy about seeing former Labor minister Susan Ryan involved in the Australian Institute of Superannuation Trustees, but his remarks regarding Bernie Fraser and Philippa Smith were in very poor taste. I am able to understand why it is that the minister, and not
Senator Ian Campbell, is the Minister for Financial Services and Regulation.

In relation to amendments Nos 5, 6, 8 and 9, the Labor Party are trying to meet the concerns of the government and the concerns of the trustees. We have accepted that there is a need to apply strict liability to these areas of the SIS legislation. The government’s application of strict liability to these offences would see trustees facing fines of up to 50 penalty points if it is proved that the offences occurred; so in those circumstances intent would be of no consequence. We have a situation where APRA have said that they will apply these changes with discretion, but, if you look at the legislation, it makes no allowance for that. So it is a matter completely for APRA’s discretion, and it becomes a question of trust. This is not how legislation is normally designed. If we give bodies powers and legal authority, we circumscribe that in ways that we think are appropriate rather than simply giving policing authorities open-ended powers.

We have endeavoured, with our amendments, to say, ‘this idea of discretion should be written into the application of the new penalties.’ I think we ought to make it clear what is actually going on here. The government certainly misrepresented our position in the Senate, and I am not sure if the government actually understand our position, because they have endeavoured to describe our amendments as a halving of the penalty. This is nonsense. The existing penalties remain, so the up to 50 penalty points remain. What does change is the onus of proof and, in relation to that—as I have said—we are happy to meet the government halfway. (Extension of time granted) Under Labor’s amendments, trustees will face a maximum penalty of 50 points if fault can be proved and a maximum penalty of 25 points if the trustee has, without any intention to do so, failed to lodge their annual return.

The government’s position is, ‘We want strict liability up to the 50 points’, which means that no more proof is required other than proof that the lodgment did not occur. So the use of a lesser penalty, if there are extenuating or mitigating circumstances, is wholly in the hands of the administrator. We think that that is too harsh a penalty for an offence of this character—lack of annual return lodgment. We think that there should be a penalty for failing to lodge but that there should be discretion in the application of that penalty. So if you are a day or two late and the APRA wants to penalise you for that, they have the capacity to do that. We are accepting that there be strict liability and that they have the capacity to penalise you for being a day or two late. The idea that they could go to the maximum penalty for being a day or two late in lodging an annual return is, we think, unreasonable, and we have therefore proposed to the Senate, and we propose here, a compromise position.

The same considerations apply to amendment No. 8, or section 254, which seeks to apply a strict liability offence if the trustee has failed to notify a change of address, a change of offices or some other detail. Again, we are happy for the government and APRA to have that higher 50-point penalty available, but there ought to be some proof of intent. Once again, with change of address and so on, you can see a range of circumstances. If a superannuation fund goes missing and seeks to hide or to use a bogus address, then, certainly, let us have the full range of penalty available. But if it is simply a question of moving from floor 15 to floor 18 in a particular building in Sydney or Melbourne, we think that that is a pretty minor matter and you should not be able to apply the higher level of penalty, unless you can prove some intent to hide on the part of the trustees.

The other area where there is disagreement concerns statistical information, which relates to amendment No. 9. The government has sought to make the nonprovision of statistical information on request a strict liability offence. We think that the punishment has to fit the crime here. While we understand that filling in surveys and so on is useful to APRA and to the government, we do not think that this is an area where members’ funds are threatened. On that basis, we are not supporting the government’s change. We think it should continue to be a fault liability offence, as it always has been. While the government and APRA rightly say that funds...
must comply with the relevant laws, trustees must also be clear about how the law will be applied to them, and you do not get guidance and security for trustees in relation to strict liability offences.

Finally, in relation to this set of amendments, there have been suggestions by the government that if we do not support all this we could be reducing the security of workers’ retirement benefits. Nothing could be further from the truth. That is really a bit rich coming from a government which has not been doing anywhere near enough to support better retirement incomes and, in relation to the critical issue concerning workers’ superannuation entitlements when companies become insolvent and workers miss out on their superannuation contributions, has not been doing anywhere near enough to make sure that employers meet their obligations. Indeed, I have moved a private member’s bill to require employers to make quarterly superannuation guarantee contributions to try to address this problem, and so far we have not had any support from the government for that bill. If the government is really worried about workers’ retirement incomes, it would be taking action in areas that actually do impact on workers, where they do miss out on superannuation money, rather than suggesting that there is something at stake here when there is no evidence for that. (Extension of time granted)

The final amendment I want to comment on is amendment No. 9, the Reserve Bank amendment. The minister spoke in relation to that issue. Our position is that we do not want the government to be able to use this bill to reduce employment conditions for Reserve Bank of Australia staff. All we are seeking is a guarantee that the terms and conditions of employment for RBA staff cannot fall below those contained in the relevant enterprise agreement. The bill proposes to change the definition of RBA staff. This bill proposes that housing loans no longer be part of the RBA Act and that RBA employees’ terms and conditions of employment can be determined by management. If the government does not accept our amendments, then RBA staff fear that the bank will seek to reduce entitlements. As the House is well aware, the government’s record in this area of industrial relations is not good. There is no reason whatsoever to trust this government on any industrial relations issues. We do not intend to give the government any backdoor avenue for reducing conditions for workers in the RBA, as elsewhere.

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (11.10 a.m.)—I would just like to remind the House that the Labor Party were highly critical of home loans being provided by the Reserve Bank to, I think, the Deputy Governor of the Reserve Bank. And we just had the member for Wills say that the Labor Party do not want the government to take away those opportunities for employees of the Reserve Bank. This indicates one thing: you cannot believe what the Labor Party have to say because they are hypocritical on these sorts of issues.

Mr KELVIN THOMSON (Wills) (11.11 a.m.)—As the minister has not added to his earlier comments on other clauses, I do not intend to say anything further about them, save to say that, although we do not intend to press these issues to a division here, that should not be interpreted as reflecting any weakening of our resolve on these matters when they are dealt with in the other place.

Question resolved in the affirmative.

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (11.12 a.m.)—I present the reasons for the House of Representatives disagreeing to Senate amendments Nos 1, 2, 4, 5, 6, 8 and 9, and I move:

That the reasons be adopted.

Question resolved in the affirmative.

Mr KELVIN THOMSON (Wills) (11.12 a.m.)—I move:

That Senate amendment No. 3 be disagreed to and that the following amendment be made in place thereof:

Schedule 1, page 6 (after line 3), after item 16A insert:

16B After subsection 63(3)

Insert:

“(3A) In making a decision whether to consent to an arrangement, agreement or
reconstruction, the Treasurer must take
the national interest into account.”

Labor supported the Democrats’ amendment
in the Senate, which was to require that the
Treasurer consider the national interest test
when consenting to the merger of an ADI.
This proposal simply sought to introduce
into the Banking Act 1959 a clause that is
already contained in the Financial Sector
Shareholdings Act 1998. There is an issue
here as to what the Treasurer should be con-
sidering in assessing the national interest. At
the inquiry into this bill conducted by the
Senate Economics Committee, Treasury of-
ficials stated:

Although there is no formal national interest test
in the legislation, the Treasurer may currently
consider a range of issues in consenting to a
merger. These include prudential issues, competi-
tion policy issues and national interest issues.

Treasury officials defined the types of issues
that could be included under the national
interest as including employment effects,
regional effects, benefits to consumers and
industry, greater efficiency in productivity
and benefits in creating stronger institutions
or greater diversity of product lines.

Labor notes the comments made by the
Finance Sector Union and the Australian
Consumers Association to the Senate Eco-
nomics Committee. The FSU stated that at
this stage their primary concern was not so
much about relative weightings but about
having their voice heard. The FSU cited evi-
dence that the Treasurer had not responded
to their request for meetings to discuss the
impact of the then proposed merger between
the Commonwealth Bank and Colonial, de-
spite its potential impact on employment. Ms
Petcheler from the Australian Consumers
Association was also not concerned about
what the relative weightings should be. She
stated to the inquiry:

... we are not at the point now where we need to
worry about the fact that someone should have a
bigger voice than someone else. Our concern is
that we do not get the opportunity to put that
voice forward at the stage where mergers are be-
ing approved.

The ACA stated at the inquiry that they were
not in a position to be able to adequately de-
fine what should go into a public interest
test, nor what community obligations the
Treasurer should consider when consenting
to the merger of an ADI. They stated to the
inquiry:

... what we would like is an actual debate with
government, with the regulators and with the
banking sector around what would be viable uni-
versal service obligations and how they would
look.

Labor members concur with the submission
from the ACA to the Senate that there is a
need for a public debate on how the public
interest should be defined. Labor members
are of the view that the Treasurer should
immediately establish a forum to bring con-
sumer groups, trade unions, pensioner groups
and other stakeholders together with banking
industry representatives to discuss the issues
that the Treasurer could consider when con-
senting to a merger of an ADI.

Labor understands that the government
have concerns in relation to the proposed
consultation procedures. The Democrats’
amendment establishes that when consider-
ing an application to approve a merger of an
ADI, the Treasurer must first call for written
public submissions and allow a reasonable
period for submissions to be made. Labor
understands that the government are con-
cerned that a consultation process where two
ADIs propose to merge may result in a run
on a weaker, more vulnerable ADI. Labor
concedes that there can be at times a conflict
between the desire to consult and the desire
to ensure prudential soundness. But while we
concede this, we do not think that that means
that we can simply ignore the issue of con-
sultation. It is clear that there is a need for
improved consultation processes when the
Treasurer agrees to the merger of an ADI.

There is a need for the Treasurer to consider
the views of community groups, consumer
groups and trade unions when consenting
to the merger of an ADI, particularly when the
merger involves one of the major four banks.
Now the government have acknowledged
that there are prudential issues with the
amendment it has sought the advice of
Treasury and APRA officials and come up
with changes to address these concerns, and
that is the basis of the amendment which I
have just moved.
Question resolved in the affirmative.

**FUEL QUALITY STANDARDS BILL 2000**

**Second Reading**

Debate resumed from 28 November, on motion by **Dr Stone**:

That the bill be now read a second time.

upon which **Mr Kelvin Thomson** 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 condemns the Government for:

1) turning its back on commitments made in 1997 to protect consumers from dangerous fuel substitution;

2) allowing millions of dollars of excise revenue to be lost because of inadequate policing of fuel standards; and

3) rejecting calls by Eastern Seaboard states to better police fuel standards”.

**Mrs GASH** (Gilmore) (11.18 a.m.)—Today I would like to speak on the Fuel Quality Standards Bill 2000. This bill will establish the framework within which the federal government will be able to standardise fuel quality in Australia. One of the reasons I wish to speak on this bill is that in the Shoalhaven, part of my Gilmore electorate, we have an ethanol plant. The Manildra Group owns and operates this ethanol plant and has been at the forefront of the technology for many years.

Let me take you on a journey through Manildra Group’s main operations so that everyone can understand ethanol and its usefulness as an addition to fuel and fuel quality. We start with the purchase of wheat from northern and western New South Wales. This is taken to the township of Manildra, from which the company takes its name, or to Gunnedah, for milling into flour. At that stage, the by-products—the wheat husks, and so on—are processed into bran and pollard for stock feed. Some flour is exported and some makes its way to the domestic retail market. The rest of the flour is then loaded into specially built, hygienic, stainless steel rail wagons and transported to Nowra. At Nowra the flour is separated into starch (carbohydrates) and gluten (protein). The gluten is dried and mostly exported. However, some is used in Manildra Group’s newly developed technology to produce wheat protein isolates. These are used mainly in meat products. Warren Truss, the Minister for Agriculture, Forestry and Fisheries, has also visited Manildra, and last week announced $100,000 for the Manildra Group in recognition of their efforts to develop this production technique.

The wheat protein isolates have two advantages: (1) they value add to the gluten and therefore return a higher yield per tonne and (2) they help retain the moisture in the meat while it is being cooked, ensuring our meals are absolutely delicious. The other product, starch, is used in several ways: (1) some is sold in liquid form to paper and cardboard manufacturers to give a quality feel to their product and to enhance its strength and durability, (2) some is dried and sold locally and to the export market and (3) some is used to produce sugars, and these include glucose for the lollies and chocolates made by most of the large well-known national and international confectionery manufacturers. Brewers syrup is also produced for most Australian and several overseas breweries. In an Australian first, fructose is now produced by Manildra Group under the Gemsweet label and is used in most soft drinks. The rest is used for the production of ethanol. Manildra Group’s research into and development of ethanol production has been hailed by Senator Robert Hill, the Minister for the Environment and Heritage, whose department has provided $1 million towards Manildra Group’s efforts to produce consistently high-grade ethanol in commercial quantities and at realistic prices. This has been achieved through the development and refining of new technologies that make best use of the products from other operations.

As I said earlier, the rest of the starch produced from the flour goes into creating ethanol. This continuous fermentation process is a world first, designed and developed by
Manildra Group. The ferment is then distilled to reduce the water content from about 95 per cent to four or five per cent. During this process carbon dioxide is given off to the atmosphere. This is what trees and plants need to breathe; they use carbon dioxide and produce oxygen.

However, Manildra is not happy with any emissions so they have been working on a new plant with BOC Gases to harness and bottle the CO₂ given off. This can then be used to produce the fizz in the soft drinks that already use Manildra’s Gemsweet fructose. The 95 per cent alcohol is used to make products like methylated spirits. However, unfortunately, cars do not run well on water yet so, to make ethanol, all of the water must be removed from the alcohol. Again, this is done through a world’s first technique developed by Manildra. They use tiny ceramic beads to sieve out the rest of the water. The beads have tiny cracks in them which are large enough to take in the water molecules but too small to take in the alcohol molecules. Once the beads are saturated with water, the alcohol is run into a similar sieve for another period of time. In the meantime, the saturated beads are vacuumed and heat dried ready to continue the process. The Minister for the Environment and Heritage has provided a further $1 million to Manildra to assist with the cost of this highly specialised research and development.

But the process is not yet complete. The dross from the distilling process is pumped out and the liquid effluent is used to irrigate Manildra’s farm, which is just across the road from the factory. However, not satisfied with that, Manildra is now drying the solids and selling them for good quality and no doubt very tasty feed for cattle. The farm runs beef cattle and grows ryegrass as silage for local dairy herds. Everything is used, reused and turned into something productive—always on a sound commercial base. No wonder the Minister for Agriculture, Fisheries and Forestry recently recommended the Manildra Group for its development of technology and use of by-products. Too often we hear only bad news stories about large Australian companies and the good new stories do not get out.

Why am I talking about ethanol while addressing a bill on fuel quality standards? Ethanol has a lot of oxygen in it and when added to petrol it creates a high temperature burn of the fuel. This means that more of the by-products of combustion are burned, thereby reducing pollution. The extra by-products that are burned in the combustion cycle just happen to be those greenhouse gas emission pollutants. Today motorists can add about 10 per cent ethanol to their petrol or about 15 per cent to their diesel without any modification to their engines, and the fuel will burn more effectively and cleaner—in fact, about 25 per cent cleaner. It is therefore important that we get all our fuel to a standard so that it burns as effectively as possible without damage to equipment—this means petrol, diesel, LPG, CNG and ethanol. With fuel prices as they are, it is imperative that we research and develop alternative fuel products, such as this government has encouraged by contributing $2.1 million towards our plant at Manildra.

Recently, there was much discussion in the press and the parliament about fuel additives and the fluctuations in quality of both fuel and additives. Some additives were used purely because of their low cost and the tax advantages to the wholesaler or retailer. Others have been used without regular monitoring or regulation and have been found to be of varying value. For instance, diesel comes in various forms of winter mix, where 20 to 60 per cent of heating oil is added to diesel, depending on how low winter temperatures get in the region. Cooma diesel retailers, in the electorate of my colleague the member for Eden-Monaro, would be selling diesel that contains up to 60 per cent heating oil. Diesel in the Southern Highlands might be made up of 40 per cent heating oil, with little or none used on the coast.

A major diesel engine fuel injection service business in the Southern Highlands has contacted me about the difficulties encountered through different quality fuels being used. On a daily basis, Mr and Mrs Leimroth and their team find damage done to diesel engines by what could be substandard and contaminated fuel. This contributes significantly to the increased pollutant emissions.
from those engines. Their workers have built up an intimate knowledge of diesel engines in general, and they keep full and accurate records of their particular work. From their unique position in the Southern Highlands they are able to trace who is using what fuel. As they provide a quality service for diesel injection equipment from every state and territory across Australia, Berrima Diesel Service know what fuel can do to a diesel engine. Like the Manildra Group, the Leimroths support this bill. They are looking forward to a national framework of standards for fuel quality because they tell me that their engines will last longer, that their customers will be happier and that word of mouth news about their quality of work will travel even faster. Reinhard and Barbara Leimroth and their son Andrew are particularly concerned about air pollution. That may sound different from the attitude you might expect from people in the diesel fuel injection service business, but they live in the highlands because they like the pristine environment there. The Leimroths are very concerned to see that the federal government takes all necessary steps to ensure that diesel engines reduce their emissions of pollutants.

This bill has five parts. After the preliminaries we move on to the regulation of fuel and fuel additives. As I said earlier, this bill does not set the actual standards for fuel quality; it merely creates the framework for this government to monitor and control them. The offences created by part two of the bill relate to noncompliance with the fuel quality standards. That noncompliance may be byproduction, alteration or importation. It is important to have these offences created so that the polluting effects of noncompliant fuels and additives can be adequately and promptly controlled. This part of the bill also sets out the process to be followed by the Minister for the Environment and Heritage in determining a standard for fuels and fuel additives. After the first determination, which will already have been the subject of extensive consultation, the minister must consult with relevant groups and industry bodies before setting new standards. These standards will, of course, have regard to not only the pollutants that they emit into the atmosphere before and after burning but also the impact they may have on any emission control equipment. The effects on community health will be researched and monitored over time. As a body of knowledge is built up from the research into the effects of these fuels and additives, a register of prohibited fuel additives will be created and maintained by the minister. He or she will add to the register those additives which do not meet the standard. Of course, there is always that one-off situation that requires an amount of flexibility in the minister’s actions. This, too, is covered in the second part of the bill. It allows the minister to grant a person an exemption from compliance with a fuel standard or to change the standard for fuel being supplied by a person.

Part 3 of this bill relates to the enforcement provisions. Clauses 37 to 65 are similar to the standard provisions for the government’s monitoring, search and seizure powers. This government, through its delegated authorities, can appoint inspectors, and these inspectors must be suitably trained, qualified and experienced. They will have the power to enter and search premises, take measurements and samples, conduct tests and inspect records and documents. They will be sufficiently empowered to do their jobs. Entry to premises can be voluntary with the consent of the occupier, operator or representative. Entry may also be compulsory, gained under warrants with penalties applying for refusal. Naturally there are balancing penalties for inspectors who falsify information to gain warrants, thereby protecting the operator.

Part 4 deals with the record keeping requirements of persons supplying and/or importing fuel or fuel additives that are the subject of quality standards. The requirements of suppliers will be covered in accompanying regulations. Importers and producers will also have to tender a yearly statement to the Department of the Environment and Heritage. Part 5 of the Fuel Quality Standards Bill 2000 addresses the need for a review of the proposed legislation and its impacts within two years of its commencement. Regular reviews will then take place every five years. In accordance with Australia’s normal expectation that governmental processes will be open and transparent, there is
also provision for decisions to be reviewed by the Administrative Review Tribunal. The public will be kept informed through the tabling of an annual report prepared by the Secretary to the Department of the Environment and Heritage and given to the minister at the appropriate time.

While the Manildra Group is leading the way in the production of ethanol in Australia, it is not the only Shoalhaven company that is looking at reducing emissions. You may remember the site of that magnificent vessel the Solar Sailor on Sydney Harbour as the Olympic torch made its way up the harbour. It also featured in TV shots of the triathlon events near the Opera House. This craft uses several power sources to drive itself across the water. Despite early resistance to its concept, Dr Robert Dane, his family and his team kept up their groundbreaking work. Eventually they were successful and the federal government granted the project $1 million to commercialise the technology. You may have noticed Captain Cook Cruises using Solar Sailor on Sydney Harbour every day to take passengers for the smoothest and quietest ride of their lives. It harnesses a combination of wind and solar energy to use directly on propelling itself across the water or to top up the batteries that drive the electric motor that was especially designed for lightweight efficiency by the University of New South Wales. Alternatively, there is a capacity for the motors to use compressed natural gas, CNG, which will be one of the other fuels to be standardised for quality in the future. So you can see that the impact of this proposed legislation is far reaching. Ultimately, its framework will include standards on the quality of petrol, diesel, liquefied petroleum gas (LPG), CNG, ethanol and others.

May I remind you, Mr Deputy Speaker, of why we are proposing this legislation. By regulating the quality of fuel, this government can: (1) reduce the pollutants and emissions arising from the use of fuel that may cause environmental, greenhouse and health problems; (2) encourage the adoption of better engine and emission control technologies; and, (3) enable the more effective operation of engines. Recently, I travelled to China where I had ample opportunity to see and breathe the pollution that springs from unregulated fuels and engines, especially car engines. It makes good sense for the government that controls engine design rules to also control fuel quality. That way we can make greater headway on the reduction of pollution from car engines. I, for one, never want to breathe the Beijing style of air in Australia.

**Mrs DE-ANNE KELLY** (Dawson) (11.33 a.m.)—The Fuel Quality Standards Bill 2000 gives effect to an undertaking given by the Prime Minister in May 1999 when he announced a package of measures to encourage the switch to lower sulfur diesel fuels and to bring our vehicle emission standards to international standards by 2006. It is an important measure to protect the environment, and it is being handled in a responsible way by the Minister for the Environment and Heritage, the Hon. Robert Hill.

There is no doubt that Australia is a big country with a heavy reliance on motor transport. While we all share the same objective of a cleaner and healthier environment, it is important that we also make allowances for the realities of the tyranny of distance. This bill provides a framework for determining the fuel specifications of alternative and renewable fuels and shows a way of having these fuel sources incorporated into use by our transport system. It is very satisfying to see that the government has already demonstrated in a clear and practical way its commitment to alternative fuels. In June this year, the Renewable Energy Action Agenda was launched, and this included an initiative to promote the development of the renewable fuel industry. The government backed this strategy with a $75 million package for the Alternative Fuel Conversion Program over four years and $9 million for alternative fuels under the Diesel and Alternative Fuel Grants Scheme in 2000-01, increasing to $12 million in the following year.

I am very heartened and encouraged by this practical response because, like the member for Gilmore, I have a particular reason for promoting renewable alternative fuels. My particular interest, also like the member for Gilmore, is ethanol. As coordi-
nator of the government’s Sugar Industry Task Force, I convened a seminar in Parliament House last year to discuss the opportunities for ethanol. I know the member for Gilmore has Manildra in her electorate, which produces some 50 million litres of ethanol from starch. CSR in my electorate produces 55 million litres of ethanol. The balance of the 110 million litres produced in Australia each year is taken up by Rocky Point at Bundaberg, which produces some five million litres. The plant in my electorate run by CSR at Plane Creek, Sarina, is the second most technologically advanced plant in the world next to one in Turkey. Interestingly enough, our ethanol is so pure that not only is it good enough to put in your car engine but it is exported mainly to Japan and made into sake. I always find it is a wonderful irony that our great neighbours across the Pacific in Japan use Sarina sugar to make sake. It shows what very excellent ethanol it is that is produced in my electorate.

An expanded domestic ethanol production could mean a very significant boost for our sugar and wheat farmers. As the member for Gilmore had said, the Manildra factory produces ethanol from wheat. The Plane Creek and CSR distilleries produce ethanol from sugar. So both farming sectors have a big interest in the ethanol industry. Before I consider the benefits of an expansion of our domestic ethanol industry, I would like to share with the House the experience in Brazil. Brazil has undergone a rapid expansion of its sugar industry in the past decade and has the most dominant influence in the world sugar market. In 1990-91 it accounted for four per cent of world sugar exports and by 1998-99 it had grown to more than 26 per cent of world sugar exports. Much of that regrettably was at the cost of Australia’s sugar production.

However, the rapid expansion of the Brazilian sugar industry during the 1990s led to an equally rapid expansion of their domestic ethanol production, an expansion guaranteed by the imposition by the Brazilian government of a mandated 24 per cent of anhydrous ethanol in domestic gasoline. In other words, the Brazilian government requires by law that all fuel for transport sold in Brazil will have 24 per cent ethanol content. As world oil prices doubled in 1999 and continued to soar, the demand for ethanol in Brazil also jumped. The Brazilian government has been forced to sell ethanol stocks to contain the extent of ethanol price rises as operators move to substitute more ethanol for gasoline in domestic fuel. Subsidies for the maintenance of domestic ethanol stocks have been removed. The ethanol industry there is robust and growing. In fact, at the back of every raw sugar producing mill in Brazil there is an ethanol distillery producing ethanol in a very efficient manner.

In order to reduce possible shortages of ethanol, the Brazilian government has cut its mandated proportion of ethanol in fuel from 24 per cent to 20 per cent, and this is expected to reduce the domestic ethanol requirement by about 800 million litres a year. Yet, with high oil prices, it was calculated that of the current sugarcane harvest some 56 per cent had been used for ethanol and only 44 per cent for sugar. That was bound to happen with high oil prices and the recent slump in the world sugar price. Brazilian sugarcane farmers had the benefit of being able to direct their crops to whichever market paid the best price. They have the choice of being able to turn their sugar cane into either raw sugar for their domestic and international markets or ethanol to be used in their fuel transport in their own country.

What we can learn from Brazil is that a domestic ethanol production industry has provided excellent returns for cane farmers, a cleaner environment because of a high mandated ethanol content in their fuel and huge savings in their national oil bill. In fact, it has been a winner all round. At the Sugar Industry Task Force seminar I mentioned earlier, expert evidence was provided to show that the current cost of ethanol into fuel markets in major Australian cities could be anywhere between 69c and 70c a litre. The Australian Biofuels Association in its submission noted:

Over the next three to five years, significant reductions in the cost of producing ethanol are anticipated due to technology advances and innovation in the existing industry and through the demonstration and commercialisation of new cellulose-to-ethanol technologies. Significant progress has already been made. In 1995, the
Government estimated the cost of delivering ethanol fuel to major city markets was 82 cents a litre. Today, it is 69 to 70 cents a litre. This is similar to cost trends in the United States, Canada and Brazil.

Thus it is clear that ethanol is not just competitive with oil now; it is likely to be cheaper as the technology improves, as production increases and we have economies of scale.

The best estimates at present are that Australia’s oil reserves could well be depleted within the next 15 to 20 years, exposing us to a volatile international oil market completely. It is not a fate that we should meekly accept when we have the capacity in our sugar and wheat industries to expand and produce from clean, renewable resources a very significant part of our domestic fuel needs. Given that there is now an annual domestic liquid fuel market in Australia of some 25,000 megalitres, a 10 per cent ethanol blend, which when one compares it with Brazil is relatively modest, would require some 2,500 megalitres of ethanol. In its submission to the Sugar Industry Task Force seminar, Mossman mill from North Queensland, in the seat of Leichhardt, noted:

... the sugar industry could only supply half of this, unless it chose to dramatically reduce the amount of sugar produced. Even then, there is still a large scope for other primary producers.

One of the opportunities in my electorate through building the Elliot Channel between Bowen and the Burdekin is for an extra 25,000 hectares of country to be opened up for horticulture and, importantly, sugarcane production. At present, the amount of sugar produced would not lend itself to an easy switch between ethanol and raw sugar, but with additional production we would be guaranteed the supply of the molasses and trash from the sugar cane and of course sugar itself to switch easily between ethanol for the domestic fuel market and raw sugar for export.

It should be recalled here that Brazil introduced a mandatory minimum 24 per cent ethanol blend and only recently reduced that to 20 per cent. Given the context of this bill, which seeks to improve fuel standards, it is appropriate that the environmental outcomes of using ethanol as a fuel blend be considered. In the USA in 1999, more than 10 per cent of all gasoline contained ethanol, and fuel with a 10 per cent ethanol blend has been certified by the US Environmental Protection Agency to reduce carbon monoxide by up to 20 per cent. Ethanol blended fuels have been shown to improve engine efficiency and, according to the American Institute of Chemical Engineers, using ethanol blended fuel was ‘very similar in driving characteristics to straight gasoline, except that pre-ignition and dieseling run on are noticeably reduced and acceleration can be improved’.

The government has already come to recognise that an expansion of the domestic ethanol industry is a desirable outcome. The announcement by the Treasurer that ethanol will not be subject to fuel excise has given the industry great hope for the future and cemented the expansion plans I mentioned earlier. Only a few weeks ago, the Minister for Agriculture, Fisheries and Forestry, Mr Warren Truss, announced a major new study into the commercial viability of increasing the production of ethanol. I look forward to reading that report with great interest when it is released.

While my principal interest in this matter is the ongoing viability, profitability and expansion of the sugar industry, it is clear that other primary industries also stand to benefit from a major expansion of the domestic ethanol industry. The potential is huge and there are benefits all round: for motorists, for farmers, for the environment and, best of all, for our current account deficit. The government has acted and is continuing to act in a responsible and measured way, as this bill demonstrates.

I would like to put to the government the recommendations of the Sugar Industry Task Force which followed a study into ethanol and a working seminar. The recommendations were as follows: confirmation that the exemption of renewable biofuels, such as ethanol—neat and in blends—from fuel excise be maintained through to 2012 and be extended to cover use in petrol, diesel and reformulated fuels and, consistent with the two per cent renewables initiative in the
electricity power generation sector, a requirement that the government consider mandating the use of renewables in the transport fuel sector. There is a good deal of animosity in the Australian community towards the oil companies and perhaps suspicion that may be unwarranted or overzealous, but the reality is that there is concern among consumers about the market power held by the major oil companies. To mandate a percentage of ethanol takes away the complete control of the fuel industry in Australia from the major four. It gives the government, in its ability to mandate and change the percentage of ethanol, a measure of control over fuel prices or at least a measured, constructive and acceptable way of reducing fuel prices for motorists.

The third recommendation was the establishment of a biofuels bioproducts development fund to support new biofuels production based on innovative and new technologies. The fourth was that the Alternative Fuel Conversion Program for CNG and LPG be extended to ethanol in neat ethanol fuel engines and in blends. And the final one was the establishment of an industry-government task force to implement these recommendations and to work together to develop sustainable regimes for the growth and exploitation of traditional resources—agriculture and forestry—and new biomass resources for biofuels and bioproducts.

There is no doubt that an expanded ethanol production industry would provide a tremendous boost to regional and rural communities and, particularly, to the sugar and wheat industries. It would reduce our reliance on imported oil, and hence many of the costs associated with importation. It would provide an import replacement opportunity in Australia. It would contribute markedly to greenhouse gas emission abatement and improved vehicle efficiency, and it would certainly be welcomed by motorists Australia wide. I commend the bill to the House.

Mr BILLSON (Dunkley) (11.48 a.m.)—I am happy to rise in support of the Fuel Quality Standards Bill 2000. It is a bill that has been long in the making and is a part of the government’s environment agenda—a very meaningful, substantial environment agenda—of which this is another instalment. This bill is designed to regulate the quality of fuel supplied to Australian motorists with a view to achieving a reduction in the level of pollutants and emissions arising from the use of fuel that may cause environmental and human health problems, to facilitate the adoption of better engine technology and emission control technology, and to allow and support the more efficient and effective operation of engines. I would like to come back to those points shortly.

Essentially, this bill is a framework piece of legislation that enables the minister to set, by regulation, fuel standards and standards for fuel additives. You have heard other speakers talk about the work that is already under way for petrol and diesel. Those in this House and certainly the good officers of the department that are here today are very aware of my conviction that liquid petroleum gas should be accelerated in terms of the work being put into that to establish an LPG fuel standard. Also, there are some issues that the member for Dawson spoke about in the area of our ethanol and biofuels. This bill provides a framework for work on all of those different fuel types, and the government has set an agenda, as I said, that initially focuses on diesel and petrol and, hopefully, through my advocacy, will see LPG screaming along to catch up with the work that is already under way on petrol and diesel.

Fuel quality is an incredibly variable element in the internal combustion engine and that is partly what this bill seeks to address. Modern internal combustion engines are highly specific and highly technical, and crucially designed engineering features have to meet exacting standards if they are to perform to their optimum level. They have complex computer management systems allowing for nanosecond reporting on how the technology is functioning and making adjustments for the condition of the engine from cold start to high-speed running.

This technology continues to evolve, and the BBC’s Top Gear program—I saw an edition of it in Europe when I was there a few days ago—had the fuel olympics, or ‘fu-
They described it, where they tested a range of different fuel types, looking at the performance of the fuels, the cost to motorists and the environmental outcomes. What came clear from that was that petrol still has quite a life ahead of it but, if we recognise that it is a finite fossil fuel and it has some negative environmental consequences, we should be looking at technologies such as hybrid engines. They use petrol with the support of an electric engine to accelerate at that time when you need the horsepower that is in our cars and, then, once the momentum has been established, that backs off and a much smaller capacity engine keeps the car moving. Hybrid cars are here now. In that ‘fuelllympics’ test on the BBC’s Top Gear program they performed extraordinarily well.

It is crucial that the fuel is perfect: it must be able to meet the exacting standards that that exacting technology requires. We cannot afford to use substandard fuels in this country and be denied access to leading edge technology. Part of that equation is having world’s best technology fuels. We actually have to import and use outdated engines in some domestically assembled vehicles with the V8-horsepower option or of the muscle variety because that is what our fuel requires. That is why, even in industry terms, this bill makes a whole lot of sense. We must make sure that we are at the cutting edge of motor vehicle technology so that we can support the uptake of new, more environmentally friendly and more fuel efficient technologies. We are recognising that fossil fuels are finite, that our environment matters and that we want to be at the leading edge of automotive technology.

That is why this legislation matters at an economic level. Engine technology is evolving, and we need to be at the leading edge of those advances. Smaller engine capacities are producing vast power increases and more environmentally friendly outcomes in terms of emissions and pollutants. Manufacturers are beavering away in that area and we need to support their efforts with fuel that is as modern and high tech as the engines that rely upon it. A crucial element of this technology is the fuel, which needs to be high tech. Australian motorists and heavy vehicle operators cannot expect to get the best from their vehicles or benefit from the engineering excellence that I have mentioned if the fuel is ordinary, if it varies or is somehow of a lesser standard than the technologies designed to use it.

Despite our frustrations with the Kyoto climate change negotiations in The Hague—which I was happy to attend—there was a lengthy discussion about transport fuels and the role that they can play in taking pressure off greenhouse gas emissions and leading to a decrease in the globe’s surface temperature. Fuels play a role even at that meta level of international environmental negotiation. That is another reason why we should get behind this legislation.

A number of years ago people used to think the diesel plumes that engines emitted when vehicles accelerated were ugly but that, while they were visually unpleasant, those fuel emissions did not cause any health problems. We now know that is not correct: diesel releases particulates into the atmosphere that can embed in our vascular systems and lead to poor health. We knew all along that petrol contained carbon monoxide and other pollutants that caused poor human health and poor air quality, and we are now recognising that diesel is the same. This framework legislation will provide the tools to increase the standard of our diesel to Euro 4 by 2006-07, when all new diesel engines will be introduced. The European schedule is to reach Euro 4 by 2005 and 2006. If we are putting that requirement on vehicle manufacturers and suppliers, we must have fuel that supports that change. The bill is aimed squarely at improving the health both of hu-
It supports our love for, and use of, motor vehicles, while ensuring that they place as light a footprint on the planet as possible. It also makes sure that our motorists will benefit from the advanced engine technology to which I have referred.

It has been pointed out several times in this debate that we have fallen behind, in relative terms, in some of our national emission standards. The Australian design rules presently enforced for petrol vehicles equate to the US 1981-82 car model standards, and for diesel we are at about the US 1991 standard. The fact remains that the US and Europe are the largest vehicle and engine manufacturers, and the products we get in Australia are often based on the technology that is being used and developed in those countries. We must provide higher fuel standards to support the take-up of that technology. In effect, this bill will allow Australia to catch up with the European and American standards. That is a positive step. I have mentioned the bill’s interrelationship with the General Motors Fishermans Bend V6 engine plant, which I hope we can secure for our state.

During this debate there has been some discussion of petrol and diesel standards. Work has already been undertaken in this area, including a detailed review of fuel quality requirements for Australian transport commissioned by Environment Australia—which is doing much good work—and conducted by Coffey Geosciences Pty Ltd. It is a very detailed analysis, although I am sorry that LPG was not part of that terrific review. I am pleased that, as a result of my representations, Senator Hill has agreed to make Environment Australia’s resources available so that we can beaver away on LPG fuel standards. It is my goal to see LPG catch up with the work on diesel and petrol—that may be a little optimistic, to put it nicely, but we need to get cracking.

We know that LPG is an environmentally friendly fuel with economic advantages. Changes in the vehicle market require us to express our disappointment with the variety of brews that are LPG. The composition of LPG can vary dramatically depending on the time of year and the refiner from which it is bought. LPG is becoming a growing part of the Australian vehicle fleet, and its use has increased approximately 10 per cent a year for the last 20 years—particularly in my home state of Victoria, which accounts for 40 per cent of the nation’s automotive LPG fleet. The advantages and popularity of LPG are growing across Australia and are being recognised throughout the world, with countries such as China increasing their use of LPG. That is good news for the environment but it is not such good news for us because the market for LPG is now quite competitive. That accounts for some of the recent increases in the cost of LPG, and I have taken up that matter with the government. I share motorists’ frustration in that regard.

About five per cent of vehicles, or 500,000, in Australia currently run on LPG. It is less polluting than either petrol or diesel and, when compared with unleaded petrol, produces 15 per cent less carbon dioxide emissions, 20 per cent less ozone damaging potential, 80 per cent less harmful air toxins and reduced nitrous dioxide emissions. That is good news not only for our environment but also for our motorists in that there is no excise payable on LPG. It is a far more cost-effective fuel—notwithstanding the fact that lesser distances can be travelled on LPG fuel compared with the same amount of petrol.

In my view, there are compelling reasons, though, for the inclusion, with the utmost urgency, of LPG as a fuel standard. A standard for LPG will ensure, as with other fuels, that consumers get what they pay for. I have spoken about these issues before in the House and will not go over all of the arguments again, as compelling as they were, but I do think the general point needs to be reinforced. If you are buying LPG, you get a variety of brew. You can get a 30 per cent reduction in the distance travelled on your 50- or 60-litre tank of LPG, purely depending on where you have bought the fuel and which refiner has provided it. If the mix varies, the brew shifts in its composition and it is hard to tune the engine and the conversion technology. Mr Deputy Speaker, you would know how difficult it is to even consider the high technology that is in motor engines and
then find that the fuel can be all over the shop. How can you exact or optimise the performance of the engine technology when you are using a moving feast of fuel? That is why we need an LPG fuel standard—and not later but sooner—because you are seeing changes in the automotive marketplace.

Ford Australia, to its great credit, has introduced a single-cell Falcon—not a dual fuel; not a fuel where, if you are having trouble starting your car in the morning because of the impurities in LPG, you can just flip over to petrol and away you go, and when the car is warmed up, you can go back to LPG. It is not like that. The only fuel available in these cars is LPG. Because of that you do not have the insurance, when possibly getting a dodgy batch of LPG, of being able to switch over to petrol. You have LPG and only LPG. This is of great credit to Ford. Even Mercedes has brought in a commercial van that only operates on LPG. They are doing terrific things for our environment. We should support them with a fuel quality standard that allows them to develop the engineering solutions that support the use of it. Our role should be to make sure they know what the fuel is that they are going to get. Then the engineers can design vehicle and conversion technology to suit, and then the motorist can get satisfaction from what they purchase because the vehicle runs well, the car performs well and you are getting good mileage or kilometrage—or whatever the current terminology is—for the fuel that you have purchased.

Currently, LPG sold for automotive use is predominantly a blend of two gases: propane and butane. The proportion of these gases varies quite considerably, depending on which time of year you are purchasing the fuel and the refinery from which the LPG comes from. LPG is used extensively as a heating fuel, although LPG for domestic use is exclusively propane. This leads to a higher percentage of butane in the automotive mix, when domestic use of LPG for heating and for boiling your water and your home services is in high demand. The result of this changing mix of LPG is variable performance for consumers in the operation of vehicles using LPG.

The frustration for my constituents—including Tamme Klaster, who is a person I admire greatly and gives me excellent advice on these subjects—is in the conversion business. When the motorist is dissatisfied with the performance of their conversion, they front up to Tamme. Tamme is a guy who is committed to customer service. He tries to help them, when really the cause of most of his warranty claims and requests for repairs are a product of the fuel, not his work. So even then it washes through the system, where those involved in the industry are carrying costs that are caused by variability in the LPG fuel itself. The variable performance can take the form of less power or lower range for a given quantity of fuel. The way forward, in my view, is to set an LPG standard, and this legislation provides that framework. The minister and Environment Australia can be assured of my continuing advocacy to get on with that task so that we can support the greater take-up of LPG as a fuel type.

Time is against me going over all the other areas that I would like to talk about, but I would just basically highlight another area that has come to my attention: the Peninsular Car Club. Members of this club are people who love their families and their cars—I am not sure which they love more. They have vintage heritage cars—some very special vehicles that are important in their lives, and they have put a lot of time into them. Many of these cars, though, are not well suited to these leading edge fuel types, and some will need to use fuel additives and the like to keep their cars functioning. I am hopeful that those belonging to that enthusiastic end of motoring do not find themselves with classic cars that do not have any fuel to operate on. I am hopeful that we are mindful of that. As we look out over this enormous car fleet in Australia, there are quite a number of classic and vintage cars. It is great to hear classic cars referred to as ones I grew up with as a boy. I thought, ‘Gee, I’m getting old.’ But those vehicles are alive and well. They are a big part of people’s leisure, and it is a big industry out there. There are a lot of people in my electorate—I am particularly reminded of them by the Peninsular Car Club—who are looking to the government
not to forget them, not to leave them behind, as we strive towards setting fuel standards and, as this bill does, looking at standards for fuel additives.

This is a sensational package; it is another instalment in the government’s environment reform agenda—really, just getting on with the job. There are a lot of good things that Minister Hill and the government have done in the area of the environment. That is perhaps why the coalition’s environmental credibility is strong, and why people with a genuine interest in natural systems health and looking after our environment, while also providing improved opportunities and prosperity for our country, are increasingly looking to the coalition. The Parliamentary Secretary to the Minister for the Environment and Heritage at the table, Sharman Stone, is very much a part of that and leading a lot of the work that is going on within government in the area of the environment.

I commend these bills to the House. I would also look for some encouragement, Parliamentary Secretary, that the LPG standard will be worked on feverishly. I am being vilified by ALPGA for daring to suggest that some of the fuel it generates is dodgy; it is. Some of its own membership actually market the fact that they have LPG of reliable standard and then ask a price premium for it. So the industry might want to have a bit of a look at itself and recognise that some of the refining technology in our country really does need updating. Just because the refineries are nearing the end of their useful life, I cannot see why Australian motorists should suffer with substandard and highly variable fuel types. I commend the bill to the House.

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (12.07 p.m.)—I want to thank members for their contributions to this debate, in particular the honourable member for Dunkley’s most recent contribution. He has of course a detailed understanding of the issues and continues to advocate for his electorate very strongly. He, with his electorate in suburban Melbourne, understands only too well the sorts of issues we are dealing with in this Fuel Quality Standards Bill 2000.

The Fuel Quality Standards Bill 2000 is historic legislation. It will contribute to Australia being brought up to world’s best standard in terms of pollution from motor vehicles and greenhouse gas outcomes. The legislation is part of a two-stage reform. The first stage requires a new emission standard in Australia for motor vehicles. The second stage is a complementary requirement for new, matching fuel standards.

I would like to draw the attention of the House to the amendment to the motion for the second reading, which has been moved by the member for Wills. The government will not be accepting this amendment and rejects the inferences contained in it. In particular, paragraph (1) of the Labor amendment condemns the government for ‘turning its back on commitments made in 1997 to protect consumers from dangerous fuel substitution’. This act is not designed to address fuel substitution directly. The origin of this legislation is in certain commitments that the Prime Minister made in the A New Tax System—Measures for Better Environment package. These commitments focused on improving the quality of fuel supplied in Australia to support new design rules on vehicle emissions. The Commonwealth is already looking at the broader issues of the link between fuel quality and air quality through the review of fuel quality requirements for Australian transport. The results of this review have indicated that significant reductions in air pollutants can be achieved by raising the standard of fuel in Australia. Work on environmental standards has, however, led to a greater appreciation of the need to develop standards linked to the more effective operation of engines. Standards for vehicle operability will be included in the standards for petrol and diesel once the necessary development work has been undertaken. I am confident that the standards for petrol and diesel will be embraced by the major Australian producers and importers who supply most of the fuel in Australia. This legislation will provide an additional avenue through which to detect fuel substitution, though it is conceivable that substitution could occur without breaching the standards.
Labor’s amendment in paragraph (2) condemns the government for ‘allowing millions of dollars of excise revenue to be lost because of inadequate policing of fuel standards’. The government has acted decisively to address excise evasion practices through fuel substitution. For example, the government implemented revised excise tariff arrangements with effect from mid-November 1999 that remove from the excise tariff and fuel section of the customs tariff certain products that were being abused. The government changed the regulations to remove the incentive to blend methanol with petrol after reports that blends of methanol may have detrimental effects on both engines and air quality. That was on 28 July 2000. Combined with administrative action brought by the Australian Taxation Office, access by excise evaders to fuels at the highest risk of substitution for excise paid fuel has been cut off. We have also brought forward the Petroleum Excise Amendment (Measures to Address Evasion) Bill which passed through the House on 31 May 2000. This bill strengthens the existing petroleum marker regime.

The Labor Party’s amendment moved by the member for Wills also condemns the government for ‘rejecting calls by eastern seaboard states to better police fuel standards’. The new legislation will provide a benchmark which states and territories on the eastern seaboard and elsewhere will be able to adopt for the purposes of enforcing fair trading and consumer protection laws. The Commonwealth is hoping to cooperate with the states in the enforcement and the monitoring of fuel quality. I understand that some state agencies have expressed interest in cooperative enforcement activities. Unfortunately, Victoria has not been as proactive as other states, but perhaps it will come on board when the benefit of that is understood. I challenge the shadow minister to name the states that have requested that the Commonwealth police better fuel standards beyond the legislation before us today. The government will therefore not be accepting the amendment.

Before concluding, I would like to pick up on something that the member for Paterson mentioned about this legislation entrenching Australia’s dependence on the fossil fuel industry. This is far from the case. This legislation reinforces this government’s belief that environmental responsibility is a fundamental requirement for any energy producer in Australia. In my second reading speech I referred to a number of initiatives aimed at promoting the use of alternative fuels. I would also like to bring to your attention the $400 million Greenhouse Gas Abatement Program that has the potential to support projects relating to fuel efficiency, technology and alternative fuels. The Australian Greenhouse Office received a number of proposals relating to ethanol use and production which are being assessed in the first investment round. In conclusion, I would like to thank all members for their contributions to this debate and commend to the House this legislation that will bring Australian fuel standards into line with international best practice.

Amendment negatived.
Original question resolved in the affirmative.
Bill read a second time.

Third Reading
Leave granted for third reading to be moved forthwith.
Bill (on motion by Dr Stone) read a third time.

DEFENCE LEGISLATION AMENDMENT (ENHANCEMENT OF THE RESERVES AND MODERNISATION) BILL 2000
Cognate bill:
DEFENCE RESERVE SERVICE (PROTECTION) BILL 2000

Second Reading
Debate resumed from 9 November, on motion by Mr Bruce Scott:
That the bill be now read a second time.

Mr LAURIE FERGUSON (Reid) (12.14 p.m.)—The House is debating together the Defence Legislation Amendment (Enhancement of the Reserves and Modernisation) Bill 2000 and the Defence Reserve Service (Protection) Bill 2000, two bills that seek to
give legislative effect to the Defence Reserve measures announced by the government as far back as 22 December 1999 and, furthermore, 24 August 2000. At this stage, 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 regrets the failure of the Government to introduce arrangements to optimise the successful operation of the Defence Force, including the Government’s failure to:

(1) articulate a coherent policy on the expected contribution of reservists and Reserve Units to our national Defence effort;
(2) reintroduce defence leave for reservists as an allowable award matter;
(3) review its disastrous experiment with Common Induction Training in the Army;
(4) implement employment and education protection measures before the deployment of reservists to East Timor;
(5) reverse the dramatic decline in recruitment levels in recent years;
(6) address anomalies in pay and conditions for reservists;
(7) properly manage the provision of training opportunities and of necessary equipment;
(8) clarify ongoing levels of funding for its announced measures beyond the current financial year; and
(9) consult adequately with relevant stakeholder groups.”

The Defence Reserve Service (Protection) Bill 2000 implements a graduated series of protections and benefits that will apply to various forms of service in the reserves. It includes a prohibition on discrimination in employment and rights to defer and resume studies and, in the case of compulsory service following call-out, to postpone certain financial liabilities.

I indicate at the outset that the opposition will be supporting speedy passage of the bills. This is notwithstanding our reservations about some aspects and our continuing concerns about the government’s failure to properly address the full array of challenges that confront the Defence Reserves. Accordingly, I have moved an amendment with regard to various criticisms of the government’s performance and continuing problems that arise from that performance. I will cover those later.

The bills we are debating today are products of a particular political and policy context. Since the coalition was elected to office, we have heard endless assertions that the reserves would have to shoulder a growing proportion of our national defence effort. The government has been merrily slashing the number of full-time Defence Force positions by approximately 8,000 as part of its cynical so-called Defence Reform Program. A key driver has been its ideological commitment to outsourcing. About this matter, the Peacock committee recently conveyed broad critical comment of interested parties around this country in its consultation about our defence situation. Wherever you go around bases in this country, the reality is that commanders and rank and file troops are extremely critical of the realistic, on-the-ground results of this ideological preoccupation with outsourcing and subcontracting. Yet the more the coalition has made statements about reservists needing to play a larger part in the Defence Force, the more recruitment has plummeted and the more retention levels and the number of reserves actually fulfilling their training obligations have become issues of concern to people interested in these areas.

In the 12 months to June, the number of active Army reservists actually shrank by a
massive 18 per cent—from just fewer than 22,000 to a little under 18,000. During the same period, the Army Reserve achieved only 33 per cent of its recruitment target. Both of these figures are from Defence’s own recent annual report. It is a reality that the minister can have little pride in. To appreciate the seriousness of the recruitment position of the Army Reserves, I have obtained comparative data for the eight years commencing in July 1992. In the first six of those years, the Army Reserve managed an average of 4,800 recruits each year. During that period, the year by year variation was actually quite small, ranging between 4,300 and 5,800. In contrast, though we hear constant rhetoric in every policy area from this government about the 13 years of Labor administration, over the last two years of the Howard administration we have seen the worst recruiting outcomes for reserves in living memory.

In 1998-99, the number of recruits collapsed to 2,281, and last financial year it fell even further to 1,566 in the whole country. As I said, these figures should be compared with the earlier six-year average of 4,800. It is not a very proud record for the minister handling this policy area. I make no apology for the fact that the opposition have relentlessly pursued the government on these matters, as any perusal of Hansard will show. A variety of initiatives have been used in this House, ranging from private motions and private members’ bills by the Leader of the Opposition to adjournment speeches, et cetera—ad nauseam. We did so because we could see that there was a growing problem and it was acknowledged by just about everyone outside the ministerial office and even throughout the department that the government was doing nothing. Indeed, there was almost universal agreement that various coalition policies were directly contributing to the problem itself. I will return to these policies later in my speech.

It was on Anzac Day last year, a very long 19 months ago, that the Minister for Defence, Mr Moore, first told the media that the government had commissioned a paper from the Chief of the Defence Force on the state of the reserves. We were originally told that this paper would be completed by June last year. In all events, apart from the announcement about call-out, it took cabinet until August this year to adopt a package of measures to assist the reserves. In the intervening period, the problems of recruitment, retention and poor morale have deteriorated even further. This is the real background to the bills before us today.

I turn now to the major changes that the government proposes. Under sections 50E and 50F of the Defence Act 1903, the reserve forces can at present be called out for continuous, full-time service only in extremely limited circumstances. The current legislation empowers the Governor-General to do so, acting of course on the advice of the government of the day, only in situations of war or of a ‘defence emergency’ or, in a lesser circumstance, where he or she is satisfied that it is ‘desirable to do so for the defence of Australia’.

These current provisions significantly limit the ability of the reserves to contribute to the total range of functions that the modern Defence Force performs. They effectively mean that, apart from a direct defence emergency, reservists can serve only on a continuous, full-time basis as a result of a voluntary undertaking made by each individual involved. Recent experiences involving both East Timor and the Olympic Games have shown that many reservists will agree to make such a voluntary undertaking, at some very real personal cost. The opposition have been open to reconsidering the current position regarding call-out because we recognise that there are some potential problems with the current situation. Not the least of these is that the modern Defence Force is increasingly involved in a range of tasks beyond the protection of Australia’s territorial integrity. These include participation in international peacekeeping and peacemaking missions, often under the auspices of the United Nations, and the provision of humanitarian assistance, such as, most recently, in Papua New Guinea.

Under the current legislation, there is no real basis upon which reserve units, as opposed to individual reservists on a voluntary basis, can participate in these very necessary
missions. The bills propose that some or all of the reserve forces may be called out in a wider range of circumstances that would include but not be limited to war, a defence emergency, defence preparation, peacekeeping, peace enforcement, civil aid, humanitarian assistance and disaster relief. Surely, the Australian public would be very supportive of defence and reserve roles in those areas. There have been discussions between the opposition and the government on this aspect of the bills and I will speak further about this in the consideration in detail stage of the debate.

I stress that the call-out provisions we are talking about do not alter the established powers and functions of the Defence Force. They are concerned solely with the ability of Defence to require some or all of the reserves to report for full-time duty to contribute towards these existing functions. Nevertheless, the provisions do have obvious and possibly major implications for reservists, their families and their employers. As such, the powers involved should not be used capriciously or in a high-handed fashion. Obviously, there is a very real need for parliament to have oversight of their use.

The bills also represent the first stage in a process of modernising the structure and organisation of the reserves. Currently, at least three separate acts deal with the basic structure of the Defence Force. They provide that each separate service shall consist of at least three components: permanent forces, emergency forces and the reserve forces. In fact, the Defence Act currently provides that the Army may consist of five separate components. These provisions are outmoded, not the least because there are currently no emergency forces in existence. The bills provide for the ADF to henceforth consist of a permanent force and a reserve force for each of the three services. This is a straightforward and sensible proposition. The bills also empower Defence to define training requirements for reservists. Together, these provisions will enable Defence to implement, by regulation, a revised structure of defence service.

We understand that the government proposes to establish five separate categories of reserve service, each with their own particular training and service requirements. Those five are likely to be high readiness active reserves, akin to Labor’s now abolished Ready Reserves; high readiness specialist reserves, such as medical and information technology personnel; active reservists; stand-by reservists; and retired reservists. In principle, the opposition have no objection to this proposal, but we will reserve judgment until we see the detail from the government, hopefully in the new year.

The bills also empower the government to implement its announced employer support payment, or ESP. This is designed to compensate employers for disruption and additional expense caused by the absence of an employee on extended reserve service. The actual rules for ESP are not detailed in the bills and will be outlined, hopefully, in subsequent regulation. When the government made its announcement in August, it indicated that the ESP would be payable in respect of an employee’s third and subsequent week of absence and will be generally set at the rate of average weekly earnings, which is currently just under $800 per week. We understand that eligible recipients will include private sector employers, the self-employed, state and local government agencies and federal government business enterprises—Australia Post, et cetera. It appears that ordinary Commonwealth departments and agencies will be ineligible to receive the payment.

In principle, the opposition is not opposed to the concept of the employer support payment, although parliamentary committees have heard evidence of a lack of consultation with employer organisations about the development of this area. We reserve final comment on the ESP, however, until we have seen the details and the form of the promised regulation. We will also be closely watching the implementation of the measure and hope that suitable monitoring and evaluation processes will accompany it. Quite frankly, there must be concerns about a degree of looseness in this area leading to some exploitation of the measure.

I would note that, contrary to the coalition’s deceptive rhetoric, the employer support payment is not the first time that em-
ployers have been offered incentives to encourage their employees to serve in the reserves. Labor’s Ready Reserve scheme, abolished by the coalition despite almost universal acclamation at its successes, actually incorporated a similar provision. The Defence Reserve Service (Protection) Bill 2000 implements a graduated series of protections and benefits that will apply to various forms of service and reserves. It includes a general prohibition on discrimination against an employee on the grounds that they are currently serving in the reserves, have served in the reserves or are considering serving in the reserves. In addition, it provides for additional but time limited employment protection for workers who are absent from the workplace on what is called ‘protected’ defence service. This additional protection includes the right to have an absence treated as leave without pay but does not break a person’s contract of employment, and it entitles them to resume work in their previous position, or in an equivalent position, without any diminution in their terms and conditions of employment.

Students who are serving in the reserves are also offered protection where they undertake certain forms of continuous, full-time defence service. This includes the right to defer and later resume their studies without disadvantage. Finally, in the event of continuous, full-time service that results from a call-out order, the bills provide reservists with certain protections in relation to their financial liabilities, including the right to postpone certain repayments and to be free of the threat of bankruptcy action being taken against them because of their reserve activity.

The opposition welcomes the thrust of these measures. Indeed, for some time we have been campaigning for just such legislation to be introduced—along with citizens in organisations like the Defence Reserves Association, who are dedicated to ensuring that the reserves can perform a viable role and that volunteer reservists are fairly treated. I remind the House that back in October 1999 the Leader of the Opposition, Mr Beazley, introduced a detailed private member’s bill on the matter. That bill was supported by the ACTU and by significant sections of the reserve community. At the time, the government, in the form of Ministers Reith and Scott, insisted that there was no need for any new legislation and that the existing protections were adequate. That is what they said. I welcome the fact that they have now joined Labor in recognising that this claim was simply untrue. In this day and age it is simply inappropriate to continue to rely on 1965 protective legislation, which was introduced in the context of national service by ballot as opposed to purely voluntary service in the reserves.

The opposition have discussed with key stakeholders, at length, many issues relating to the legislative protection provided in the bill. In this regard I particularly acknowledge the continuing interest and encouragement of Bill Thompson, who represents the ACTU on the government’s Defence Reserve Support Committee, and of Greg McMahon, a member of the Queensland state committee. It is quite interesting, for all the denigration of the union movement in this country, that these people, in cooperation with employer representatives and community representatives, give a lot of their free time—

Fran Bailey—Like many other members of the community.

Mr LAURIE FERGUSON—to try to make sure that the reserves are actually effective. Despite the interjection of the member for McEwen, the reality is that there has been cooperation by these people in trying to push the government in the right direction, to bring in legislation, and to do something about these problems.

Amongst the issues that have been raised with me is the need to provide assistance to reservists who are experiencing difficulties in the civilian work force, the need for a means of mediation, a possible continuing role for the Industrial Relations Commission, ways of dealing with delays and costs in the court system, and the need for an explicit power to order the reinstatement of someone who has been dismissed in contravention of the legislation.

A central requirement is for a special mechanism to be developed to assist reserv-
ists who need help to enforce the protections that the legislation supposedly provides. The government have indicated that they will establish, by regulation, a special agency or office to accomplish this, in line with references in the bill to ‘a prescribed person’ who would be empowered to commence enforcement proceedings on behalf of a reservist. Realistically, we have to have a body that will undertake this kind of protection for individuals who cannot afford it and do not know how to operate within the system. I welcome this decision, which is consistent with Labor’s own 1999 proposal to establish an office of reserve forces with broadly similar functions. I remind the House that the proposal in this bill is the kind of proposal that the government said, a year ago, was unnecessary. I am pleased to see that it is incorporated in this legislation. The government have assured me that the key functions of the proposed agency would be to conduct mediation with employers and, in the event of this being unsuccessful, to seek redress in the courts on behalf of a reservist. They have also indicated that reinstatement orders could be sought under two separate clauses of the bill.

I have also sought clarification from the government as to whether it would be possible for a union to commence enforcement action in the Industrial Relations Commission. I have been assured that the bill does not remove the existing functions of any court or similar body. On this basis it is suggested that it would certainly still be open to a union to approach the Industrial Relations Commission on disputes involving the terms and conditions of employment of reservists, to the extent that such matters fall within the commission’s existing jurisdiction. It has also been suggested to the opposition that employers should reasonably expect to receive adequate written notice of the proposed absence of an employee on defence service. In discussions with me, Defence has accepted that it needs to do better in this regard. It has been suggested that a rejuvenated system of formal training notices, to be given to the employer and incorporating a named contact person in Defence, would best overcome this problem.

I turn now to the concerns that we have about the government’s overall approach to the reserves. These concerns are summarised in our second reading amendment. First, we remain concerned that the government still appear unwilling or unable to articulate a coherent policy on the expected contribution of reservists and reserve units to our national defence effort. In my many meetings around the country with serving reservists and community members of the Defence Reserves Association, this issue has always been raised, in every meeting. The association, representing current and former reservists, believes that reservists should not be committed for full-time service on a purely individual basis, filling gaps here and there in the Regular Army. They see that backfilling approach as being detrimental to the development of teamwork, leadership skills and responsibility in reserve units. The association advocates the use of formed reserve units in appropriate circumstances, and it has been active in raising the issue both during the white paper consultations and as part of the parliamentary committee inquiry into the Army.

While the changes to call-out proposed by the government could potentially assist in this regard, I can find no clear statement of the government’s position on the matter. The government are equally silent on the need to restore defence leave as an allowable award matter. This is an issue that has been canvassed in this chamber on many occasions. I remind the House that the coalition’s decision, after the 1996 elections, to remove defence leave as an allowable award matter, was taken despite strong advice to the contrary from the Defence Force. I have a copy of the relevant official minute to the then junior minister, Mrs Bishop, and have read extended extracts from the Hansard in the past. The reality is that the ideological thrust to reduce conditions in this country to levels of Nepal or Bhutan—to force our wages and conditions to those kinds of levels—has driven this kind of ideological insensitivity to a situation where unions and individual employees are basically attacked, and we have absolutely undermined the reservists’ ability to serve.
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I am pleased that the Northern Territory Country Liberal Government is one of the few employers in this country that has seen that gap and made sure that, at least in that territory, some countermeasures will be taken to overcome the problem created by the government. The reality is that in the interim there have been moves in awards and agreements in this country to get rid of those conditions, and they are yet another problem the reserves in this nation face.

In the intervening period, both the official Defence Reserves Support Committee and the Victorian Council of the Liberal Party have urged the government to reconsider—to no avail. For our part, the opposition have introduced three separate private member’s bills seeking to reintroduce the provision. On each occasion, the government have refused to allow the bill to proceed for debate beyond the first reading stage.

I again urge the government to reconsider the matter. In doing so I note that the current minister has been active in repudiating other stonewalling, stubborn and inconsiderate decisions that were taken by Mrs Bishop in the areas of medals, overseas service anomalies and so on. I encourage him to have the courage to do the same on the issue of defence leave as an award matter. He has been active in repudiating a variety of her failures in the portfolio of Veterans’ Affairs and the same should be done in this area.

The government has been equally inclined to ignore sensible advice on the issue of common induction training in the Army. This system requires new recruits to attend a full-time induction course alongside those joining the Regular Army, thus requiring them to be absent from their place of work for an extended period. In my travels around the country this is consistently raised as a key barrier to the recruitment of young people into the Army Reserve. Market research conducted for the government prior to the change predicted that this would be the case. The reality of the workplace in this country means that, in this day and age, you have problems not only with the employer when you want to leave but also with your fellow workers.

Many were hopeful that cabinet would agree to replace common induction training when it considered the state of the reserves in Australia last August. While we hear constantly of trials of modular induction training and surveys on ways of improving the recruitment and retention of reservists, the government appears incapable of admitting that common induction training has had a negative impact on the Army Reserve. Our amendment also regrets the government’s failure to implement employment and education measures before the deployment to East Timor. Our ability to properly rotate ADF units during our ongoing deployment in East Timor depended on the willingness of literally hundreds of reservists to plug the staffing gaps that were apparent in the Regular Army. The opposition have nothing but admiration for those dedicated individual reservists who did so, willingly and selflessly. The employment, education and financial liability protections that are proposed in these bills are an admission that what happened on that occasion should not be allowed to recur.

Our amendment also refers to the government’s failure to reverse the dramatic decline in recruitment levels. The extent of that decline is on the public record and was referred to earlier. It is a matter that I have been raising with the government for over a year and a half. First, we were told it was just a by-product of the state of the economy. Then the government proceeded to spend more on advertising, as if a few slick commercials would solve the problem. Now it appears to believe that its proposed employer support payment will solve every problem under the sun. All the while the government has resisted indications that there were wider factors at work, like confusion about the role of the reserves, the lack of award and legislative protection, the obstacle of common induction training, poorly targeted recruitment efforts and the abolition of the Ready Reserves. There is also a degree of discontent about pay and conditions and access to equipment and this is harming retention and recruitment efforts. Reservists feel they were short-changed by the coalition’s new tax system, being slugged with the GST but receiving no compensation in the form of any
increase to their training allowance. Being tax free, the latter did not benefit from the 1 July income tax changes.

In concluding, I repeat that the opposition will be supporting the passage of these bills. They contain a number of positive measures whose implementation we do not wish to delay. Equally I note that there is much further work for the government to do. Detailed regulations are required on a range of matters, including the employer support payment, the proposed agency to assist reservists to enforce their rights and the new five categories of reserve service. We will be taking a close interest in these and seek an undertaking from the minister that their development will not be unduly delayed.

I note that the government’s approach to consultation with interested parties appears to have been selective and insufficient. The official Defence Reserves Support Committee, now chaired by James Packer, appears not to have been seriously consulted about any of the key issues. I was shocked to learn from the national president of the Defence Reserves Association, Major General Warren Glenny, that not even his association had been formally consulted in advance about the details of these two bills. Quite frankly his letter of 19 November to me, the minister and a variety of other people interested in this area shows that there was a deplorable lack of consultation by the government. It states:

The Association notes that, while statements are being made that wide consultations occurred prior to the presentation of the bills, the Association was not party to the consultations, thereby, necessitating representations directly to the SCFADT, the Defence Consultation Group and those individual parliamentarians who have had an active, positive interest in Reserve matters.

Above all I stress that the measures in these bills address only some of the challenges we face in rebuilding our reserve forces, particularly the Army Reserve. Our amendment highlights many unresolved issues and signals to the government that the opposition intends to keep the pressure on in regard to the reserves, as we have done since the last election. In this regard the Victorian branch of the Defence Reserves Association, whose committee has considered the bills, recently contacted me. After encouraging me to assist with the speedy passage of this legislation, the association’s state president, Brigadier McGalliard, wrote:

... it should not be thought that this legislation will, of itself, solve all the difficulties of the Reserves. There remain the on-going issues of adequate equipment, resources and training, relevant and frequent recruiting programs adequately resourced and supported, recognition of the constraints of Reserve service and of the special qualities it can bring to the ADF, a more appropriate system of incentives and remuneration, adequate career structures for Reservists and strong support for the Reserves by the government and the general community.

In conclusion, the reality is that this legislation has been a long time coming. In the interim we have seen a serious decline in recruitment in this country to an all-time low level. At the same time the government have said that our defence forces are more and more dependent on reservists. But essentially they will have to take up the slack caused by the decline in personnel numbers in the armed forces that this government have secured. Despite the long period it has taken the government to come forward with this legislation—despite the fact that they promised it 19 months ago and despite the fact that they delayed while the crisis continued—the situation is that they still have not found the time, as they have been moving towards this legislation, to consult interested parties, including those people who have been in the reserves in the past who are still in contact with them or those people who act as reservists. The groups that actually represent, and are interested in, these people are saying on the public record that, while this legislation is better than nothing, it is inadequate and they have not been consulted.

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

Mr Martin—I second the amendment and reserve my right to speak.

FRAN BAILEY (McEwen) (12.44 p.m.)—I rise also in the House today to speak to the Defence Legislation Amendment (Enhancement of the Reserves and Modernisation) Bill 2000. I rise to speak in this debate because I strongly believe in the
concept of achieving and maintaining peace through strength. With the recent events in our region, particularly in the South Pacific and East Timor, it is now more than ever important that Australia remain strong. Our defence forces are the means of achieving that strength. It is our responsibility to equip, train and support our defence forces. The reserve forces have a fine tradition that extends as far back as the beginning of our federation. In every major conflict that our federation has been involved in, the reserves have played an integral—and, in many instances, dominant—role.

In the early days of federation, the reserve or militia forces formed the backbone of Australia’s defence capability. By 1918 when Australia’s military forces had reached their greatest World War I strength, there were only 9,682 permanent personnel as opposed to 123,944 in the citizen force. For much of the first half of the 20th century, the reserves were the primary defence force of our country. The introduction of compulsory national service in 1951 greatly added to the strength of the reserves, which were then known as the Citizen Military Force. After the abolition of national service in the early 1970s, a reassessment of the CMF’s role was undertaken through the Millar report. The main conclusions of this report were that a partly trained reserve force was an essential element of Australia’s defence forces and that the Army Reserve should be allocated additional resources to permit it to be an effective operational force for the defence of Australia at short notice. Some quarter of a century later, these conclusions are still very relevant to the present. The importance of the reserves and the complementary role that they play to the permanent defence force can never be understated. I think it should be recorded in this debate that never was that made more clear than in the recent conflict in East Timor, given the role that Australian forces played in restoring peace and their humanitarian role as well. As an aside, it is interesting to note that the reserve has a better rate of female participation, at 17 per cent, than does the Regular Army at 9.5 per cent.

The cost of remaining strong and being prepared is high, but the cost of neglect is infinitely higher. It is imperative that Australia maintains a strong and readily available Defence Force Reserve. These bills, the Defence Legislation Amendment (Enhancement of the Reserves and Modernisation) Bill 2000 and the Defence Reserve Service (Protection) Bill 2000, will ensure that the reserves can be utilised to the maximum extent possible, while also protecting the interests of reservists and their employers. The amendments to the call-up provisions of the Defence Act will extend the options available to the government for using the Australian Defence Force reserves. Of course, call-out would be used neither lightly nor indiscriminately, and this legislation ensures that, because of the authority to enable the Governor-General to call out the reserve force or individual reservists for continuous full-time service.

Armies around the Western world have been experiencing difficulties in both recruitment and retention. Approaches to improving the situation must encompass the reserve element if the total force is to be effective. Ready access to the reserves is of central importance. As Dibb pointed out in his ‘Review of Australia’s defence capabilities’:

If the concept of a total force is to have any meaning, and if integration is to be effective, the Defence Force must be able to plan on the deployment of any component of the force, including Reserves, in situations which may fall short of a declared emergency.

It is therefore important that there be much closer integration of regular and reserve training and that the career concerns of both the regulars and the reserves be addressed.

These changes are long overdue and will allow for the call-out of reserves for operations such as peace enforcement, peacekeeping, humanitarian aid and disaster relief operations. With respect to natural disasters, such as the recent floods in NSW, our permanent force may not be able to quickly access those parts of Australia. Reserve units that are readily available can act and possibly save lives and prevent the loss of property. The skills, resources and training that the
reserves have should be put to worthwhile use. The reserves play a vital role in providing the Australian Defence Force with support for the effective conduct and sustainment of its operations. In order for the ADF to attract reservists who are well trained, committed and prepared to serve their country when called upon to do so, there must be measures in place that provide incentive to those reservists and do not penalise them for the commitment that they have made.

Australia has never had a large defence force and, indeed, our country has always done without a large, standing permanent army. The number of permanent ADF personnel has been falling since 1976. The regular defence force can be increased either through volunteers or conscripts. However, volunteer armies are considerably more preferable than conscripted armies, both from an economic and a social perspective. As Brown notes in the publication ‘Military conscription: issues for Australia’, universal conscription of all 18-year-old males would be both prohibitively expensive and would deliver too many personnel if two years service were required, and such a scheme would increase the Regular Army by almost 100,000 personnel. This would seriously unbalance the Australian Defence Force.

However, in order to maintain a strong defence force, it must be made attractive for people to volunteer and not be in any way penalised for doing so. Reservists have competing civilian interests and, if they are to be deployed on operations, there must be mechanisms in place which protect their civilian employment and other interests. Previous governments have failed to understand the need to introduce legislation that would give reservists an assurance that their employment would not be adversely affected because of their commitment to reserve training. I am pleased to say that this legislation will redress this shortcoming.

In my electorate of McEwen, the Puckapunyal Defence Reserve plays an integral role in providing the necessary skills and training for not only full-time members of the ADF but also reservists. I know a number of my constituents give so readily of their time to the reserves. Increased responsibility and a new role will give the reserves an enhanced sense of purpose which will foster improved morale. This will also make them a far more efficient and effective force in times when they are needed. Integration and affiliation of reserve and regular units to enable the development of skills and knowledge will enable a flexible, easily deployable defence force.

Employment issues can complicate joining and staying in the reserves. When reservists undertake service, they should not be then faced with the reality upon their return of having to find new employment. In particular, the self-employed and those working in small industries often experience considerable difficulty meeting the time demands that come with reserve service. Employers of reservists must also be given consideration, and the Defence Reserve Service (Protection) Bill 2000 will ensure that appropriate support for the employer is provided. Just as importantly, employers must also be encouraged to provide flexible employment conditions which allow reservists to be readily available at short notice. The government has quite rightly provided for a financially based support measure in recognition of the financial consequences of granting leave for both self-employed reservists and to the employers of reservists. Reserve employers also believe that the reserves are a meaningful part of our defence, and they expect their employees who are reservists to be called for when needed.

This government is prepared, through these bills, to provide adequate resources and protection to enable the reserve to carry out its additional responsibilities and in doing so provide for an integrated and mobile defence force for the future. In the last 30 years the number of reorganisations and inquiries that have impacted on the reserves have been numerous, but none has provided for the stability and sustainability that this legislation will provide. These bills now provide the opportunity for fundamental and sustainable reform, which has been long overdue. I commend these bills to the House.

Dr MARTIN (Cunningham) (12.56 p.m.)—The Defence Legislation Amendment (Enhancement of the Reserves and Moderni-
sation) Bill 2000 and the related bill that we are debating this afternoon will go part of the way to addressing a number of the issues and concerns that have been raised by my friend and colleague the member for Reid and the shadow minister for defence, science and personnel issues, and will also indicate to the Australian people that the Labor Party does have some ongoing concerns about the way in which the Australian Defence Force Reserves have been structured and are expected to operate should the need arise.

The legislation comprises two bills. The first is the Defence Legislation Amendment (Enhancement of the Reserves and Modernisation) Bill 2000 and the second is the Defence Reserve Service (Protection) Bill 2000. Like the member for Reid, I have also had the opportunity to travel extensively to defence bases around Australia in my role as the shadow Minister for Defence. I have also had the opportunity to speak with a number of people in reserve units around this country, to listen to people involved in the reserves and to talk with people in the Defence Force at the moment and to listen to the concerns they are expressing about the lack of direction they appear to be getting from this government in terms of how the Defence Force is to be structured—genuine concerns that need to be addressed.

Next week we will see the Prime Minister of this country stand up in this place and deliver the Defence white paper. That paper will have been the subject of well over 12 months of consultation and intensive negotiation and, hopefully, it will be an indication that both sides of this parliament are prepared to accept and to help prosper the Australian Defence Force so that it can maintain its primary role and responsibility, that is, the defence of this nation. Part of that white paper, however, has to do with the issues which are contained in this legislation, and those are the ways in which the defence forces are utilised and the ways in which the reserves are utilised as part of that particular approach to the defence of this nation.

The government has made much of its concerns about how we as a nation should defend ourselves and the roles and responsibilities that we as a middle ranking power of some considerable expertise in this part of the world should operate. The government and other defence experts have been constantly talking about the fact that we need to define the roles that we expect our Defence Force to be able to participate in, and adequately resource them. It does not matter whether we are talking about the Regular Army, the Navy, the Air Force or reservist components of each of those three services. They must have clearly defined roles and responsibilities and be adequately resourced. Labor believes there are some concerns there and, as a consequence, we have moved an amendment. I will touch on some of the issues that that amendment goes to in a moment. It is important to pick up on some of the sorts of commentaries that have been made in this country over the last 12 months or so as a result of our involvement in East Timor, and the perceptions and misperceptions that exist because of our ability to be able to successfully act as part of a coalition in East Timor to restore peace and to continue a role in a peace enforcement action.

I briefly come back to the two bills at hand. The Defence Legislation Amendment (Enhancement of the Reserves and Modernisation) Bill 2000 will establish five categories of reserve service. The first category is the High Readiness Active Reserves, like the Ready Reserve Scheme which the Labor Party had in place. I think that is still universally regarded as probably the best model for some time—this government unceremoniously dumped it when it came into government in 1996. The other categories are the High Readiness Specialist Reservists, for example, medical and IT personnel, the Active Reservists, the Stand By Reservists and the Retired Reservists. It brings in an employer support payment, ESP, from the third week of absence to be set at the average weekly earnings of $784.90 a week. Obviously, this legislation should be good for small business proprietors in that if they do employ people who are reservists they know that if they have to participate under the call-up provisions or the regular service obligations then they will be in receipt of the appropriate levels of compensation so that they as small business people are not disadvantaged in any way.
The legislation legitimises quite clearly the role of the reserves in the broader community. I think that there are a lot of people who would like to be part of the Australian Defence Force in a reserve capacity. Students and some people who are unemployed see some benefits in getting training and skills that might then be readily transferred into an employment situation, and a range of similar sorts of people in the broad community actually want to contribute something to their country and see that they can do that by joining the defence reserves. As a nation we have to provide those opportunities and genuine training and at the same time provide training that meets the peculiar needs of reservists. That is why one of the amendments that we have moved deals in particular terms with the common induction training in the Army and suggests that that is not an appropriate way in which initially reservists need to enter that training phase.

I think it is also important that we recognise that this is a reasonably good start by this government, but it comes a little late given that there were bills that proposed to do exactly what this legislation is now seeking to do laid on the table by the Leader of the Opposition in 1999. As we have said, had they been picked up at the time by the government, we would have been more than happy to facilitate the speedy passage of that legislation.

One of the other elements of this is that we would hope that by establishing those five categories of reservists and by introducing the employer support scheme we will be in a much stronger position now to provide an incentive for people who want to join the reserves and make a contribution to the Australian community. Mr Deputy Speaker Hawker, you as someone who has an acute interest in defence matters through your role as the Chairman of the Defence Subcommittee of the Joint Foreign Affairs, Defence and Trade Committee would I am sure be shocked and horrified to learn, as we are, that reserve recruiting is really on a downward slide. Certainly the conversations I have had with the brigadier responsible for the reserves in Victoria and with those responsible for other reservist units around Australia indicate to me that that recruitment difficulty is not isolated to one place. In fact in 1992-93, we were averaging about 6,000 new Ready Reserve recruits per year. I guess at that stage it was pretty close to the scheme that we had introduced when last in government. In the year 1999-2000, that number had fallen to 1,600. That is also demonstrated in the figures relevant to our recruiting in our regular forces. I know that there is a problem in the Navy. I know that there is not so big a problem in the Air Force now, although they are all still actively recruiting pretty heavily. I know that there is a problem in the Army. This is not only in recruiting but also in retaining our forces because they do not believe that there are career structures in place for them that necessarily will give them training and enable them to gain promotion and to seek appropriate recompense. They do know that there are problems associated with the tight financial circumstances, the parlous state of the defence budget as Dr Allan Hawke, the Secretary of the Department of Defence, remarked earlier on this year.

For example, last Friday I visited HMAS Waterhen, which is an area where our mine warfare capability is developed. These are very sensitive, high-tech, information technology sensitive areas. Highly skilled individuals work there. The people to whom I spoke were highly motivated people. But the officers—people who had engineering qualifications, masters of business administration and so on—recognise now that for a whole variety of reasons they are no longer getting the job satisfaction which the Defence Force, one would hope, would be able to provide for them and, as a consequence, they are about to walk. With the qualifications they have, they can walk across the bridge into an IT job that pays three times the salary they get in the Defence Force—the Navy in this case. That same difficulty can be translated into why we are not seeing students and people who have skills that would be useful coming into the reserves to be deployed if and when required on behalf of an Australian effort.

The second piece of legislation goes to the Defence Reserve Service (Protection) Bill
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2000. As the member for Reid indicated, this provides a range of protections and benefits for reserves in service, including a prohibition on employment discrimination, the right to defer and postpone studies of students at university or wherever, the right to postpone certain financial liabilities and, of course, employment protection. Each of those is crucial in providing an attractive package for reservists and each of them is crucial to their knowing that, once in the reserves, there will be protection for them, particularly in terms of employment and, as I say, financial liability protection and so on.

Regrettably, again, as was indicated—and I am sure my friend the member for Brisbane will comment on this shortly—the one glaring omission from this is that neither of these bills restores defence leave as an allowable award matter. What we have seen from this government, and particularly from the Minister for Workplace Relations and Small Business, is a continuing attack on the rights of Australians to serve their country in different capacities without feeling that their jobs are under threat. As I understand it now, out of the entire award structure that is left in this country we are down to only about 20 matters, if not fewer, that are allowable under people’s terms of employment whereby they can go and serve their country in, for example, the reserves. It is not an allowable matter. You cannot serve your country as a reservist and have that designated as an allowable matter in your award for employment purposes. Frankly, that is shameful. In the white paper process next week, if we are talking about how we integrate the regular defence forces with the reserves and if we are talking about having a force structure which recognises that highly skilled, highly motivated individuals who may have full-time jobs might also want to play a role in the reserves in this country and how they are going to integrate into our effort if we need to deploy for some sort of peacekeeping/monitoring operation or whatever in our immediate environment, how are we going to sustain that if we still do not say to these people in Australia, ‘Look, you want to represent your country. Okay. Fair enough. In the award that governs your employment we will make it an allowable matter that you can have time off to serve your country’? Will this government do that? No, it will not. I find that very strange indeed.

The amendments moved by the member for Reid indicate a number of issues which I think are relatively important and significant, and I would like to make one or two comments about that. The first amendment suggests that the government has failed to articulate a coherent policy on the expected contribution of reservists and reserve units in our national defence effort. I think that is right. Hopefully, that can be redressed next week. When the white paper comes down, I would like to see a section in it that talks about the force structure that we have across the three services which makes reference to the way in which reservists can be integrated and play a genuine role within the regular defence forces when necessary. At the moment, what we have seen—and we saw it in the deployment in East Timor—is that we tend to cherry pick. We take people out of different reserve units around Australia when we need to bolster the number of regular units to send up to East Timor rather than sending a block group of reservists who have been trained to the same skill level and have the same dedication as exists within the regular Defence Force.

In areas like the medical corps, for example, it is very difficult to get an entire group to go there at the same time. As I witnessed in East Timor when I visited there last year, celebrated specialists in orthopaedics and anaesthetists can only be away from their place of employment for a short period. That is not their fault, because they have their own practices and schedules to meet in the best hospitals around Australia. In the case of medical personnel, there are peculiar examples where we have to make allowances. In relation to other reservists, our effort in East Timor would not have been able to be sustained had it not been for reservists. Mr Deputy Speaker Hawker, you heard briefings given in this place by different people, including Lieutenant General Cosgrove, on the way in which the East Timor operation unfolded. Had our commitment to East Timor under INTERFET rolled on for any longer than another six months, we would have had
difficulty in sustaining that deployment. We would have had difficulty sustaining it because we were running out of troops. We were running out of not only regular troops but also reservists who were trained and who had the ability to get away from work to be deployed. Until the passage of this legislation, reserves could not serve overseas unless they volunteered to do so and were able to negotiate their leave arrangements with employers.

If the Prime Minister is going to stand up in this place, as I am sure he will do next week, and tell us that Australia is quite prepared to play its role as a good neighbour in this region, as it should do, and that we are prepared to put in place a Defence Force which not only can defend Australia as a first priority but also act from time to time in coalition with allies, play a leading role as part of a peacekeeping or peace-making force as we have done in East Timor, as we are continuing to do in Bougainville and as we are doing in providing monitors in the Solomon Islands—and the list goes on—we have to make sure that we make the reservists and the regular forces attractive propositions and that we afford protection for those people.

As I said at the start of my contribution to this debate, fortunately this legislation is starting to do that. It would seem to me that some of the questions arising in relation to our regional security environment and the arc of instability we hear so much about in Northern Australia needs our attention. As part of that attention, we need to be able to sustain—not just provide people for a short period—the deployment of troops in circumstances as they are warranted. As I also said, we believe that the question as to defence leave for reservists as an allowable matter and experimentation with common induction training are issues that need to be revisited by this government. We understand also that the dramatic declines in recruitment levels need to be addressed. I am not sure if the present advertising campaign, which was given over to private enterprise, will necessarily achieve the results we all hope for, but I hope that is the case. I hope Manpower, the company with this contract at the moment, produces results that gives us more confidence in the people coming into the Australian Defence Force, but at the moment that is simply not happening.

We also hope that issues such as anomalies in pay and conditions for reservists are addressed. One thing we hear is that people who are in the reserves join because they want to make a contribution to Australia and a contribution to their country, but at the same time in many cases they have a full-time, ongoing job. They are employed to do that job. In many cases, of course, it is a very significant employment opportunity that they enjoy. So we need to be aware that the anomalies in pay and conditions for reservists need to be addressed to make it an attractive proposition for potential recruits to serve in the reserves.

We also want to ensure that this government, as part of its consideration of the white paper and next year’s budget, clarifies the ongoing levels of funding for the measures that have been announced as part of this. In last year’s budget $20 million was earmarked for reservist schemes. I can only assume that that is part of this. I can only assume that that is $20 million to go towards the employee support payments we have talked about already. I have to ask the question: how far will that go? What are the ongoing measures that the government proposes? Finally, as the member for Reid indicated, unfortunately some of these legislative provisions were put in place without much consultation with relevant individuals. As I said at the start, the legislation is timely. Unfortunately, it is long overdue. It is something we are quite happy to support. We have some reservations about elements of it, but at the same time we want to see the legislation speedily dealt with in the other place so that we can go about our primary task of ensuring that reservists are encouraged to join and that the regular defence forces and the reservists have a clear and thorough understanding of their relevant roles and how they can work together in the defence of this nation.

Mr LIEBERMAN (Indi) (1.16 p.m.)—I think it is very appropriate to see in the debate on these two defence bills that the Chairman of the Defence Subcommittee of
the Joint Committee on Foreign Affairs, Defence and Trade is in the chair today and also that the former chair of that committee in the Keating government, the honourable member for Chifley, spoke to the bills just a moment ago. I personally welcome debates about defence in this House and believe that, by and large, all the political parties endeavour to work in a bipartisan approach to defence and will continue to do so.

I was very much interested to hear the comments of the shadow minister. I do not agree with all of the things he said, but I think it is great to get them all on the record, particularly before the white paper is received as I am sure that the white paper will bring things together in a very good way and provide a foundation for the ongoing future of Australia’s defence forces.

In speaking in support of these two bills, I have to say that I was myself involved as a national serviceman in the Australian defence forces. I trained at 20 National Service Battalion at Puckapunyal, perhaps the coldest place on earth during winter. After doing basic training I went on then with my colleagues to the armoured regiment and trained in the armoured corps with the famous black beret, which we are all very proud of, in Centurion tanks and graduated as a gunner in Centurion tanks. After finishing our training and returning to the 20 National Service Battalion we all returned under the then national service scheme to our home base, in my case in north-east Victoria at Albury-Wodonga, where I commenced to serve in the Citizens Military Forces unit which is now known as the 4/19th. Of course, both of those are very famous reserve forces of citizens who have served this country in times of war and peril as volunteers and conscripts. During the Vietnam War I was asked to join, and went over to, the Australian Legal Corps. I did not serve in Vietnam; I served in Australia as a reservist in the Australian Legal Corps but was involved in a small way with some of the commitments of Australia’s defence forces in the Vietnam operation.

My father served in the British Army in the First World War as a young boy. He put his age up and served in the trenches in France and was sadly wounded and gassed and then discharged. He had to battle through that. He finally came to Australia and during the Second World War he joined up and served in the Australian Army, as did my older brother, who was a rat of Tobruk. So I have a keen interest from a family point of view and from my own life in the defence services and I maintain that very keen interest.

Recently I had the pleasure of representing the government at the opening of the magnificent new cadet facilities at the Bandiana Army camp. The parade was magnificent. The young Australians—the cadets—did very well. I am sure that their training in that new Army environment at Bandiana will stimulate their interest and that many fine soldiers, airmen and perhaps Navy personnel will eventually evolve from those young people’s experience.

These two bills support the government’s very strong commitment to enhancing the role of Australia’s reserve forces. The Howard government believes, correctly, that the reservists are an integral part of a modern, readily deployable Australian Defence Force. The bill is designed to address many, many problems with existing legislation and deficiencies of long standing. The legislation will ensure that the reserves can be utilised to the maximum extent possible for a wide range of operations. At the same time, the changes in these bills will ensure that the interests of reservists and their employers are adequately protected.

The proposals in these bills, in my view, are innovative, very sensible and, as I said before, long overdue. The idea behind the legislation is to enable the reserve forces to take a greater role in the development of Australia’s total defence commitments so that we have a comprehensive, dynamic and modern fighting force. Of course, the Howard government has worked at this very assiduously and, in 1997, conducted the Defence Efficiency Review and then the Defence Reform Program. Now, of course, we have the white paper process well under way following widespread public consultation across Australia.
I was interested to hear my friend the shadow minister refer to his disappointment that the Howard government has not continued the Keating government’s Ready Reserve program. I do not want to politicise this debate, because I think we need to concentrate on the major issues and ensure bipartisan cooperation, but I do need to put on record that the Ready Reserve introduced by the former Labor government did not deliver to Australia what was needed, and in fact its being introduced by the former Labor government resulted in the scrapping of two battalions of regular troops, the funds for which were used to pay for the Ready Reserve. The Ready Reserve, as I remember, was capable of operating only on 50 days of the year. So we lost two full-time battalions as a result of that. I think in fairness that ought to be put on the record. I do not want to take it any further. I just think that is a comment that ought to be made.

The reservists essentially have what is called ‘civilian interest’. By their very nature, they work and study outside of their commitment to their nation by being members of the reserves. The big challenge is to ensure that the activity of the reserves is encouraged and fruitful but, at the same time, complementary to the career path and work of the reservists in their civilian life and that the training, operational services and commitments are compatible with the life and family of the reservists and their employer in civilian life. It is essential, therefore, that if reservists are deployed on operations, either voluntarily or under call-out, there be dynamic mechanisms in place which protect their civilian employment, their financial, family and educational interests, their civilian trade qualifications and other civilian interests. The Defence Reserve Service (Protection) Bill 2000 provides what we need—a modern, streamlined code protecting the reservists and the employers on call-out or in volunteering for continuous full-time service. In fact, I remember when I was in national service most of us signing a form volunteering to serve overseas if needs be, because we could not be sent overseas while we were national servicemen. I had no trouble getting my father to sign the consent, but my mother was reluctant. Nevertheless, eventually it was done. This legislation overcomes some of the problems that we in our former lives—national servicemen and reservists and Citizen Military Force members—had to grapple with.

I am very pleased to see that the legislation proposes protection against discrimination in employment—that is in all kinds of defence services—and employment protection so that those who serve their nation as a reservist are not in jeopardy in their employment. For those who are a partner in contract law, there is protection now for the partner and the partner’s interests while pursuing service in the defence forces. There is education protection in continuous full-time service because call-out and voluntary full-time service should not put studies and training in jeopardy. I remember that when I was at Puckapunyal I was in the middle of my studies as a law student. I was unable to attend Sydney University to do examinations. Also I was articulated at the time, which meant that I had to have continuous, uninterrupted service for five years in a law office. That meant that even if I passed my exams I could not become qualified or be admitted until I had proven that I had served my articles for five continuous years. But there I was in Puckapunyal driving around in tanks and firing off 20-pounders and the like.

In those days, law students affected by this got together—I guess that it was one of my early involvements in lobbying and politics—and made representations to have the military service that we did in national service deemed to be service in the law office, therefore making it continuous service. If we passed our exams, completed five years’ study and worked in a law office plus in the Army or defence services, we were deemed to be in continuous service. Therefore, I did not have to do an extra few months before I was eligible to be admitted as a barrister and solicitor.

This legislation, of course, overcomes all of those problems. We were able to succeed in those days only because of goodwill and cooperation. This legislation creates as a matter of law the protection for those who are full-time students and have served their country as a reservist. So no prejudice can
arise from that. There is also very welcome financial liability protection, bankruptcy protection and loans and guarantee protection in the event of full-time service because of a call-out.

I think the two bills together involve in the financial year 2000-01 an expenditure of $20 million in the implementation of the employer support programs. It is money well spent, I believe, because it enables the defence forces to go into the community and to encourage more people to serve their country in the reserve forces. Also it assists employers who genuinely want to help their employees serve their country in the reserve forces but have found it extremely difficult to grapple with the problems. Many of them are small-business employers, and as a small business person myself I know the problems of small business. For them to be faced with some of their key employees needing to go off for service for their country in the reserves is a very big and difficult issue; it is difficult to try to encourage employers to do that while at the same time keeping their bank managers happy. So these bills have many very welcome, practical provisions that enable the nation to reward, to assist, to compensate and to make flexible arrangements to help employers and reservists and their families who rely on the financial support of the reservists. The employers, of course, provide the reservist pool in many cases.

I have been very pleased to see in recent times in my electorate—apart from the very welcome establishment of the consolidated cadet unit and facilities at Bandiana in the middle of one of Australia’s largest Army establishments—the renewed vigour with which the reserves in Wangaratta and Albury-Wodonga, for example, are approaching recruitment. It is not a secret that a few months ago in Wangaratta, a city that I also represent, the reserve force there was facing closure because there just were not enough young people in Wangaratta and district being attracted to enlist. With the assistance of a lot of good people in that area and the Wangaratta Chronicle—I would like to pay tribute to them—a campaign ensued and as a result of that I am told there is now a very healthy recruitment program: many people have signed up and the future of the unit at Wangaratta is assured. That is a tremendous thing as well.

I want to touch briefly on a related issue. The community sometimes says to me, and no doubt to other members of parliament, ‘Look, why don’t we have a form of national service for our youth in Australia?’ There is a lot of discussion about it and also a lot of apprehension, particularly from mums who, naturally, do not want to see their young people involved in conflict overseas. However, I have tried to encourage my friends and members of my community to talk about this openly and to debate it. What is emerging is a very strong level of support—at least in my part of Australia—for the government continuing its work in offering people, particularly young people who are unemployed, the opportunity to get into training in the defence forces without feeling that they have been thrown in as a matter of compulsion and without feeling that they are just going to be subjected to parade ground bashing or whatever but feeling that it would be worthy.

I am very pleased to see ministers of the Howard government talking about the possibility of a Work for the Dole type program with suitable young Australians being able to serve in the reserve forces for about 12 months or perhaps less to undertake training. That training would be an accredited type of training that can be attached to study and training outside of the defence forces, but particularly training which would enable those young people who, after this basic training, would like to pursue a full-time career as a professional soldier, airman or member of the Navy to go on and sign up and receive credit for the training they were doing in that first period of 12 months.

I have been very encouraged by the response from the community, and I have also discussed it with some young people. I intend to do a bit more of that over the next two or three months. Some young unemployed people particularly were good enough to spend a little bit of time with me talking about this sort of thing. I got a very strong message from the community and from young people that they would like to sit
down and be involved in some sort of program like that where they can serve their nation, receive worthwhile training from professional people in the defence forces, go on and use that training in their civilian career and go back to study or training or whatever, be credited and acknowledged for that by the community as being people who have served their country in this way and perhaps go on and make the defence forces their career. I have had very good vibes about it. I know that there needs to be a lot of discussion on this. There are a few qualifications here and there, but conceptually I think it is a great idea. I thank the ministers in the Howard government for putting it on the agenda for discussion and I hope members of all political parties in this place will give a bit of thought to promoting the debate in that area on a bipartisan basis. I would hate to see this idea made into a political issue. It is not likely to compliment anyone if that happens, but I think a lot of good can come from having a bipartisan discussion across Australia in our own communities and in our own way about this.

I wish the legislation a speedy passage. As much as I like my friend the shadow minister, I cannot support his amendment. I hope that we can quickly get beyond the amendment and concentrate on getting this legislation through the parliament. I record my appreciation to the families and servicepeople in my electorate and across Australia in the permanent forces. We have very substantial Defence establishments in my electorate, particularly in the Wodonga area. I thank them very much and also acknowledge the role that their spouses, partners and children play in supporting our full-time members of the defence forces in their work, operational duties and studies. Finally, I wish the servicemen and servicewomen across the world serving Australia in various peacekeeping missions, particularly in East Timor, a safe return. I record my appreciation for their efforts and I hope that they will return soon to Australia. (Time expired)

Mr BEVIS (Brisbane) (1.36 p.m.)—At the outset, I want to make a brief comment on a matter raised by the member for Indi. I appreciate the contribution he made and the manner in which he made it. Insofar as he was commenting on the possibility that the Australian Defence Force may have some role in training the unemployed or untrained, I make the observation, not flippantly but very seriously, that the ADF is not a labour market program. As a nation we invest in the ADF and we recruit into the ADF to defend our nation. I have yet to meet any member of the ADF who sees their role in any way as some labour market venture to assist those who are unskilled and/or unemployed to gain skills. The skills that they acquire are ancillary; there is no doubt about that. Many people who go through military training, particularly in the reserves, gain very valuable skills that they can use in their civilian lives. But to suggest in some way that programs and resources should be channelled to that purpose is a gross error of judgment.

I also want to say at the outset that over my 10 years in this parliament it has been a great pleasure and a privilege for me to have spent a good deal of that time in and around the defence community. I know that it is common for us to say that it is a great pleasure and privilege to do things, but I want to emphasise that for me it has been both of those things very genuinely. I have treasured my time of dealing with defence matters in this parliament, both in government and in opposition. That is largely due to the respect with which I hold the people in uniform and those civilians who work in the Department of Defence as part of the effort to defend our nation. They are very fine people and a good group to work with.

However, they deserve better from the parliament than they have been receiving. This bill goes some way to addressing a number of important issues, but I want to put that into some perspective. The members for Reid and Cunningham have set out a number of concerns that the opposition has with the way in which the government has conducted this debate. I want to refer to one of the startling statistics, which reveals how poorly the government has conducted defence matters. In 1992-93, the reserves were recruiting about 6,000 people a year. Last year, they managed to recruit just 1,600. That is a pretty telling tale. You might think you had a
problem when your recruitment levels fell off that dramatically. If you take a seven-year average, the figure is about 4,500. So 1992-93 is not an aberration. If you go through the last seven years, you will see that three times the number of people were recruited than was the case last year. There is a reason for that: this government’s terrible, gross mismanagement of the Defence portfolio since it took office in 1996.

I have great difficulty listening to members of the opposition who say—no doubt believing it, because they do not understand defence—that this government has taken this initiative and it is the first time that a government has provided this support for employers. That is absolutely untrue. The former Hawke government established a Ready Reserve scheme that provided not just a very strong capability for the defence of this nation but substantial support for both the recruits and their employers. That scheme, which was heralded and supported throughout the defence community, was jettisoned by the Howard government as soon as it took office.

In December 1996-January 1997, the Ready Reserve Army brigade, which is where most of the recruits were, exercised for the first time as a fully kitted out full strength brigade. That was the only time they got to exercise as a brigade at full strength. It took four years to establish. This government abolished it within its first year of office. It abolished it out of blind ideology, without understanding what it was doing. In fact, the Ready Reserve was not just one of the best resourced and most capable units in the Defence Force; it was on one of the shortest notices for deployment of any brigade in the entire Defence Force structure—an ideal unit from which you could have very easily deployed troops to East Timor, for example. You could easily have done that had the Ready Reserve been in place, rather than having to go through the crisis management that the government was forced to undertake in order to ensure that our forces in East Timor were properly equipped. The last minister in a Liberal government who actually understood what he was doing in defence was Sir James Killen.

This is a government, when it comes to defence, that is brain dead. It has never let its ignorance stand in the way of its prejudice. That was what drove the destruction of the Ready Reserve by it. Since the day it abolished it, everybody in uniform has done their best to sneak it back in, because everyone in uniform understood the benefits of it. They did it in the last parliament with a different minister and they have tried to do it here again. Thankfully, the government is now starting to understand some of the errors of its ways and is putting in place some measures to assist.

We have this crisis in reserve recruitment because of two failings on the part of this government: one is its negligence; the other is its deliberate act of vandalism. This government has been negligent in the way in which it has handled these matters that are currently before the parliament, because 80 per cent of this was in tow—under development—when it took office. Throughout 1995 and 1996 a great deal of developmental work was done in relation to the sorts of issues this bill now deals with. There were extensive consultations and extensive qualitative research programs undertaken both with those in the services, prospective recruits and employers. It was good qualitative research that helped to identify the factors that would allow behaviour and attitudes to be altered. It was looking at those things that the business community needed to make them feel comfortable about their employees spending significant time away in the performance of their duties in the Defence Force as well as meeting the personal and professional needs of those employees. But they went to the dead-letter office. The dead-letter office was the former Minister for Defence Industry, Science and Personnel, Bronwyn Bishop. Things went in and they never came out. You can talk to anyone, whether they be in a uniform, in one of the representative groups of the armed forces or just constituents, who wrote to her; they got the same response. Things went in and they did not come out. We know that reports on this matter went to the minister and 18 months later the minister still had not provided a response to the department about them. What a damning con-
demnation that is. Two years was absolutely wasted.

The other reason that this government deserves criticism for the way it has handled these matters is the vandalism it brought to bear on exactly this situation through its industrial relations laws. The 1996 Workplace Relations Act very deliberately removed from awards the right for workers to have Defence Force leave. This was another example of the triumph of ideology over public policy. The Minister for Employment, Workplace Relations and Small Business, Peter Reith, decided that the good public policy for the defence of Australia would take second place to his manic drive to cut working conditions, to sideline the independent umpire—the Industrial Relations Commission—and to make sure unions had less power.

In the name of that ideological drive, the government decided that they would remove from more than 100 awards the right that workers had in many industries to have Defence Force leave. I suppose the defence forces should not have felt set upon; the government removed a whole lot of other things out of awards at the same time—some quite incredible things. For example, awards are no longer able to include things about occupational health and safety. I would have thought that was not a particularly partisan issue; you did not have to be Labor or Liberal to think that there should be minimum standards for safety at work. But this government took that out of awards.

Like Defence Force leave, the other one that just staggered me was that they took from awards, and they took from the industrial commission, the power to allow workers to have leave for blood donations. Not surprisingly, the number of people who now go to the Red Cross and donate blood is much lower. In the evidence that was given before the Senate inquiry into Peter Reith’s second wave, we discovered that it was down about 20 per cent, principally because of this change in the law.

We are now having a debate about defence and we discover that recruitment into the reserves is down by about two-thirds. There might just be a connection with the fact that the government decided in 1996 that they would stop workers having Defence Force leave. You do not need to have a PhD in industrial relations or personnel management to understand that if you prevent by law the opportunity for workers to have leave to be in the reserves, they might not actually be able to be in the reserves. That is why we have got this bill here now.

But the government had an opportunity to deal with this matter years ago. In June 1999, I introduced a private member’s bill to re-establish the power for the industrial commission, the umpire, to put back into awards Defence Force leave—nothing else, just Defence Force leave. The government would not allow the parliament to debate it. We were not saying that it all had to go back in; we were giving the power to the umpire. The government would not allow it to be debated. Every one of these members of the government who hops up here in this debate and piously talks about their concern for the welfare of the members of the Defence Force should recall that, when they had the opportunity to do something about it, they ducked it. They prevented the parliament fixing the problem.

But the problem was known to the government before then. The problem was brought to the government’s attention by its own Defence Department in a memo to the Minister for Defence, Industry, Science and Personnel, who at the time was Bronwyn Bishop. In 1996, when Peter Reith was pushing through his first wave of industrial law reforms, a letter was written to the minister by General Luttrell, who was the most senior reservist in the country at the time. This is what he said in his formal advice to the government:

As reserve members constitute approximately 40 per cent of the ADF work force, their continued availability for training as currently provided for in awards, agreements and company personnel policies, is essential to Australian Defence Force capability. Existing awards have been important in providing institutional support for reserves through the inclusion of provisions which allow leave for military training purposes for members of the reserve. Over 100 awards include leave provisions for reserve training purposes and the Defence Reserve Support Committee has had an ongoing initiative to increase this number.
So there it is in black and white advice: ‘Do not do what you are planning to do.’ That is what the general told the government. They ignored that advice and went ahead with it. But the memo from General Luttrell had some other interesting comments in it as well. He went on to state:

If not identified as a matter for inclusion in awards, reserve training leave may not be picked up within either the certified agreement, Australian Workplace Agreement, or other state agreements which will increasingly supplant existing awards.

He predicted what would happen, and he was right. But again, it is not rocket science. You do not need a PhD to understand what would happen as a result of the government’s decision. General Luttrell continued:

Certain legislative obligations already exist for employers to allow defence leave for reserve training purposes by virtue of the Defence Establishment Act 1965. As this is legislation separate from the industrial relations framework, it would be appropriate for the existing statutory provisions to be reflected in the new industrial relations legislation as this is the appropriate point of reference for negotiating awards and agreements.

That is a fundamental point that bears on what we are talking about today. General Luttrell was saying, ‘Yes, there are other provisions in the Defence Act to protect reserves’ rights, but you need to have laws separately in the industrial framework. You need to have in the laws that set the awards and conditions of workers an opportunity for them to get leave.’ Even if I take this bill with the kindest heart I can muster and with the best of intentions the government may be seeking to present, the biggest flaw this bill will have is that in practice it will not work. The remedy for somebody aggrieved under the government’s bill is to take the matter to court—to go to the Federal Court, to go to a higher court. Think about the implications and the cases. This means that an employee who has a disagreement with their employer about their reserve service cannot have it negotiated in a conference in the Industrial Relations Commission, which might be a one-hour affair; instead, they actually have to sue the boss or company and take them to court, or have the department do it for them.

It is litigation in the courts that is the remedy under this proposal. That does not work in practice. It is a far worse option than the less formal industrial relations framework.

I also have a concern that those powers for the remedy contained in the bill will not be used in any event. I have some experience with this. When I was Parliamentary Secretary to the Minister for Defence, I had a case of a reservist who claimed that he had been disadvantaged in his employment solely because of his reserve service. He had evidence that satisfied me that it was a case worth pursuing. I can tell the House that the department put every conceivable obstacle they could find in the way to that matter ever being taken on. There was every reason advanced as to why they did not want to do it. I am yet to be convinced that that view which I saw and laboured with for months is any different today than it was then.

Even if my first two premises are wrong, I have serious doubts that the will exists within the system to actually take the cases to court and ensure enforcement of the act. That is not the situation with an award. We know that an award clause that entitles people to leave, as operated for decades, works. But, purely for ideological reasons, because this government wants to strip away the authority of the independent umpire in industrial relations, because it wants to strip away the role and authority of the commission, because it wants to strip away the role and authority of unions, it refuses to take that solution, which is clearly the easiest and most practical solution, and instead wants to put in place a highly legalised system which will not work—and the advice it got in 1996 from General Luttrell said as much. General Luttrell went on to make another point which I think is important to record. He said:

Although not one of the safety net employment conditions identified in the bill, reserve availability for training is critical to maintaining defence capability, and award coverage of this issue is an important component of ensuring capability. The bill—

that was the workplace relations bill at the time—
should therefore include provisions which would permit awards to continue to cover defence leave provisions.

That is the sensible way—the low cost, easy remedy way—in which you ensure greater availability of people to balance their civilian working life with their desire to be in the military and our need as a nation to have them in the military. But the government has passed up that opportunity. Instead of pursuing that sensible remedy, the government wants to persist with the plan before it.

At the outset of my remarks I made mention of Sir James Killen, who was probably the last person in a Liberal cabinet who actually understood what was going on in Defence. Sir James used to be the chairperson of the Defence Reserve Support Committee, which is a fine group who endeavour to do a good job in helping both employers and individuals who are in the reserves to balance their needs. In November 1998, Sir James and his committee were very concerned about what this government was doing. The minutes of that meeting recall:

Sir James informed the conference he had written to the previous government—that is, the first Howard government—querying the omission of reserves from the 20 allowable items in the Workplace Relations Act 1996 and discussed the response to his query. He stated he was unhappy with the response and he intends to pursue the matter.

That was Sir James Killen’s view, as recorded in the minutes of that meeting, of what this government was doing to the defence reserves. They have not listened to the advice of their generals and the Defence Force community. They have not listened to the advice of Sir James Killen, a respected Liberal Defence Minister. They have not listened to the advice of employers. They continue down a path that will not adequately resolve the problems. (Time expired)

Mrs ELSON (Forde) (1.56 p.m.)—In the few minutes before question time, it gives me great pleasure to support these defence bills, which represent a strengthening and enhancement of Australia’s reserve forces. Other speakers in this debate have reflected on the history of Australia’s reserves and in particular the changes that took place with the introduction of the Ready Reserve by Labor which, it can be argued, was a cost-cutting experiment that clearly failed. Nevertheless, history has shown that our reservists have always played a vital role in the defence of Australia and our allies. However, as rich as the history of the reserves is, I would prefer today to focus on the future.

There can be no doubt that the Howard government has a very deep commitment to strengthening Australia’s defence forces. That has been aptly illustrated in many decisions and reflected in the recent community consultation process that forms part of the white paper on the future of defence expected to be released next month. Australia has a very proud service history and our service men and women have a special place in the hearts and minds of all Australians. As a local member, I have certainly been very heartened to see increasing crowds at Anzac Day and Remembrance Day services in my electorate over the past few years. It is also encouraging to see the many faces of children and young adults in the crowds.

The defence of this great nation is not something that we should ever take for granted. 'Lest we forget' is not just a saying, it is a lesson. That lesson of the past must continue to guide us all as we seek to ensure the strength of our modern defence force and its future. I am very fortunate to be able to see first-hand and to work with some of our great service men and women at the Canungra Land Warfare Centre, which is located in the heart of my electorate. It certainly gives me an appreciation of the dedication of our defence personnel and the ongoing demands made of them and their families by the career that they have chosen. Full-time defence service is certainly a challenging and at times unpredictable career. But I think equally as challenging, if not more, is the role of the reservist. Our reserve personnel essentially have two demanding and at times conflicting roles—with their civilian full-time occupation and their reserve service. With these two bills we are debating today we seek to cement and make more relevant the role of our reservists while at the same time helping to overcome some of the conflicts that can oc-
cur between their full-time careers and their service.

The Defence Legislation Amendment (Enhancement of the Reserves and Modernisation) Bill 2000 enables the call-out of members of the reserve forces for continuous full-time military service. This bill streamlines the procedures and limitations under which this call-out can occur. Some of the circumstances where reservists may serve full-time include war defence emergency, defence preparation, peacekeeping, peace enforcement, civil and humanitarian services and disaster relief. This bill essentially ensures that our reserve forces can fully participate in any engagement alongside our full-time service force, ensuring the ultimate capacity of our whole defence force. It also provides a consistent structure for our reserves across all three branches of the ADF. Each branch—Army, Navy and Air Force—will consist of two parts: the permanent force and the reserves. I will continue my contribution after question time.

Mr SPEAKER—Order! It being 2 p.m., the debate is interrupted. In accordance with standing order 101A, the debate may be resumed at a later hour. I can reassure the member for Forde that she will have leave to continue speaking when the debate is resumed.

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.00 p.m.)—I remind the House that the Deputy Prime Minister, Mr Anderson, will be absent from question time today as he is touring flood affected areas in Wee Waa, Narrabri, Narromine and Walgett and he is accompanied by the member for Parkes. The Minister for Trade, Mr Vaile, will answer questions during his absence.

QUESTIONS WITHOUT NOTICE

Illegal Immigration: Woomera Detention Centre

Mr SCIACCA (2.00 p.m.)—My question is addressed to the Minister for Immigration and Multicultural Affairs. I refer the minister to the allegations of sexual abuse of a 12-year-old boy and to other serious allegations relating to the Woomera Detention Centre. Minister, given the growing number of allegations coming to light since your announcement of an intention to establish an internal investigation with very narrow terms of reference, and given the reluctance of witnesses to come forward without protection, will you agree to an independent judicial inquiry with full powers to protect witnesses, subpoena documents and compel evidence? If not, why not?

Mr RUDDOCK—I thank the member for his question. I think the issues were dealt with fairly fully yesterday. If he did not hear me clearly, let me state in relation to those people who are making allegations that I have to exempt those who repeat allegations—and repeat them over and over and over again on radio programs—and then say that they do not want to be involved in making allegations. Nevertheless, the fact is that those individuals who suspect on reasonable grounds that a child has been or is being abused or neglected, and if that suspicion is formed in the course of the person’s work, must notify the South Australian Family and Youth Services as soon as practicable after they form that suspicion. Abuse includes physical, emotional and sexual abuse or neglect of a child. Notification may trigger an investigation by FAYS, removal of a child if it is in danger or an application to the youth court for various orders.

The persons who are required to report abuse include medical practitioners, pharmacists, registered and enrolled nurses, dentists, psychologists, members of the police force, social workers, teachers, government employees and employees of non-government bodies that are delivering a range of services, including caring services, which I think would relate to most of the people who seem to be making public comments now about matters which they knew about as long ago as March and April. The fact is that people have not only a moral but also a legal responsibility to report abuse, and they get protection in relation to those matters. The department have no obligation to inform others of the fact that a complaint has been made to them. The only way in which we have become aware of the limited number of cases where reports were made is because the people involved in making the reports
told us they were making the reports, which does not suggest to me that people were in any way intimidated about meeting their legal obligation. The fact is that the police who have been involved in investigating some matters and Family and Youth Services are the authorities who have the expertise, the background and the knowledge to be able to undertake those inquiries and make appropriate judgments. Some people seem to think the answer is some wider form of inquiry which would allow a lot more people to make unsubstantiated allegations or to say that they have met somebody who told them that they know something, which is what we are hearing.

Let me make it very clear: we do take these issues very seriously. That is why the Flood inquiry is looking at one, I would say, probably minor defect in relation to a document that in the end may not turn out to be relevant in terms of reassessing the earlier assessment. I have instigated an inquiry to ensure that all of the procedures were full and complete. Let me also say that there have been circumstances in relation to another detention centre where there were investigations by another state department which have led to charges being brought which are presently before the court. So there is no lack of application on our part or the part of state authorities to ensure that children are properly protected. I do not see, in terms of any of the information that has been put to me, any reason to reassess the decision I have made about the way in which these issues should be dealt with.

Korean Peninsula: Developments

Mr BAIRD (2.06 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the outcomes of his recent visit to North Korea and the positive contribution the visit made to the security environment of the Korean Peninsula?

Mr Beazley interjecting—

Mr DOWNER—We will come back to you a bit later. I thank the member for Cook for his question. The member for Cook has shown a lot of interest in Korea, having visited South Korea in the course of this year. I think it is easy for members to think of the Korean Peninsula as being somewhat distant from Australia’s immediate security needs, but it is important that the House understand that stability on the Korean Peninsula is crucial to stability in the Asia-Pacific region. Indeed, 40 per cent of Australia’s exports go to North Asia and any deterioration in the security environment on the Korean Peninsula will have very serious consequences directly for Australia. Also, members do not need to be reminded that some 17,000 Australians served in the Korean War and around 200 were killed.

I visited North Korea from 14 to 16 November so that Australia was at least able to make some contribution to the improving environment on the Korean Peninsula. During my discussions with North Korean leaders, I was encouraged that they did recognise the importance of North Korea’s engaging more constructively with the international community. That is particularly so because of the state of the North Korean economy and the need to try to encourage both foreign investment and the building of their trade. Secondly, I was pleased to hear such positive commitments to reconciliation between the north and the south and, indeed, the North Koreans made it clear that they now support the reunification of the Korean Peninsula on the basis of a confederal system of government. Thirdly, the Koreans were prepared to talk very openly with me about the difficult medium and long range missile issues. They made it clear that they would end their long range missile program if other countries launched satellites on their behalf, and that they would give up their missile exports if they are adequately compensated—interestingly enough, making it clear that foreign exchange was their main interest.

The humanitarian problems in North Korea are very severe, and I think it is important that we as a humane and prosperous country make a contribution to their resolution. While I was there I announced a further $5 million worth of funding to the World Food Program and some support for UNICEF as well. I witnessed the signing of a
memorandum of understanding on bilateral cooperation in agricultural research.

I do not think we should have any illusions about the regime in North Korea. This remains a regime which has no intention at this stage of pursuing political reform; nor does it seem very committed to economic reform. Nevertheless, it is a regime which is coming somewhat in from the cold, and it is important that a significant country like Australia is in the Asia-Pacific region makes a contribution to that process.

Television: Digital Broadcasting

Mr Stephen Smith (2.09 p.m.)—My question is to the Minister for the Arts and the Centenary of Federation, representing the Minister for Communications, Information Technology and the Arts. Minister, how many people does the government estimate will be able to receive digital TV on 1 January 2001 because they have purchased either a digital television set or a set-top box? By contrast, Minister, how many Australians are likely to experience interference to their current analog TV reception as a consequence of the broadcast of digital TV?

Mr McGauran—I thank the honourable member for his question. As he well knows, the government is very keen to ensure that there is a smooth transition from analog to digital broadcasting. We have supported an approach that not only minimises disruption to consumers but also provides the most rapid possible take-up of digital television, and a range of options for viewers in terms of price and equipment availability, including low cost entry products. It is the government’s strong view that reasonably priced free-to-air set-top boxes must be available by or soon after 1 January to enable those consumers who want to move quickly into digital television to purchase the necessary equipment. It is also imperative that these boxes allow receipt of all free-to-air services, and broadcasters have agreed that this needs to be the case. The first generation receivers are expected to allow consumers to have access to wide-screen standard definition digital television, including program enhancements provided by free-to-air broadcasters and multichannel services provided by the ABC. As to any further particulars contained in the honourable member’s question, I will refer them to the minister for communications and will reply further to the member if required.

Trade: Goods and Services

Mr WakeLin (2.12 p.m.)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the outcome for the balance of trade in goods and services for October 2000 released today by the Australian Bureau of Statistics?

Mr Costello—I thank the honourable member for Grey for his question. I can inform the House that the international trade in goods and services for the month of October showed a surplus of $324 million. In goods and services for the month of October we ran a current account surplus. It was the second surplus in a row—the last being in September which was, as I informed the House at the time, heavily influenced by the Olympics, in particular Olympic related exports. After having abstracted the effect of the Olympics from the September and October figures, the figures nonetheless show that we still ran a current account surplus for the month of October of around $164 million. Abstracting the Olympics from both the September and the October figures showed that exports grew by 6.8 per cent in October. In the year October on October, Australia’s exports have grown 23.5 per cent. Non-rural and other goods exports increased 7.7 per cent in October and rural goods exports increased 5.7 per cent—the highest monthly level on record. This is consistent with the government’s forecast for a narrowing current account deficit from an outcome of 5.3 per cent in the last financial year to 4¼ per cent in the current financial year.

Last year Australia’s exports grew by an average of nine per cent and the government forecast is that they will grow this year by nine per cent again. That is a nine per cent growth followed by another nine per cent growth off that growth. These are very strong growths in Australia’s exports, leading the current account in the month of October into surplus. For the first time since the Asian financial crisis, exports will make a contribution to growth in Australia which we estimate will be around one per cent. I think all
Australians would be pleased with the October trade figures, which are very strong figures and which are being led by a strong export performance which will be contributing to growth and jobs for Australians in the forthcoming year.

**AFL: Broadcasting Rights**

Mr SERCOMBE (2.15 p.m.)—My question is to the Minister representing the Minister for Communications, Information Technology and the Arts. Is the minister aware of the current bid process for the AFL broadcasting rights? Minister, will the government guarantee that the anti-siphoning and antihoarding regimes will ensure that there is no reduction in the number of AFL games broadcast on free-to-air television throughout Australia, particularly live broadcasts to the outlying states and regional Australia?

Mr McGAURAN—The government have a very good record on this. Year after year we have acted to protect consumers’ free-to-air service. The AFL broadcasting rights provisions, subject to the anti-siphoning provisions of the Broadcasting Services Act 1992—not that I would have expected the honourable member to have done that amount of research; nor the tactics committee that handed him this question—do not restrict the flexibility of free-to-air broadcasters and the AFL to determine appropriate levels of coverage in television markets across Australia. The AFL has indicated that it wishes to promote its competition and is motivated to ensure that it continues to receive a high level of public exposure through free-to-air coverage.

The AFL is well placed to negotiate minimum levels of coverage directly with free-to-air broadcasters as a condition of assigning the broadcast rights. We are well aware from media reports that the current AFL broadcasting rights holder, the Seven Network, has complained to the ACCC that a bid from a rival consortium led by the Nine Network may be in breach of the Trade Practices Act competition provisions, and I understand that the ACCC is considering Channel 7’s claims. The government would not wish to see the outcomes of these negotiations result in the diminution of the amount of AFL on free-to-air television.

**Mr McMullan**—Mr Speaker—

**Mr SPEAKER**—I call the Manager of Opposition Business.

**Mr Sercombe**—Mr Speaker—

**Mr SPEAKER**—The member for Maribyrnong will resume his seat. The Manager of Opposition Business has the call.

**Mr McMullan**—He probably wanted to do the same thing, Mr Speaker, which is to ask the minister to table the document from which he so comprehensively quoted and which was obviously so well researched.

**Mr SPEAKER**—Was the minister quoting from a confidential document?

**Mr McGAURAN**—I am glad the opposition found the answer comprehensive in detail—but they are confidential notes.

**Trade: Export Performance**

Mr SOMLYAY (2.18 p.m.)—My question is addressed to the Minister for Trade. Will the minister inform the House of Australia’s latest export performance? How is the coalition working to strengthen further Australia’s export capacity, especially in regional and rural Australia?

**Mr VAILE**—I thank the honourable member for Fairfax for his question. Today’s announcement of a trade surplus for the second month in a row is certainly one that all Australians, particularly Australia’s exporters, should be proud of because it continues to show a very strong trend of growth with the increase in Australia’s exports. The surplus of $324 million for October follows September’s surplus of $677 million, which was obviously impacted upon by the Olympics. But, as the Treasurer indicated in the earlier question, even if you extract that, the trend is still very strong and still very positive. Given the economic circumstances within the region in the past, it is a very good outcome for Australia’s exporters.

In the last 12 months until October this year, Australia’s exports topped $136.9 billion, which is a significant increase on the previous 12 months of $126 billion. Exports of goods have hit record monthly levels in both rural and non-rural sectors. Rural exports rose six per cent on the month to nearly $2.5 billion to be now running at 33 per cent
higher than a year ago. Non-rural and other goods exports reached a record $7.9 billion in October, up 24 per cent on a year ago. As expected, services exports eased after the Olympics but remain strong and are significantly higher than pre-Olympic levels and 20 per cent higher than in October 1999.

So the indicators are all very good, and again I say that Australia’s exporters should be congratulated on the effort that they have put in and the way that they have worked with the government. The effort that has been put in in a number of different areas is underpinned by the sound economic management of the Australian economy that provides a very sound platform for Australia’s exporters to work off and from which to launch into the international marketplace. We have made a number of reforms over the years that have made them more competitive in the international marketplace, and we continue to aggressively pursue better market access opportunities for Australia’s exporters. Certainly they do not want to see some of the policies that have been proposed by the Australian Labor Party, particularly the roll-back of the $3.5 billion in taxes that we have taken off the backs of Australia’s exporters. They are much better positioned to be more competitive in the international marketplace, and certainly as a government we are going to continue to encourage and facilitate Australia’s exporters to continue that trend growth.

Health: Dental Services

Ms MACKLIN (2.21 p.m.)—My question is to the Minister for Health and Aged Care. Minister, can you confirm that last Thursday the Australian Health Ministers Council discussed a dental health paper prepared by the South Australian minister Dean Brown on behalf of the states that found huge problems in dental care for low income Australians, many of whom are older Australians? Are you now aware that, as a result of the scrapping of the Commonwealth dental program in 1996 by your government, 140,000 low income people in New South Wales face a wait of 54 months for dental care, 78,000 South Australians face a wait of more than 43 months and 140,000 Victorians face a wait of 22 months? Minister, why are you refusing to act to reduce these growing waiting lists for dental care?

Dr WOOLDRIDGE—First, the Health Ministers Council did not discuss it—the honourable member should get her facts right before she gets up in here and makes a fool of herself. Secondly, there was an informal discussion among health ministers that was not part of the meeting and, in that informal discussion, the Queensland health minister said that he had put in extra funds to address the problem. The states are welcome to fix this. Some states are working on it quite well because they are putting in the extra resources. In Victoria, they can spend some of Jeff Kennett’s surplus if they want to fix it.

Roads: Funding

Mr SECKER (2.23 p.m.)—My question is addressed to the Minister for Trade. Will the minister inform the House of the benefits to Australia’s exporters—especially those in my electorate of Barker and in other parts of rural and regional Australia—from the government’s $1.6 billion Roads to Recovery Program?

Mr VAILE—I thank the member for Barker for his question. The significant injection of capital into much-needed infrastructure in rural and regional Australia will of course benefit Australia’s exporters—many of whom are located in rural and regional Australia. Exports out of Australia generate in excess of 1.7 million jobs. One in five Australian jobs relies on exports and one in four jobs in regional Australia relies on exports. One of the most fundamental elements of exporting out of regional Australia is the infrastructure, particularly transport infrastructure. This significant boost to that infrastructure across Australia has certainly been welcomed by Australia’s export industries, particularly those located in rural and regional Australia. It will give them much more efficient access to airports, ports and terminals across Australia. The Australian Local Government Association points out that local roads:

... are a vital link in the national export chain. Failure of the roads system means that agriculture, mining and timber products do not get to the rail head or the port on time or at all. The effi-
ciency of rural roads has a direct impact on the competitiveness of Australian products in terms of cost and reliability of delivery to national and international markets. The adequacy of the rural roads system has a direct impact on the cost of inputs to primary producers, and subsequently affects their incomes and the wealth of the regions of the nation.

The Commonwealth coalition government’s Roads to Recovery Program will be of direct benefit to Australia’s exporters. That has been recognised across Australia not only by the Australian Local Government Association but also by the Australian Food and Grocery Council. It said:

Capable and competent infrastructure including roads is essential if Australia is to capitalise on the comparative advantage it has in agrifood exports and potential for sustained development and employment growth in rural and regional Australia.

That is what we are about: providing balanced opportunities. Headlines that have been floating around rural and regional Australia following the announcement of the Roads to Recovery package include ‘Fast track roads in rural Australia’, ‘Commuters big winners’ and ‘Bring on the new bitumen’. The Australian Labor Party is standing in the way of this program. The Australian Labor Party would not address this issue in 13 years in government. It voted against opportunities to improve the infrastructure in Australia—whether it was significant arterial roads, local roads or rural roads. Our Roads to Recovery Program will significantly benefit Australia’s exporters, particularly those in rural and regional Australia that are providing one in four jobs in that area.

Nursing Homes: Thames Street Hostel

Ms BURKE (2.25 p.m.)—My question is directed to the Minister for Aged Care. Does the minister recall the claim she made yesterday in relation to a complaint about the care of residents in Thames Street Hostel? She said:

It is our system of accreditation that caused the subsequent visit to be undertaken, which found that things had to be put right.

Is it not a fact that, during estimates committee hearings last week, the minister’s department confirmed that the visit to Thames Street on 30 August this year was a review audit, not an accreditation visit, and that this review audit was a direct result of the complaint lodged on 2 December 1999? Has the minister not misled parliament in an attempt to cover up the failure of her system to react quickly to serious complaints about resident care?

Mrs BRONWYN BISHOP—As I said yesterday, the complaint from the nurses union, the ANF, was received by the department on 2 December. They responded to that complaint on 8 December, and the complaint referred to material that had been dealt with by the Industrial Relations Commission earlier that year. It was an industrial dispute complaint. Subsequently, I explained to the honourable member that our whole accreditation system—which includes review audits; they are all set out in our Aged Care Act and are part of our reforms that were needed because of the state in which Labor had left the system—

Opposition members interjecting—

Mr SPEAKER—Order! The minister has the call.

Mrs BRONWYN BISHOP—They were very much needed. The review audit and the nurses federation—

Opposition members interjecting—

Mrs BRONWYN BISHOP—I will be pleased to give opposition members the information. The review audit that took place in August related to two subsequent complaints that came in August about meals and staffing areas—they were anonymous complaints. The review audit was done and subsequently the site audit was done for accreditation. When the Uniting Church became aware of the state of the place, they reacted immediately. As I told you yesterday, they sacked the board, they sacked the CEO, they put in a new team and the hostel is now proceeding to accreditation, having passed 43 of the 44 standards. That is what I would call a satisfactory outcome.

Corporate Regulation

Ms JULIE BISHOP (2.30 p.m.)—My question is addressed to the Attorney-General. Would the Attorney inform the House of what action the government is tak-
ing to resolve the uncertainty surrounding Australia’s system of corporate regulation, caused by the High Court’s decision in the Hughes case? Has this action been successful? Is the Attorney aware of any alternative policies that would lead to a workable solution?

Mr WILLIAMS—I thank the member for Curtin for her question, and I note her special interest in the subject of the question. The government—and I would particularly mention the Minister for Financial Services and Regulation—has been working particularly hard to restore certainty to the Corporations Law by the means of securing a referral of state powers. But at the joint meeting of the Standing Committee of Attorneys-General and the Ministerial Council for Corporations held in Sydney last night, the Labor states derailed the process.

Mr McMullan interjecting—

Mr WILLIAMS—They attempted to force the Commonwealth into accepting a referral that would leave Australia with a system of corporate regulation just riddled with problems. Over the course of the negotiations, the Commonwealth and the states have reached agreement on a substantial range of issues. The Prime Minister, among others, has reassured the states that the Commonwealth will not be misusing any referred power.

Mr Bevis interjecting—

Mr WILLIAMS—However, it is clear that the process has now become bogged down by political point scoring by the states and by political rhetoric. What the Labor states are trying to do—and this is confirmed by the frontbench interjections here today—is create the impression that the referral of Corporations Law powers is designed to be used by the Commonwealth for industrial relations reform. This is a complete furphy. It is just mischief making—political mischief making. But it is not just the states that are doing it now. The member for Brisbane, who is making a lot of noise, has joined them.

Mr Bevis interjecting—

Mr WILLIAMS—He is perpetrating the same furphy. He is taking up the same scare campaign. The Commonwealth and the states do not need a three-page-long section inserted into the referral bill at the eleventh hour in order to guarantee that the Commonwealth cannot use referred power to regulate industrial relations. Such a provision would not give any greater protection than the arrangements that the majority of states had previously agreed to. But it can create great uncertainty and it can vastly increase the potential for legal challenges to the bill by those who would thwart its operation and by those who would seek to challenge the actions of the Australian Securities and Investment Commission and the Director of Public Prosecutions. These are real risks that the government takes seriously—even if the opposition does not.

The provisions promoted by the states and now supported by federal Labor are a political play at best. The political play would prove a serious headache of the same sorts of dimensions as we are currently trying to rectify by obtaining an appropriate referral. Added to this, the states have promoted a further absurd proposal that we should allow individual states to unilaterally decide which amendments of the Corporations Law will or will not operate in their jurisdiction. The package offered by the states is unworkable; it is no solution. While the Commonwealth’s door remains open to the states to engage in sensible discussion of a reasonable package, the government is going back to the drawing board to consider all options. Among those options, of course, is the possibility of national legislation, using the Commonwealth’s existing powers.

Nursing Homes: Viability

Mr SWAN (2.34 p.m.)—My question is directed to the Minister for Aged Care. Minister, are you aware that a recent report commissioned by the Minister for Veterans’ Affairs includes a detailed analysis of the viability of nursing homes under the government’s policy? Minister, can you confirm that this report concludes: [nursing homes] of less than 40 beds were unlikely to be financially viable, and in fact could incur significant losses over time.

Minister, are you aware that approximately half of the nursing homes in Australia have 40 beds or less—many of them in rural ar-
Given the threat to the viability of these nursing homes, Minister, what are you going to do about it?

Mrs BRONWYN BISHOP—No, I am not aware of such a report, and I have not even received one in a brown paper bag.

Australia: Global Financial Centre

Mr ANDREW THOMSON (2.36 p.m.)—My question is addressed to the Minister for Financial Services and Regulation. Would the minister inform the House of new initiatives that will assist Australia’s development as a global financial centre, and how would any alternative policies affect our ambition to become a global financial centre?

Mr HOCKEY—I thank the member for Wentworth for his interest in this matter. I am pleased to advise the House that Zurich Financial Services Group have announced the establishment of their capital markets Asian headquarters here in Australia. This is a strategic partnership with two Australian partners: Consolidated Press, which is associated with the Packer family, and Queensland Press, which is associated with the Murdoch family. Zurich is one of the world’s largest financial institutions with offices in over 60 countries and nearly $1,000 million in funds under management. Of course, Zurich already has a significant presence in Australia in insurance and investment. However, the opening of their Asian Capital Market Centre here is an additional bonus. Of course, it is subject to the usual approval process, but it does supplement their other market activities. In relation to Zurich Financial Services Group’s market activities, they already have major headquarters in New York, London and Dublin, and now they have their Asian headquarters here in Australia. Malcolm Jones, the chief executive for the Asia-Pacific region for Zurich, said:

Sydney is a growing and significant financial centre, offers a pool of talent and opportunities that are second to none. I look forward to working with Zurich Capital Markets on their expansion in their banking and related activities.

This has been followed by the announcement by Charles Schwab of a fifty-fifty joint venture with ecorp, an Australian based company, to set up here in Australia. They have announced that they will be providing a range of services, including full share trading services and access to their worldwide research, to their already existing 50,000 customers here in Australia. They are opening offices in Melbourne, Perth, Brisbane and Sydney. They will be able to provide Australia’s millions of shareholders with access to new products and services ranging across a wide range of banking and financial products that have not previously been offered in Australia.

These are incremental steps. These are a step-by-step approach to how we are building a global financial centre. Each institution that comes to Australia is offering new products to Australian consumers. Perhaps even as important as that is the fact that they are now exporting services to the Asian region and to the rest of the world from here in Australia. The benefit for consumers continues. On 1 July next year we abolish stamp duty on the transfer of shares, something the Labor Party opposed at every point. We are making share trading more affordable for the millions of Australians that are participating. We are making banking more affordable by abolishing financial institutions duty which the Labor Party opposed at every point. Australia continues to grow as a global financial centre, despite the best endeavours of the Labor Party to stop it.

Aged Care

Mr BEAZLEY (2.40 p.m.)—My question is to the Minister for Aged Care. Minister, now you have told us you have not read, have no knowledge of and do not care about a Veterans’ Affairs commissioned report on and including nursing home matters—

Government members interjecting—

Mr SPEAKER—The Leader of the Opposition will delete the imputation.

Mr BEAZLEY—Take the first part as deleted in accordance with your concern, Mr Speaker. Minister, do you recall my raising your failure to table a report on the operation of the Aged Care Act in October last year? Why have you again failed to table this report by the 30 September deadline? Isn’t it true that we are also still waiting for the two-year review of this government’s aged care reforms more than three years after those
changes were implemented? And can you confirm that the national strategy for an ageing Australia, which was to form part of the government’s response to the International Year of Older Persons in 1999, will in fact be produced in 2001? Minister, is this why you are widely known in the aged care sector as the ‘Minister for Ages’?

Mrs BRONWYN BISHOP—It sounds like Bob Ellis is back on the payroll, from that question.

Opposition members interjecting—

Mr SPEAKER—When the House has come to order, the minister has the call.

Mr Tanner interjecting—

Mr SPEAKER—The member for Melbourne is defying the chair.

Mrs BRONWYN BISHOP—Firstly, the annual report is with the printer. Secondly, as to the Gray report, Professor Gray requested an extension of time because of his consultations taking longer. Thirdly, with regard to the national strategy for an ageing Australia—something which is beyond the comprehension of you lot, that’s for sure—it is not something that is done in a five—

Mr Howard interjecting—

Mrs BRONWYN BISHOP—Ageing but without wisdom. If I might say, the national strategy for an ageing Australia, which has had submissions from all over Australia, is not something you plan in five minutes when you are planning for 50 years. It is a serious endeavour which this government has undertaken.

Mr Beazley interjecting—

Mrs BRONWYN BISHOP—It may come out after you are no longer leader. That would be possible.

Opposition members interjecting—

Mr SPEAKER—The minister will come to the question. The minister is not facilitating the chair—and neither is the member for Bruce.

Mrs BRONWYN BISHOP—Thank you, Mr Speaker. I think they have had all the information they can digest.

Work for the Dole: Criticisms

Mr CAMERON THOMPSON (2.44 p.m.)—My question is addressed to the Minister for Employment Services. Is the minister aware of recent criticisms of the government’s Work for the Dole program? What is the government’s response to these attacks? Are there any alternative approaches in this area?

Mr ABBOTT—I thank the member for Blair for this question, and I note that current Work for the Dole projects in his electorate include providing household services to people with disabilities, refurbishing farm machinery and restoring the local showground. These projects are very good for local communities, they are very good for participants and they would be worth doing even if no one found a job out of them. In fact, participants in Work for the Dole are 50 per cent more likely to find work than participants in New Work Opportunities, which was the comparable program under the former government.

Yesterday the member for Dickson, responding to misleading statements from ACOSS, issued a press release. She did not do live media lest she be asked the obvious question: how can you keep the so-and-sos honest when you are taking their money?

Mr McMullan—Mr Speaker, on a point of order: everybody on this side is sick of this minister’s rude, offensive and insulting interruptions that are not relevant to the questions he is being asked, and I ask you to stop him doing it.

Ms Kernot—Mr Speaker, I ask for the inference made by the Minister for Employment Services to be withdrawn. It is offensive and it is untrue.

Mr SPEAKER—The language used by the minister did nothing to elevate the parliament or parliamentarians. I did not hear him make a comment that was critical of the member for Dickson. I will check the Hansard and, if I am wrong, will come back to her. I would ask the minister to exercise a little more restraint.

Mrs Crosio—And maturity!
Mr SPEAKER—And the member for Prospect might like to reflect on the statement she just made.

Mr ABBOTT—In her press release, the member for Dickson said that Work for the Dole was just about ‘getting people to mend fences and dig ditches’. Ben Chifley would be turning in his grave to hear an ALP front-bencher sneering in that way at manual labour. I have to say that the Work for the Dole participants in Dickson who are doing office work for local charities and sporting associations and who are building a community gymnasium in Lawnton would not be very happy either. The member for Dickson claims to support Work for the Dole, but she constantly ridicules every aspect of this program. She has no credibility—no credibility whatsoever. She has as much credibility as the Leader of the Opposition, who claims to be against electoral rorts but is constantly trying to protect the teacher’s pet.

Ms Kernot—What about you and David Oldfield?

Mr McMullan—No wonder David Oldfield left—you were not good enough for him!

Mr SPEAKER—The Manager of Opposition Business has already made a plea on which I endeavoured to act. Precisely the same sorts of standards apply to everyone in the House. The Manager of Opposition Business will withdraw the remark he made.

Mr McMullan—Can I just seek clarification. I will withdraw, but are you seriously saying I have to withdraw something that I said to him when he does not have to withdraw alleging that somebody took money? I will withdraw, and I have, but can you clarify that?

Mr SPEAKER—The Manager of Opposition Business has withdrawn.

Mr McMullan—I have withdrawn, and I am asking you a question, Mr Speaker. Are you seriously saying that I have to withdraw but he can make that allegation about the member for Dickson?

Mr SPEAKER—In a genuine effort to be even-handed, I in fact indicated to the member for Dickson that I had not heard a statement made by the minister that I thought was offensive and that, if I found it in the Hansard, I would raise it with her. The Manager of Opposition Business had earlier called on a particular standard to be maintained and I joined him in that. I believe that his statement demanded the same sort of restraint that I had asked the minister to exercise. That was why I asked him to withdraw.

Mr Allan Morris—Mr Speaker, on a point of order: I asked you a question a few weeks back on the point of your not being offended but a member being offended and therefore being asked to withdraw. You have not got back to me on that question yet, but today, again, you have insisted that you have been offended rather than the person who asked for the remark to be withdrawn. Is there a change in who needs to be offended now for a matter to be withdrawn?

Mr Downer interjecting—

Mr SPEAKER—I do not believe—

Mrs Irwin—Go and powder your nose, Alexander.

Honourable members interjecting—

Mrs Irwin—Horrible little man.

Mr SPEAKER—The member for Fowler is well aware that, if I were to apply the standing orders as I ought, she would not now be in the chamber.

Mrs Irwin—Mr Speaker, do you mean apologise to you or apologise to the Minister for Foreign Affairs?

Mr SPEAKER—You will apologise to the House.

Mrs Irwin—I apologise to the House—under duress.

Honourable members interjecting—
Mr SPEAKER—The member for Fowler is named.

Motion (by Mr Reith) put:

That the member for Fowler be suspended from the service of the House.

The House divided. [2.58 p.m.]

(Mr Speaker—Mr Neil Andrew)

Ayes………… 76

Noes………… 65

Majority……… 11

AYES

Abbott, A.J. Andrews, K.J.
Anthony, L.J. Bailey, F.E.
Baird, B.G. Barresi, P.A.
Bartlett, K.J. Billson, B.F.
Bishop, B.K. Bishop, J.I.
Brough, M.T. Cadman, A.G.
Cameron, R.A. 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.
Gallus, C.A. Gambaro, T.
Gash, J. Georgiou, P.
Haase, B.W. Gash, J.
Hawker, D.P.M. Hardgrave, G.D.
Howard, J.W. Hockey, J.B.
Jull, D.F. Hull, K.E.
Kelly, D.M. Kelly, J.M.
Kemp, D.A. Lieberman, L.S.
Lindsay, P.J. Lloyd, J.E.
Macfarlane, I.E. May, M.A.
McArthur, S * McGauran, P.J.
Moore, J.C. Moylan, J.
Nairn, G. B. Neil, G. B.
Nelson, B.J. Neville, P.C *
Nugent, P.E. O'Keefe, N.P.
Pyne, C. Price, L.R.S.
Ronaldson, M.J.C. Ripoll, B.F.
Schultz, A. Rudd, K.M.
Secker, P.D. Sciacca, C.A.
Somlyay, A.M. Sidebottom, P.S.
St Clair, S.R. Snowdon, W.E.
Sullivan, K.J.M. Tanner, L.
Thomson, A.P. Thomson, K.J.
Tuckey, C.W. Zahra, C.J.
Vale, D.S. Harpaker, D.L.
Washer, M.J. O'Keefe, N.P.
Wooldridge, M.R.L.

NOES

Adams, D.G.H. Albanese, A.N.
Beasley, K.C. Bevis, A.R.
Bererton, I.J. Burke, A.E.
Byrne, A.M. Corcoran, A.K.
Cox, D.A. Crean, S.F.
Croswio, J.A. Danby, M.
Edwards, G.I. Ellis, A.L.
Emerson, C.A. Evans, M.J.
Ferguson, L.D.T. Ferguson, M.J.
Fitzgibbon, J.A. Gerick, J.F.
Gibbons, S.W. Gillard, J.E.
Griffin, A.P. Hall, J.G.
Hatton, M.J. Hoare, K.J.
Horne, R. Irwin, J.
Jenkins, H.A. Kernot, C.
Kerr, D.J.C. Latham, M.W.
Lawrence, C.M. Lee, M.J.
Livermore, K.F. Macklin, J.L.
Martin, S.P. McClelland, R.B.
McFarlane, J.S. McLeay, L.B.
McMullan, R.F. Melham, D.
Morris, A.A. Mossfield, F.W.
Murphy, J. P. O'Connor, G.M.
O'Keefe, N.P. Plibersek, T.
Price, L.R.S. Quirk, H.V.
Ripoll, B.F. Roxon, N.L.
Rudd, K.M. Sawford, R.W *
Sciaccia, C.A. Sercombe, R.C.G *
Sidebottom, P.S. Smith, S.F.
Snowdon, W.E. Swan, W.M.
Theophanous, A.C.
Tanner, L. Wilkie, K.
Thomson, K.J.
Zahra, C.J.

PAIRS

Forrest, J.A. O'Byrne, M.A.

* denotes teller

Question so resolved in the affirmative.

The member for Fowler then left the chamber.

Mr SPEAKER—Now if I might respond to the question raised by the member for Newcastle. As I think was evident to the overwhelming majority of members on both sides of the House, when the Minister for Employment Services made what were seen, by some, to be provocative remarks, I asked him to exercise some restraint. The member for Dickson indicated that she too felt that the remarks may have been offensive, and I indicated to her that I would check the record and get back to her. She seemed to me to be content with that response. When the minister was returning to his seat, the Manager of Opposition Business made an interjection similar to one made yesterday by the member for Batman which I required the member for Batman to withdraw. I asked him to withdraw in the interests of the standards of the House that I find the overwhelming majority of members simply wish to have elevated.

Nursing Homes: Kenilworth

Ms MACKLIN (3.05 p.m.)—My question is to the Minister for Aged Care. Minister,
can you confirm that, despite working with the Kenilworth Nursing Home provider throughout this year to improve care standards, your department found residents to be at immediate and severe risk in March, September and October. Isn’t this the same provider who applied to the Federal Court to have all sanctions against him withdrawn—applications which the Federal Court rejected three weeks ago as an ‘abuse of the court process’? Isn’t this the same provider who has refused to apply for accreditation? Isn’t this the same provider who has been convicted of stalking an employee? Minister, isn’t this another example of you collecting reports but failing to protect residents in nursing homes?

Mrs BRONWYN BISHOP—Kenilworth Nursing Home is, as I understand it, still before the AAT, but I can tell you that there have been five sets of sanctions applied to it. The number of residents presently in that home is five. The advocacy group appointed in Victoria works with them regularly, as do nurses from our department. An application for accreditation has been received but, to my knowledge, the cheque has not been paid at this stage so it is not a valid application that can result in a site visit. The five sanctions remain in place and if, at 31 December, the home is not accredited then federal funding will totally cease.

Ms Macklin—Bad luck for the patients.

Mrs BRONWYN BISHOP—I will answer that interjection, because it is important to know that the department has in place a strong contingency plan to deal with that small number of homes at risk that may need to be dealt with in terms of their having no further funding.

Goods and Services Tax: Savings Bonus

Mrs GALLUS (3.07 p.m.)—My question is addressed to the Minister for Community Services. Would the minister advise the House of the success of the aged persons savings bonus. Would the minister also advise how many older Australians have received a bonus and how much they received.

Mr ANTHONY—I thank the member for Hindmarsh, who I know has a very genuine interest in looking after older Australians. What is interesting is that over 1.9 million people now have received the aged persons savings bonus. Almost 60 per cent of Australians have received the full $1,000 and nearly 75 per cent of those older Australians have received $500 or more. Likewise, with the supplementary bonus, over 223,000 self-funded retirees have now received that bonus. A total of 67 per cent of self-funded retirees have received the full $2,000 and 77 per cent of self-funded retirees have received $1,500 or more. We estimate that 2.4 million people will qualify for a bonus, as originally forecast.

The interesting thing is that, rather than the $672 that was originally estimated for the bonus, the average bonus now paid is $931. Of course the reason that we are paying this bonus is to help compensate older Australians, in terms of savings or investment income, for the introduction of the new tax system. It certainly was not compensation for buying preference deals.

Mr SPEAKER—The minister will come to the question.

Mr ANTHONY—Let us look at the record of what happened when Labor were in government. When they increased their own hidden tax, the wholesale sales tax—particularly in 1993, where they raised it from 10 to 12 per cent—was there compensation? No. When they raised it from 20 to 22 per cent was there compensation? No. When they raised it from 30 to the high 30s was there compensation? No. Was there compensation when they unilaterally increased fuel excise by 5c in 1993-94? No. Was there any compensation when they broke their promise to make tax cuts? No. They did not help older Australians at all.

When the coalition got into power not only did we ensure that there was an up-front four per cent increase on pensions from 1 July but we also tied pensions to 25 per cent of male total average weekly earnings. If the Labor Party had been in government, pensioners would have been $13.60 worse off because pensions would not have been tied to male total average weekly earnings. Indeed, if you had followed the Labor Party’s rationale, pensioners would have been $28 a fortnight worse off under Labor. Of course
these older Australians receive most of their payments as traceable bank deposits, not as untraceable wads of money in brown paper bags.

**Nursing Homes: Alchera Park**

Mr LAURIE FERGUSON (3.11 p.m.)—My question is directed to the Minister for Aged Care. Is the minister aware that the principal medical adviser to the Department of Veterans’ Affairs recently called for an independent inquiry into the deaths of two veterans at the Alchera Park Nursing Home? Minister, isn’t this the same nursing home where, despite complaints about the care of one of those veterans in September last year, no immediate investigation occurred; the same site from where the veteran was subsequently admitted to a local hospital suffering from dehydration and gangrenous wounds and died shortly thereafter; and the same nursing home where, even after the resident’s death, your department failed to carry out any inquiry into his care? Minister, given that you claimed ‘the complaints were finalised on 18 January 2000’, why is Dr Killer now calling for an independent inquiry?

Mr Wilkie interjecting—

Mr SPEAKER—I warn the member for Swan.

Mrs BRONWYN BISHOP—The Alchera home was the subject of a number of serious complaints. The management was completely and utterly changed in April. Since that time it has been brought up to standard and has now been accredited. With regard to the allegations made by the shadow minister, the concerns raised about those deaths were referred by the deputy secretary to my department to the Queensland police, who in turn referred them to the coroner. The coroner is of the view that he accepts the death certificates as they stand and any further investigation would be a matter for the Queensland government.

**Sugar Industry: Assistance to Cane Growers**

Mrs DE-ANNE KELLY (3.14 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Would the minister update the House about the assistance which the federal coalition government has provided to sugar producers, including those in the seat of Dawson. How have recent changes to eligibility helped more cane growers access the package? Could the minister advise what the response has been by growers to other packages offered by the Queensland government.

Mr TRUSS—I thank the honourable member for Dawson, who represents close to half the national sugar industry in her own electorate, and serves as chairman of the coalition’s sugar industry task force. She, like other members representing sugar electorates, played a key role in the development of the federal government’s response to the serious problems confronting our nation’s sugar producers. They have been facing difficult times because of poor seasons—droughts and floods—low sugar content, orange rust and low world prices. But this government responded with a very significant package of assistance for the industry, estimated at around $83 million, to provide support for up to $400 million worth of loans for the sugar industry. I am pleased to report to the House that there has been a very good response from industry to this package: 4,344 claims have now been granted for assistance under this particular scheme, and a number of other applications are under consideration. Some growers found that they were ineligible for the package because of the definition of ‘sugar farmer’ or because their incomes were so low this year that a small amount of income from some other farming activity or even off-farm activity made them ineligible for the package. Those rules have now been relaxed to make it easier for those people who are genuine sugar producers to access the package. There have been 4,344 successful claims under the federal government’s package.

Honourable members are probably aware that the Queensland government have also provided a sugar industry package. They paraded around the state and boasted in front of the television cameras about the wonderful aid that they were going to provide to the industry. They said they were prepared to provide a total of $10 million to assist farmers. They sent applications out to every farmer in Queensland—twice to most farm-
ers. Honourable members may be interested to know that the minister for primary industries in the Queensland parliament was asked a similar question to that asked by the honourable member for Dawson today, about the success of the Queensland government’s assistance package for farmers. I thought honourable members of this House might be interested to contrast the number of applications for the federal government’s package—4,344—with the number of applications for the Queensland government’s package. Would honourable members like to guess how many there have been?

Government members interjecting—

Mr TRUSS—No, sorry—500 is far too high.

Mr SPEAKER—The minister will respond through the chair.

Government members interjecting—

Mr TRUSS—Five? As low as five? Even that is too high.

Mr SPEAKER—The minister will respond through the chair.

Mr TRUSS—The total number of applications: three. The total number of successful applications: zero. There were not any. One has been refused and the other two are awaiting extra information. This is the Queensland government’s response to the crisis in the sugar industry. It was always smoke and mirrors. It was an opportunity for the Premier to parade in front of the TV cameras. It was a stunt. There was no real assistance. It was just an opportunity for Premier Beattie to parade around and pretend he was interested in the problems. Industries know that if they want real assistance it is only a coalition government that will deliver. Labor delivers zero: zero benefit for the sugar growers, zero benefit for the sugar industry communities in Queensland and zero benefit for the nation.

Hospital: Bed Numbers

Mr SAWFORD (3.18 p.m.)—My question is to the Minister for Health and Aged Care. Minister, can you confirm the report in the Sunday Sun-Herald of 19 November that you personally rang a number of Melbourne’s private hospitals to provide a private bed for an elderly woman with blue-ribbon private cover who had been left on a trolley for 27 hours because of a lack of private hospital beds? Minister, when will you show the same interest in the many public patients who currently spend an average of 10¼ hours in Adelaide’s Queen Elizabeth Hospital emergency department before being admitted? When will your office start doing something for the staggering 10 per cent of Queen Elizabeth Hospital patients who have to wait in the emergency department for more than 24 hours?

Dr WOOLDRIDGE—The honourable member does not quite have it right; I was not ringing around trying to find a bed for this person. The journalist rang my office on the Friday before the newspaper story appeared and said there had not been a single private hospital bed available in Melbourne. I thought this was patent nonsense, so I did actually get on the phone myself. I rang the Epworth and, on the night concerned, which was 2 November, there were 23 beds available in the Epworth. At Waverley Private Hospital, which normally takes the overflow from Knox, there were 15 empty beds on that night. At Cotham Private Hospital there were eight beds that night.

Ms Macklin interjecting—

Ms Macklin—What about public hospitals?

Mr SPEAKER—The member for Jagajaga is defying the chair. The minister has the call.

Dr WOOLDRIDGE—So there were 53 beds available in four hospitals that I checked; all could have taken overflow.

Ms Macklin—What about public hospitals?

Mr SPEAKER—The member for Jagajaga is defying the chair. The minister has the call.

Dr WOOLDRIDGE—The honourable member also asked about the Queen Elizabeth Hospital. As he would know, state hospitals are the province of state governments, and I would suggest that last year South Australia got $26 million extra from the Commonwealth for hospitals. In their budget paper only $20 million extra appeared. So not only did they not put in an extra cent
themselves; they took $6 million of our money and put it somewhere else. So if there is a problem in Adelaide public hospitals, ask the state government where the money has gone.

_Government members interjecting—_

_Mr SPEAKER_—The members on the front bench are doing nothing to assist the member for Eden-Monaro.

**Roads: Funding**

_Mr NAIRN_ (3.21 p.m.)—My question is addressed to the Minister for Forestry and Conservation. Would the minister advise the House of the impacts of the federal government’s $1.2 billion Roads to Recovery initiative? What benefits will flow to the forest industries in rural and regional Australia from the expenditure by councils on local roads?

_Mr TUCKEY_—The most recent ABARE figures available to me for 1998-99 indicate that, in that year, there were 20 million cubic metres of round wood removed from Australia’s forests, both plantation and native—a 20 million tonne transport task. Further to this, we are seeing the commencement of hardwood harvesting from the plantation sector, some 800,000 tonnes in the southern areas of Western Australia this year. In fact, it is predicted that, within a few years and probably within the lifetime of the Roads to Recovery Program, we will see an additional 20 million cubic metres of forest products coming from these plantations. In three separate areas this will be represented by a single area of about five million tonnes of pulp wood which is sufficient to resource a world class pulp and paper mill which, of course, would create significant additional employment in regional areas. It would also remove and in fact reverse Australia’s $2 billion trade deficit in forest products.

Of that 40-million-tonne transport task, every log of wood at some stage will travel over a local road and over local bridges. Furthermore, the Commonwealth’s commitment on road funding as it assists forestry does not cease with the raw product. We are putting significant funding into the Pacific Highway which, of course, allows for the cheap and efficient freight of brown paper bags from the McMillan electorate to Brisbane. That is a very important thing, as we know. They are very important items. The reality is that there are many factors relating to this transport problem. In the electorate of Bass, for instance—I do not know whether that member is present today—two bridges have been drawn to my attention. Because of the inadequacy of those bridges, the trucks that pass over them can load only to 60 per cent of their legal entitlement. With these sorts of circumstances you can have all the potential of a pulp and paper mill but if your freight costs are even a cent too high you lose the international opportunity. Politics killed the last major pulp mill in Tasmania—we refuse to have economics defeat them in the future.

_Opposition members interjecting—_

_Mr TUCKEY_—That’s cost. I guess there is some humour in saying ‘economic factors’. McMillan might be doing some laughing. There are 28 separate electorates throughout Australia that benefit directly from forestry and that can invest large amounts of money to improve their local roads, which are so essential to the efficiency of this particular industry. There are many members, such as the member for Eden-Monaro, who have made representations on these issues to me over time. The member for Wannon has made special representations on many bridges because the plantation sector is developing in the high rainfall areas of Australia and those areas have many significant small bridges in their road networks and these bridges need upgrading if this industry is going to reach its full potential.

_Mr Kerr interjecting—_

_Mr SPEAKER_—Order! The member for Denison is defying the chair.

_Mr TUCKEY_—I have had representations from many members—the member for Gippsland, the member for Corangamite, the member for Ballarat, the member for Wide Bay, the member for Longman and the member for Blair. All of these people have made representations. There are a couple of other names on my list of 28 electorates, like McMillan and Burke, and I can tell you there has not been one word about this great
funding package and the factors it will deliver for these people and these workers. On this road package, the Labor Party are crawling around like a dachshund at a greyhound meeting. They do not want to know about it.

Mr Howard—Mr Speaker, I ask that further questions be placed on the Notice Paper. 3.27 p.m.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Aged Care: Veterans

Mrs BRONWYN BISHOP (Mackellar—Minister for Aged Care) (3.27 p.m.)—I would like to add to an answer. There were two references to reports relating to veterans during question time today. I am aware of a report prepared by the National Ex-service Round Table on Aged Care which recommended that veterans receive special needs status. I responded to that by granting special needs status to the veteran community.

QUESTIONS TO THE SPEAKER

Ruling by Mr Speaker

Mr ALLAN MORRIS (3.27 p.m.)—In reference to the question I asked you earlier, this is the question I actually asked: the member for Dickson asked you to have withdrawn a remark she found repulsive and offensive—I think they were the words she used. You chose to defer that to check the Hansard to see what you thought of it—not what she thought of it; what you thought of it. You then subsequently asked someone else to withdraw on the spot. The difficulty I raise now, and that which I raised a few weeks back, is that it seems that there has been a shift in procedures as to who judges what is offensive and what is parliamentary. When asked before to request ministers to withdraw, you switched the topic to parliamentary language. Now you are switching it to whether you find it offensive, not whether the member finds it offensive. Can we please clarify this? There seems to have been a shift, but it is uncertain and confusing.

Mr SPEAKER—The member for Newcastle might care to use whatever time he wishes to check the Hansard. If he finds any inconsistency in any ruling I have given about the language used in the House I will be happy to look at it. I have a copy of the statement that the member for Dickson was concerned about. It is in front of me right now. It is not a statement on which I intend to take any action, given that I asked the minister to exercise more restraint. That seems to me to be entirely appropriate. It is, however, my intention to invite the member for Dickson and the Manager of Opposition Business to take a look at the statement with me in my office and discuss the matter.

Ms Kernot interjecting—

Mr SPEAKER—I invite the member for Dickson to remember both her position in the parliament and the fact that I am currently on my feet! The member for Newcastle is invited, as I said, to bring to me any inconsistencies that he finds in any ruling I have made and I will be happy to address them in the House. In the case of the Manager of Opposition Business and the member for Batman, they were both asked to withdraw a similar statement which was in my view unbecoming. As the Hansard record will show, that is a power given to the chair in any case.

Mr Beazley—Mr Speaker, I raise a point of order. Generally speaking, these matters are handled by the Manager of Opposition Business, but I have now had an opportunity to see what you have not required Abbott to withdraw. This is completely unacceptable. I read from what he said:

Yesterday the member for Dickson, responding to misleading statements from ACOSS, issued a press release. She did not do live media lest she be asked the obvious question: how can you keep the so-and-sos honest when you are taking their money?

That is an allegation of accepting a bribe. There is no question about this, Mr Speaker. That is precisely the sort of thing that you in your chair are supposed to protect members of parliament from. Mr Speaker, I would require you to ask that fellow who scuttled out of this place, knowing full well that this was coming on, to withdraw it. If he is not in the chamber to withdraw it now, I want it withdrawn the moment he appears here.

Mr Reith—On that point of order, Mr Speaker: firstly, it is not for the Leader of the Opposition to make demands of you—
Mr Beazley interjecting—

Mr Reith—You may put a point of view, but you are not entitled to make demands in the tone and in the manner in which you just put it to the chair. Secondly, on the merits of the words, the fact is that a member of the parliament, the member for Lilley, has already made it quite clear that payments were made and payments were received by the Australian Democrats and as much—

Mr Snowdon interjecting—

Mrs Crosio interjecting—

Mr SPEAKER—The member for the Northern Territory and the member for Prospect are well aware of the fact that they have already exceeded the normal generosity offered to them by the chair. The Leader of the House has the call.

Mr Reith—I only put to you, Mr Speaker, that, uncomfortable as allegations or claims may be to the Leader of the Opposition, on the record in the House is the fact that a payment was made to the Australian Democrats, and the offended member was the Leader of the Democrats at the time. Mr Speaker, I simply put it to you that there is no basis upon which you are required to or should respond. Furthermore, on the basis of the material before you, there is, in substance, no basis for you to respond. Lastly, the fact is that the matter was raised with you at the time. You responded to the matter that was raised in what you considered to be a reasonable manner and therefore that is the end of the matter. You should therefore not take any further the matters which have been put to you.

Mr Beazley—Mr Speaker, further to that point of order: if that is an acceptable interpretation of that exchange, then it would be regarded as acceptable—and I would not think it acceptable in this chamber—for me to stand up in this place and suggest to the Prime Minister that he was personally involved in an attempt to bribe the Shooters Party candidate for an exchange of preferences in the Lindsay by-election.

Mr SPEAKER—The Leader of the Opposition has made his point of order.

Mr Beazley—I would think you would find that unacceptable and I could thoroughly understand why.

Mr Reith—Mr Speaker, further to the point of order—

Opposition members interjecting—

Mr SPEAKER—I will be very pleased to take action against anyone who continues to abuse the standing orders.

Mr Reith—I only put to you, Mr Speaker, that, firstly, the words used by Minister Abbott were not the words used by way of example by the Leader of the Opposition. Secondly, quite frankly, given the things that the opposition have hurled at me in the last few weeks, it just shows you what selective standards they have. This is just a case of confected anger and sensitivity because, as we well know, the Leader of the Opposition and a lot of particularly his Queensland frontbenchers are very sensitive to the allegations. That is all.

Mr SPEAKER—The Leader of the House will resume his seat. I am ready to rule on this matter.

Mr Reith—Mr Speaker, further point of order—

Mr SPEAKER—I am about to deal with this matter. This is a difficult exercise for the occupier of the chair, me, because it is not normal for the chair to offer its own defence.
I hope members in the parliament will know that what I am about to say, though it reflects—

An opposition member interjecting—

Mr SPEAKER—Who was responsible for that? What I am about to say, though it reflects very poorly on my gullibility, is an honest statement. As the member for Dickson knows, she handed me this piece of paper and, even when I read what was on the piece of paper, I interpreted it in this extraordinarily naive way, but I did. The statement is that the Minister for Employment Services said:

Yesterday the member for Dickson, responding to misleading statements from ACOSS, issued a press release.

My focus at that stage—and I preface my remarks by the obvious statement that the member for Dickson is a member of the Labor Party—was on the fact that the press release had come from ACOSS, and I thought the indignation about 'how can you keep the so-and-sos honest when you are taking their money' was a Work for the Dole statement about people being recipients of some form of benefit support from ACOSS. It was in that context that I heard the remark and I did not relate it—I hope this is very much to my credit and to the credit of the member for Dickson—in any way to the current nonsense that is going on, because I did not relate the member for Dickson automatically to her former status as a member of another party. It was for that reason that I took the matter no further, and it was for that reason that I said: why don't we conference on this with the Manager of Opposition Business? I could not—I am sorry—understand the level of indignation that had been raised because I had read it as a matter of welfare fraud. I now understand from the remarks made by people on both sides that that may or may not have been the intent. But the reason for the ruling from the chair was that I read it as being because it was an ACOSS statement, as I have indicated to the House. I will take a look at the statement and take whatever is appropriate action, but it was in that context that I asked the minister to exercise more restraint because I had made—I hope the not unreasonable—presumption that members, particularly members on my left, were concerned about the term 'so-and-sos' relative to those who I thought in the context of that statement were frauding the welfare system. I call the Manager of Opposition Business.

Mr McMullan—Mr Speaker, I appreciate the way in which you made that explanation and I do not wish to reflect upon it. But I do wish to ask you to ensure that in some way you can come back and report to the House on this matter promptly because we do not wish to allow the statement made by the minister to go uncontradicted and to be reported externally as if anybody in this place thinks it is either reasonable or acceptable. It is not a reflection upon you. We accept your explanation without qualification, but we would require, if you look at it and believe, as we do, that it is thoroughly offensive and inappropriate, that you require that withdrawal promptly and that, if that is not going to be the case, you let us know so that we can take some action and express our view that such a withdrawal should be made. But I thank you for your explanation, Mr Speaker.

Mr Crean—And at the earliest time.

Mr SPEAKER—I would have thought that any interjections right now were inappropriate. I think the Manager of Opposition Business and I know each other well enough to know that my statement was, as he indicated, genuinely based, and I will follow up the issue he has raised and report back to him and then, if necessary, to the House. I recognise the member for Newcastle because he may be wanting to follow up on a matter he raised earlier.

Mr Allan Morris—I do, Mr Speaker. I take the point, and I will respond to the comment you made. But I ask you again: we are now uncertain how, if any one of us is offended by a remark that is made and seek for it to be withdrawn, that request will be treated. The request was made today and the matter was referred to be looked at in the Hansard later. Of course the currency is then lost. If matters are not going to be dealt with when they are raised, when they occur—and you may not know why a person is offended; there may have been something else that has been going on—I think the way it is being treated is what is causing the difficulty.
Could you perhaps consider that and respond to the House and advise us on the process; if we are offended, what steps are available at the time?

Mr SPEAKER—I recognise the member for Chifley.

Mr Price—Mr Speaker, I raise a point of order. It is in relation to standing orders 75 and 76 and it is the very precise point that you did two things: you offered to look at the tape and, having made that offer, the member for Dickson appeared to accept it. I think if you make that offer you do not have too many choices. But I wish to draw to your attention House of Representatives Practice, Barlin edition, page 476, where it says that you have an option: ‘the Chair may ask exactly what words are being questioned’. It provides instant satisfaction to those who are feeling aggrieved, if you have not heard precisely what has been said or what has caused offence, if you ask that it be repeated so that you can adjudicate upon it. The decisions are exclusively yours under standing orders 75 and 76. I do not question that; rather, the process that you appear to be adopting: that is, that, when you have not heard the remarks in toto or at all, you consult the tape. I ask: would you consider adopting the practice of asking people to repeat what has offended them?

Mr SPEAKER—I call the member for Burke.

Mr O'Keefe—As part of this same point—I was intending to ask it of you—standing order 78 says:

When the attention of the Speaker is drawn to words used, he or she shall determine whether or not they are offensive or disorderly.

It has been my observation in past practice that you and previous Speakers have ruled that, when a member finds something offensive and draws attention to it, it is the practice of the Speaker to require it to be withdrawn. Standing order 78 does not actually provide for that, but that has been the way it has been applied in the years I have been here. So, in answering the question raised by the member for Newcastle, and the question raised by the member for Chifley, if you are not going to continue that practice in that form—it would be my view that you should continue in that way—can you outline to us that that is the way it will work from here on?

Mr SPEAKER—I call the member for Dickson.

Ms Kernot—Thank you, Mr Speaker. I wish to make a personal explanation.

Mr SPEAKER—Sorry. I need to deal with this matter. I thought the member for Dickson was raising a similar issue. Is the member for Werriwa raising a separate issue?

Mr Latham—Yes.

Mr SPEAKER—The member for Burke, in referring the House to standing order 78, has been critical of the decisions that I have made. Standing order 78 does not require the chair to determine whether words are ‘unparliamentary’, to use the member for Newcastle’s expression, but whether the words used are ‘offensive or disorderly’. And, consistent with all occupiers of the chair, I intend to apply standing order 78, along with the requirement to withdraw words which are already known by all members in the House and by House of Representatives Practice as unparliamentary. For that reason, I asked the member for Batman to withdraw a statement yesterday, and I asked the Manager of Opposition Business to do the same thing today—an entirely consistent rule. In the case of the member for Dickson, because, from my perspective at the time, the words were not deemed by me to be offensive or disorderly, I did not require they be withdrawn. I exercised a good deal more authority than has been the practice of the chair and actually asked the minister to apply restraint, even though I had not found the words particularly offensive.

There is absolutely nothing inconsistent in what I have done, in my view, as the occupier of the chair. It is entirely consistent with the action taken by former occupants of the chair. Members may be sure that if they do use words which they themselves know are more provocative than is perhaps necessary for the tone of the debate they may be asked to withdraw them; if they are unparliamentary, they most certainly will be asked to
withdraw them. That will be no great restraint on any one of us, simply because none of us actually seeks to use words which are deliberately offensive or unparliamentary but in fact we find ourselves carried away by the emotion of the moment. For that reason, if I think the parliament is not being elevated by words that are used, I will require them to be withdrawn—consistent with what has happened in the past.

PERSONAL EXPLANATIONS

Ms KERNOT (Dickson) (3.47 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Ms KERNOT—Yes.

Mr SPEAKER—Please proceed.

Ms KERNOT—Thank you for your explanation because—

Mr Downer interjecting—

Mr SPEAKER—The member for Dickson is being allowed some latitude and that seems to me to be entirely appropriate in view of the preceding events.

Ms KERNOT—I could not understand how you thought that it was acceptable to me that we have a private discussion afterwards. It is not, and I wish to put on the record that, when the Minister for Employment Services said twice, ‘How can you keep the so-and-sos honest when you are taking their money?’ this is not just provocative; it is plainly untrue, it is defamatory, and it is said with intent. And I reject all of those allegations—

Mr Adams interjecting—

Mr SPEAKER—The member for Lyons is warned!

Ms KERNOT—Secondly, I reiterate our request for it to be dealt with speedily because it remains on the public record and can be used, as you well know, by external sources.

Mr SPEAKER—I remind the member for Dickson that, if I had not sought to facilitate her, she would not have been able to make the statement she just made under a personal explanation. There has been a good deal of opportunity given already to correct the record. I will, nonetheless, follow up the assurance I gave her with the Manager of Opposition Business.

QUESTIONS TO MR SPEAKER

Hansard: Work Practices

Mr LATHAM (3.48 p.m.)—Mr Speaker, you might recall that in early October I raised with you changes in Hansard work practices, in particular the introduction of part-time staff and contracting out. You answered my question on 12 October. At the time of answering the question, were you aware of two significant changes in Hansard work practices concerning contracting out? The first of those is the use of contract or outsourced Hansard services—Queensland Parliamentary Hansard and Realtime Reporters from Western Australia—during the luncheon period for both this chamber and the Main Committee of the House of Representatives on a Wednesday and a Thursday, and, as a consequence of this outsourcing, a substantial increase in the time taken for members to receive their Hansard greens. The second matter is in relation to the new staff plan at Hansard, which proposes, at attachment 2 at the rear of the document, the full contracting out of Hansard services for the Main Committee on a Wednesday and a Thursday. If you were aware of these two significant changes in Hansard work practices, why were they not included in your answer to the House on 12 October? If you were not aware, will you now investigate these changes and report back to the House, particularly regarding any possible loss of Hansard efficiency arising from the contracting out practices?

Mr SPEAKER—I will follow up the matters raised by the member for Werriwa. I am not aware of any fall in Hansard standards or reporting time. In fact, I think the House is well served by Hansard, but I will follow up the matters raised and report whatever events are occurring in Hansard back to the House. In answer to the member for Werriwa’s second question, no, I was not aware of the report which he raised during his comments.
PERSONAL EXPLANATIONS
Mr ZAHRA (McMillan) (3.50 p.m.)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Does the honourable member claim to have been misrepresented?
Mr ZAHRA—Yes, again.
Mr SPEAKER—Please proceed.
Mr ZAHRA—In question time today, the Minister for Forestry and Conservation again alleged that I had never written to him on behalf of timber workers in Gippsland. Twice previously I have made a personal explanation to this House in relation to this matter and offered to table correspondence which I had sent to the minister on behalf of timber workers in my electorate of McMillan on 21 September 1999 and on behalf of timber workers in the electorate of Gippsland on 1 June 1999. I also offered to table his replies of 13 July and 30 September 1999.

Mr SPEAKER—the member for McMillan has indicated where he has been misrepresented. If he wishes to table documents, I will facilitate him.
Mr ZAHRA—I seek leave to table that correspondence.

Leave not granted.

Mr Downer interjecting—
Mr SPEAKER—I used the term ‘parliamentary’ and I would have thought it was self-evident. I do not need to respond to the member for Jagajaga unless she is seeking the call. The standing orders under which I occupy this chair are the same standing orders as my predecessors have used.

QUESTIONS TO MR SPEAKER
Parliament House: Fountain, Members Hall

Mr COX (3.52 p.m.)—I have noted the reports that the government has now banked the small change that has been returned from the aged persons savings bonus. Mr Speaker, as a matter of interest, could you tell the House what happens to the small change that is thrown by members of the public into the fountain in the Members Hall?

Ministers: Misrepresentation of Members

Mr ZAHRA (3.52 p.m.)—Mr Speaker, when there is evidence that a minister has repeatedly misrepresented a member of this House, is there provision for you to direct that minister not to do so in future?

Mr SPEAKER—the member for McMillan raises a question related to a comment I made earlier I think in defence of the Leader of the Opposition. The facilities of the House allow any member who is misrepresented to indicate where they have been misrepresented. That is what personal explanations are all about. It is not possible—nor would anyone want it to be possible—for any member of this House not to be able to speak freely on any matter that they feel ought to be aired. It would be inappropriate for the occupant of the chair to confine ministers or backbenchers in the language they use other than as part of an obvious obligation to ensure that that language is parliamentary.

Ms Macklin interjecting—
Mr SPEAKER—I will follow up the matters as the standing orders provide.

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.

AUDITOR-GENERAL’S REPORTS

Report No. 16 of 2000-2001

Mr SPEAKER—I present the following Auditor-General’s Audit Report No. 16 of 2000-2001 entitled Performance audit—Australian Taxation Office’s internal fraud control arrangements—Australian Taxation Office.
Ordered that the report be printed

MINISTERIAL STATEMENTS

Australia’s Development Cooperation Program: 10th Annual Statement

Mr DOWNER (Mayo—Minister for Foreign Affairs) (3.55 p.m.)—by leave—I am pleased that so many opposition members have stayed behind to hear this statement. I appreciate their interest in the development cooperation program—I do not think the irony will be lost on them.

I am pleased to make the 10th annual statement to parliament on Australia’s development cooperation program. In last year’s annual statement I noted the very positive review of the aid program by the development assistance committee of the OECD. For the first time, a DAC review recognised that Australia has legitimate geopolitical reasons for concentrating its aid program on the countries of the Asia-Pacific. This is not news to us, but it was encouraging to have that explicit recognition from the broader donor community of where Australia’s interests and the aid program’s priorities lie.

The Asia-Pacific focus is evident in the figures. The final aid budget outcome for 1999-2000 was around $1.75 billion—$100 million higher than expected at the time of the May 2000 budget. This represents an ODA to GDP ratio for 1999-2000 of 0.28 per cent. Each year about three-quarters of the aid budget goes to the Asia-Pacific, but more striking than the figures—as events over the past year have again demonstrated—is the aid program’s integral role in Australia’s engagement with the Asia-Pacific region. The depth and breadth of that engagement and the strength of our regional relationships are reflected in the program.

Just a few examples tell the story. One million people attended the opening of the My Thuan bridge in Vietnam in May this year, a bridge that is improving the lives of many poor farmers in the Mekong delta. More than 2,900 students from the region currently studying in Australia under aid-funded scholarships will return home not only with needed skills but with enduring links to Australia. Some 285 Australian youth ambassadors and many other volunteers are contributing their skills and developing lasting friendships in many countries across the region. We are helping developing country partners both reap the benefits of globalisation and deal with its challenges, including through a wide range of trade-related activities, such as successfully promoting tariff reform in Samoa, and strengthened social protection systems, such as the jointly managed Thai-Australia social protection facility.

The aid program also reflects and promotes Australia’s fundamental national interests in regional peace, stability and prosperity. The region has seen some positive developments over the past year. Recovery from the financial crisis in East Asia has continued, although uneven and fragile. The Morauna government in Papua New Guinea has pressed ahead with an ambitious economic and political reform agenda, and in the South Pacific—with some notable exceptions that I will return to—governance and economic reform issues are making progress.

The aid program has made a constructive contribution to these positive developments. In East Asia, the program’s focus has been on economic and financial sector reform to restore the fundamentals of growth, alleviation of social impacts and the creation of stronger social protection systems. The aid program is providing technical assistance and other support to improve Papua New Guinea’s economic management, public sector administration and delivery of services. In the South Pacific activities in support of economic reform and governance now account for 20 per cent of Australia’s aid.

But, set against these positives, we are all only too conscious of the many challenges to peace and security in the region. The coup in Fiji, conflict in the Solomon Islands, East Timor’s transition to nationhood, and peace efforts on Bougainville are cases in point. Indonesia is undergoing tremendous economic and political changes as its democracy evolves. It is not only situations of outright conflict that are destabilising. Other issues also pose a threat to national and regional security: environmental degradation, people-smuggling, drug trafficking, money laun-
dering and communicable diseases are of increasing concern.

In the face of such non-military threats as well as broader security concerns, Australia’s development cooperation stands alongside the defence and diplomatic arms of government in working for regional stability. The linkages between economic growth and development and enhanced prospects for peace and security are clear. The aid program’s objective of poverty reduction and sustainable development contributes both to the internal stability of nations and to their willingness and capacity for peaceful and productive relations with their regional neighbours and internationally.

But, while economic growth promotes stability, it is of itself no cast-iron guarantee against the outbreak of conflict. As developments in the South Pacific over the last year have shown, ethnic tensions, traditional and cultural pressures, uneven economic development and lack of institutional capacity can lead to instability. When conflict arises, it can result in the reversal of hard won development gains. In many such cases, it is difficult to conceive of an effective Australian response in the absence of an aid program, whether it be providing short-term emergency assistance, supporting peace building and reconstruction activities or providing longer term support for economic recovery.

The Solomon Islands is a case in point. The Solomon Islands government and people themselves must take responsibility for ensuring that the Townsville peace agreement holds. The solution must be home grown. But Australia, and others in the international community, can bolster their resolve and help with some of the tools needed for peace to take hold and for nation rebuilding to begin. The aid program is integral to the overall Australian effort in the Solomon Islands. Humanitarian assistance has been provided to meet the basic needs of disrupted and displaced communities. Peace building and conflict resolution activities include facilitation of peace negotiations, assistance to reconciliation efforts of women’s and church groups, rehabilitation activities and the reintegration into productive civilian life of youth and men who have been involved in the conflict. Australia’s support for strengthening law and justice will be crucial to long-term stability. The aid program will also be part of an international community effort to help reinvigorate the country’s economy and address some of the underlying issues at the root of the conflict.

Events in Fiji have also highlighted the fragility of political and social stability in the Pacific. Again, the aid program has been part of the overall Australian response, but in a different form, given the nature of Fiji’s political crisis. Aid figured in the sanctions announced in July. Some non-humanitarian activities were suspended or terminated. But Australia does not want to punish the ordinary people of Fiji or damage Fiji’s longer term economic prospects. So the program’s focus is now on helping the poorer sections of the Fiji community and supporting macro-economic stability in public sector reform. Australia also stands ready to support appropriate activities to promote Fiji’s return to constitutional and democratic government.

East Timor also shows the aid program at work in advancing Australia’s interests in regional peace and security. In the last budget, I announced a commitment of $150 million over four years to help East Timor move towards stable and viable nationhood. Australian aid is helping to get children back to school, people housed, agriculture revived, basic services restored and a nascent East Timorese administration established. The needs of East Timor are great, but progress is being made.

Looking to the future, the challenge is to continue to build upon the aid program’s contribution to peace, security and sustainable development in our region. Promoting poverty reduction and the sustainable development necessary to enhance prospects for stability will continue to underpin the aid program. An important element of this will be working to strengthen further the program’s poverty reduction framework, based on the following four arms: sustainable and equitable economic growth; increased productivity of the poor; greater accountability of governments; and reduced vulnerability.
Countries which have embraced globalisation through an outward looking approach to development have delivered real improvements to the welfare of their people. Accordingly, Australia’s aid program will continue to assist countries to take advantage of the opportunities of globalisation by helping them develop their capacities in key areas of trade policy, governance and financial reform. A priority will be to strengthen further our development partnerships in the region. The emphasis will continue to be on strong bilateral links, backed by working with relevant regional organisations and carrying out regional activities, where appropriate, to address transboundary issues and common development challenges.

We are in the process of finalising with Indonesia a new-age strategy. The program will respond to the challenges of Indonesia’s political and economic transformation by focusing on improved governance and addressing the needs of vulnerable communities. The effective implementation of the aid program depends on a high measure of cooperation with, and input from, Indonesia. It is one of the pillars for building a relationship of mutual respect and confidence. Support for East Timor’s transition to independence will remain a high priority. Our focus will be on building the capacity of the East Timorese to govern a stable and democratic nation, seeking to develop peaceful relationships with its neighbours.

As our closest neighbour and largest bilateral aid partner, Papua New Guinea’s major development challenges will continue to demand our attention. The new development cooperation treaty, with its groundbreaking emphasis on performance benchmarks and the new incentive fund, moves the aid relationship onto a higher level of mutual trust and cooperation. The Bougainville peace process is at a critical juncture. Responsibility lies with the Papua New Guinea government and people of Bougainville to work through the difficult issues to achieve a lasting settlement. The aid program will continue to back up their efforts in direct support of the process as well as assisting the development of Bougainville.

Events in the last year have driven home yet again Australia’s important and abiding interests in the South Pacific and its stability and peaceful development. Aid will remain a central element of Australia’s relations with Pacific island nations. Our aid programs in the Pacific are about increasing self-reliance, not dependency. The key to self-reliance in the Pacific and elsewhere is improved governance. This means continuing with a strong focus on helping to build island nations’ capacity to develop the policy and institutional frameworks necessary for better economic performance. The aid program will continue to be a catalyst for good governance by providing early flexible and responsive assistance to governments wanting to pursue economic reform. We will also factor into our programs additional support for democratic institutions, including strengthening of parliamentary operations, and for the institutions of law and justice. Greater attention will be given to maintaining service delivery at the local level while central institutions undergo reform, and more support for rural and provincial development.

In the South Pacific and East Asia, addressing the governance issues is also at the heart of meeting the challenge of nation building. That challenge makes itself felt around the Asia-Pacific region, whether it be in these very early days of nation building in East Timor, tackling the legacy of many years of conflict in Cambodia, or in Papua New Guinea where the fragmented nature of society is illustrated by the 800 sociocultural groups with their own languages. Australia cannot do the nation building for others. But through the aid program we can help the people of those countries to take up the challenge themselves.

Looking at the regional development challenges, HIV-AIDS stands out as a priority. HIV-AIDS is not only a health problem—it is a broader development issue. Unchecked, the spread of the disease can devastate a nation’s productive resources, cut a swathe through generations and dramatically reduce economic and social development. The magnitude of the challenge has been recognised by the ASEAN countries. The 1999 International Congress on AIDS in
Asia and the Pacific, ICAAP, noted that AIDS threatens to reduce or even reverse Asian economic growth. In PNG the potentially alarming dimensions of the HIV-AIDS threat are emerging. Earlier this year I announced a six-year $200 million global HIV-AIDS initiative. It will have a strong focus on our region, including a recently commenced $60 million HIV-AIDS project in PNG. We intend to work closely with the ASEAN countries in developing appropriate strategies. As I announced at a seminar on HIV-AIDS held in Parliament House last week, I will host a ministerial session as part of the 6th ICAAP to be held in Melbourne in October 2001.

The so-called ‘digital divide’ is another challenge gaining increasing prominence in the global and regional development agenda. Australia is leading the way in capturing efficiency gains from information and communications technology. We have achieved that position by getting the policy settings right, including encouraging a competitive telecommunications market. Through the aid program we can use our knowledge and experience to work with our regional partners to establish the right policy and regulatory environment to draw in the private sector and to support the necessary human resource development. We are currently looking at what we might be able to do to ensure the most effective contribution. Next year, for example, we will support an e-commerce and paperless trading symposium in Beijing. As I announced last week, the Australian government and the World Bank have agreed to undertake a joint feasibility study to look at how information and communication technologies can be used to alleviate poverty, with a particular focus on promoting education opportunities in developing countries. This program is sometimes known as the New Colombo Plan. The study will look at building on Australia’s knowledge and practical experience in distance learning activities.

The aid program will retain a flexible capacity to respond appropriately to emergency and humanitarian relief needs as they arise, whether from natural or man-made disasters. The program has demonstrated, particularly over the last few years with the PNG drought and tsunami and in East Timor, that it is able to respond quickly when our neighbours are faced with circumstances beyond the capacity of their own resources.

These are just a few of the challenges. Australia does not profess to have all the answers, but we do have a deep knowledge of and broad engagement in the Asia-Pacific region and we have relevant skills and experience. The international community looks to Australia to take a leadership role in the region, particularly in the Pacific. We also have a contribution to make to broader development thinking, bringing an Asia-Pacific perspective and highlighting the regional development challenges and workable responses. We have the will to work with our regional partners to achieve the stability and prosperity from which we all gain. The aid program will remain an important means of advancing that goal. I present a copy of my ministerial statement.

Mr BRERETON (Kingsford-Smith) (4.12 p.m.)—by leave—I am once again pleased to have the opportunity to briefly respond to the Minister for Foreign Affairs’s annual statement on Australia’s overseas aid program. I think it is worth while to reaffirm Labor’s bipartisan support for our nation’s overseas aid program. Today’s statement is, I think, the 10th annual statement on foreign aid. The first was tabled by the then Minister for Foreign Affairs, Gareth Evans, on 21 December 1990—which probably makes today’s statement the 11th—and was a Labor government’s response to a report by the Joint Standing Committee on Foreign Affairs, Defence and Trade which recommended such a course of action.

Ten years ago, in 1990-91, Australia’s foreign aid budget stood at $1.26 billion or, to express it another way, $1.45 billion in constant 1999-2000 prices. This represented a ratio of official development assistance to GNP of 0.32 per cent. Five years later, in the Labor budget of 1995-96, our last, Australia’s official development assistance was $1.56 billion, or $1.65 billion in constant 1999-2000 prices—a figure again representing 0.32 per cent of GNP. In the first budget of the Howard government, Australia’s over-
seas aid program was slashed by 9.7 per cent to $1.43 billion. The ODA to GNP ratio fell to what was then a historic low of 0.28 per cent of GNP. In the following financial year there was a further cut and the ratio fell again to 0.27 per cent of GNP. In 1998-99, aid expenditure amounted to $1.52 billion—a slight increase but a further fall in the ODA to GNP ratio, down then to 0.26 per cent.

As I noted in my response to the minister’s statement last year, Australia’s 1999-2000 aid budget involved an aid vote of $1.5 billion, which was at the time a marginal increase over the year 1998-99. While it maintained the status quo, the ODA to GNP ratio was projected to fall to a new low of 0.25 per cent. Of course, following the announcement of that budget, Australia’s involvement in East Timor—a very substantial commitment which had the strong support of those on this side of the House, together with our contributions to the Heavily Indebted Poor Countries Initiative, which again had strong bipartisan support—and other measures pushed our foreign aid up to $1.75 billion, increasing the ODA to GNP ratio from the originally projected 0.25 per cent up to 0.28 per cent.

What is happening this year? The demands on Australia’s overseas aid program are now greater than ever before. In what is likely to be the last such statement prior to next year’s federal election, the Minister for Foreign Affairs today emphasised our aid budget’s focus on the Asia-Pacific region. He rightly and properly referred to the many challenges to peace, security and prosperity in Australia’s neighbourhood. The coup in Fiji, the conflict in the Solomon Islands, East Timor’s rapid movement towards full independence and the unresolved conflict on Bougainville are cases in point and were all rightfully pointed to. To our north, Indonesia faces enormous challenges as its democratic transition unfolds and as Jakarta has to deal with conflicts in Aceh, Irian Jaya, Maluku and elsewhere. I think many Australians are quite unaware of the horrific humanitarian consequences of the interreligious conflict in Maluku, which has generated hundreds of thousands of internal refugees. Indeed, I noted the other day that the Indonesian government has acknowledged that regional conflicts and natural disasters—of which there have been a great many; most recently the disastrous land slippages which have cost so many lives—have all generated more than one million internal refugees throughout Indonesia. There are more than one million IDPs in that nation today. We should all understand that there is a continuing and, indeed, a growing humanitarian crisis, and it is right here in Indonesia on Australia’s doorstep.

The Minister for Foreign Affairs also noted it is not only situations of outright conflict which are destabilising. Environmental degradation, the overexploitation of maritime resources and the challenges of people smuggling, drug trafficking and communicable disease are all of increasing concern. They are all often directly linked to poverty and to social deprivation. The prosperity and sustainable development of Australia’s neighbours is directly linked to our security, to our wellbeing and to our prosperity here in Australia.

In a week’s time, the Howard government intends to release its long awaited defence policy white paper. In opposition, we await the release of that with keen interest. It is a document which is expected to foreshadow significant increases in expenditure on Australia’s armed forces. The increased defence expenditure is likely to be measured in the hundreds of millions or indeed billions of dollars if the reports and projections are anything to go by.

The Minister for Foreign Affairs today acknowledges that, in the face of a wide variety of non-military challenges to Australia’s regional interests, our development cooperation stands alongside the defence and diplomatic arms of government in working to build regional peace and security. Many of the long-term challenges to Australia’s regional interests are best met through diplomacy, economic cooperation and development assistance, with military power often having only an indirect influence, if any influence at all. Development cooperation is indeed vital to Australia’s own security and prosperity.
Where does the government stand in respect of the commitment of resources to overseas aid? In his statement today, the Minister for Foreign Affairs has made no reference to the quantum of this year’s overseas development budget. Given that the statement concerns this year’s aid program, it is a rather curious omission. On budget night this year, the Minister for Foreign Affairs announced that Australia planned to provide just short of $1.6 billion as official development assistance in 2000-01. This was of course already less than aid expenditure in 1999-2000. This year’s budget commitment to overseas aid fell well short of the effort urged by the Australian Council for Overseas Aid, whose pre-budget submission recommended the Howard government consolidate the volume of foreign aid at 0.28 per cent of GNP. In effect, this year’s aid budget involved approximately $150 million less than the final budget outcome for 1999-2000. This represents a potential decline of approximately eight per cent. According to this year’s budget statement, Australia’s foreign aid as a proportion of GNP is projected to fall from the 0.28 per cent level achieved in 1999-2000 to approximately 0.25 per cent. If this is so, it will be the lowest level in 30 years.

It remains to be seen precisely what the final aid budget outcome for the present year will be, and it remains to be seen whether the ODA-GNP ratio will in fact slip further. By comparison, the House should note that the British government’s Spending Review 2000, released in July this year, committed the UK to increasing its foreign aid budget from £2.8 billion this year to £3.1 billion next year, then to £3.3 billion and to £3.6 billion by 2004. That represents a real terms increase of 6.2 per cent per annum. As a consequence, the United Kingdom’s ODA-GNP ratio is projected to rise from 0.29 per cent in 2000-01 to 0.33 per cent in 2003-04. Volume is not the only measure of foreign aid. The quality and the impact of development assistance are enormously important. But I think it is equally true that the level of resources and the volume of aid is a critical factor. The government continues to pay lip-service to the UN 0.7 per cent ODA-GNP ratio target. Lip-service is all that it is. As the 1996 Simons report made clear, such a commitment has very little, if any, credibility unless a realistic framework is set for Australia to make some progress towards that ultimate goal.

In concluding his remarks today, the Minister for Foreign Affairs reaffirmed the importance of Australia’s aid program as a means of Australia working with our regional partners to achieve stability and prosperity from which we all benefit. Of course, Australia is more wealthy and more prosperous than ever, but in proportional terms we are devoting fewer and fewer resources to assist those much less fortunate than ourselves. As I pointed out, this year’s aid budget is $150 million down on last year’s aid expenditure. Our foreign aid is at a record 30-year low. The government’s miserly failure to match increased humanitarian demands with appropriate resources can only place further strain on our foreign aid program and ultimately undermine our long-term national interests. Once again, Labor will await this year’s final aid budget outcome and next year’s aid budget with keen interest.

MATTERS OF PUBLIC IMPORTANCE
Aged Care

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

The Government’s failure to properly provide for the health and aged care needs of older Australians.

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—

Ms MACKLIN (Jagajaga) (4.23 p.m.)—I want to start with a quote that sums up the horrific circumstances that older Australians find themselves in.

The silent epidemic of dental decay and gum disease and the projected burden of future oral disease are too great a public health and economic
issue to be dealt with by states and territories alone. National leadership and cooperation are needed to interrupt a downward spiral of compounding disadvantage in an area of health which is so amenable to prevention, early intervention and treatment.

This is a quote from a paper which was prepared for the Australian Health Ministers Council, which met last Thursday, and which was—as the minister finally admitted today in question time—discussed in a private meeting of ministers only when they met last Thursday. As we saw today, when questioned, the Minister for Health and Aged Care indicated that he has absolutely no intention of being the minister for the health of people’s teeth. He is the minister for health for the rest of your body, but when it comes to teeth the Commonwealth for some reason has absolutely no responsibility.

The Howard government abolished the Commonwealth dental program in 1996 and, since then, we have had almost five years during which the pain and suffering of people—particularly older Australians—have only got worse. The way in which this can best be summarised also comes from the paper:

Older people are more than twice as likely to have had all their teeth extracted. They have not lost just one tooth because they could not get it filled or treated. These people have had all their teeth extracted because they are unable to afford dental services. This is what the Howard government means for low income Australians: no teeth, because you cannot afford to get them filled and because you cannot afford to get them seen to.

We need to look at the implications for how many people being treated in this way. In one state, waiting times have now increased to 54 months. People are having to wait up to 54 months for treatment. In New South Wales, 140,000 people are waiting, on average, 54 months. In South Australia, 78,000 people are waiting, on average, 43 months. In Victoria, 143,000 people are waiting, on average, 22 months. I could go on. All of this data was presented to the health minister last Thursday. And what did he say? ‘I don’t care what is happening to these people who have to get all of their teeth pulled out. I don’t care that there are 140,000 people in New South Wales having to wait. It’s not my responsibility.’

Mr Zahra—They’re not private patients.

Ms MACKLIN—As the member for McMillan says, they are not private patients. It is interesting that he raises that issue, because that matter is raised in the report. The report says that, as we all know, there is a major private health insurance rebate, and some of that is insurance covering dental care. The member for McMillan might be interested to know that the rebate is equivalent to a subsidy for private dental care of more than $300 million. So this government is prepared to give a subsidy of $300 million, via the private health insurance rebate, but it is not prepared to put $150 million into care for older Australians who are on pensions. That sums up the attitude of this government towards people who are in need.

If people are reliant on repeat episodes of emergency dental care, which is clearly associated with more tooth extractions, that then becomes the main cause of problems such as pain and difficulty with eating and speaking. How much more basic can we get than people not being able to eat or speak because they do not have any teeth? And a representative of this government gets up in question time and says: ‘It’s nothing to do with me. It’s not my responsibility. I’m only the minister for health.’ That really demonstrates the next point in this paper that summarises where we have come to in this country under the Howard government. It suggests that, as a result of there not being a Commonwealth dental program:

... there is no effective welfare safety net for disadvantaged Australians in relation to oral health, and clinical conditions remain untreated that would be unacceptable in any other area of health. Meeting even minimum acceptable standards of access to general dental care for concession holders is beyond the capacity of the states and territories.

I notice that the Minister for Aged Care has come in to respond to this matter of public importance. Obviously, once again, the Minister for Health and Aged Care does not see it as his responsibility. The Minister for
Aged Care might be interested to know that, in this report, it says, ‘The oral health of residents in nursing homes suffers badly.’ They suffer too, of course, as a result of there being no Commonwealth dental program. The magnitude and extent of oral health problems for low income earners has been so great that the states and territories have focused on coping with emergency treatment for relief of pain and infection, and that is all they are able to do.

The report that went to the health ministers recommended additional funding of between $150 million and $200 million per annum from the Commonwealth. I would imagine that all members would be aware that the government announced this week a major spending program on roads. The amount recommended in the report is about half of what they are spending on roads. The government is prepared to spend an enormous amount of money fixing up Australia’s roads but will not spend one cent to help elderly Australians get their teeth fixed so that they can keep them, so that they can keep eating and speaking. That is how basic it is. It just demonstrates more clearly than anything else that, under this government, older Australians are going to have to continue to have their teeth pulled out because they cannot afford to get decent dental care.

Mr Zahra—It’s disgraceful.

Ms MACKLIN—It is a disgrace, and we can see from this paper that it is getting much worse. We will now make this report available so that people understand how bad it is for older Australians as a result of this government’s complete incapacity to care about what is going on in so many people’s lives.

The second area that desperately needs national leadership is the whole area of the interaction of hospital and nursing home care for the elderly. I do not know how many questions there have been this year to the Minister for Aged Care on a wide range of nursing homes and the problems that exist there. We had the dreadful saga of Riverside Nursing Home, and I have a horrific example in my own electorate, where five people still remain even though complaints have been made and bad reports have been written—going through almost the whole year—about the standards of care in that nursing home. Yet five people remain in that nursing home.

The issue I wanted to focus on today is one which is having really a very serious effect on our public hospitals. It goes to the question that the member for Port Adelaide raised in question time today—but once again, of course, it has nothing to do with our health minister. He is not responsible for the hospitals, either. I am sure everybody here heard him today say that, first of all, he is not responsible for dental care, and he is also not responsible for public hospitals.

An opposition member—Liberal Party fundraising!

Ms MACKLIN—That is right. He actually is an expert at that. That is true. I want to quote a South Australian example to follow up the question that the member for Port Adelaide raised. He talked about the number of people who were waiting for care at the Queen Elizabeth Hospital. A report in October in one of the South Australian papers said that 150 elderly people have been waiting for weeks for nursing homes vacancies. Apparently 86 per cent of the elderly had to wait up to three months to get a nursing home bed, and of course that meant that, while they were waiting in a public hospital bed, people could not get into that hospital to have their elective surgery done.

The minister for health in South Australia tried to get additional nursing homes beds allocated in South Australia. We have had exactly the same experience in New South Wales. As at 7 June this year in New South Wales, there were 811 people waiting in public hospitals who were nursing home patients. There were 811 people in public hospitals, taking up beds that would otherwise be used for treating patients waiting for elective surgery. Other patients were waiting in emergency departments because there was no bed in the hospital. The sole reason that this is occurring is because we have such a dramatic shortage of nursing homes beds. The same situation exists in Victoria, and of course we do not expect the situation in Victoria to get better under this minister. It will only to get worse, because of the ap-
The number of people in Victoria waiting in public hospitals for nursing homes beds in September was 192. They waited, on average, 23 days to get a nursing home. They were taking up beds in expensive public hospitals because they had nowhere else to go. What is the response from this government? When I asked the minister a question about this a few weeks ago, he said, ‘You’re an idiot’—which, as you know, he wanted to call me. He said, ‘I am not the Minister for Aged Care.’ He is just the Minister for Health and Aged Care, so he is not responsible for the number of nursing homes beds—and of course he is not responsible for public hospitals, so he does not want to have to take any action to address these very serious problems.

We did see in the Herald Sun a couple of weeks ago that he is very responsible when it comes to private hospitals. We heard about that in question time today. He is very happy to get on the phone to find where there might be a vacant private hospital bed. It is a disgrace that this lady had to wait such a long time to find a private hospital bed. There is no question about that. But that is the responsibility of the private system, and the responsibility rests with the private insurers and the private hospital owners to make sure that there are sufficient beds when people need them.

This minister is responsible for the public system. He is responsible for the thousands of people who lie on hospital trolleys, day after day, who cannot get out of the emergency departments into a public hospital ward because those wards are filled with people who would otherwise be in nursing home beds. Who is responsible for making sure that there are a decent number of nursing home beds in this country? The Minister for Aged Care, who is obviously going to respond to this MPI. I hope she is going to give us some detail about what she intends to do about the significant shortage of beds in South Australia, New South Wales and Victoria—they are just three states that I have time to mention today.

Each of those states has serious problems in their emergency departments that are the direct result of patients in those hospitals not being able to get nursing home beds. That is what it is all about: responsibility coming back to where it belongs. For dental care for pensioners, this government does not want to take any responsibility. For the decent care of patients and residents in nursing homes, this government does not want to take responsibility. For making sure there are a reasonable number of nursing home beds so that people do not have to bank up in emergency departments, this government does not want to take responsibility. It is time you got out so we can fix it up.

Mrs BRONWYN BISHOP (Mackellar—Minister for Aged Care) (4.38 p.m.)—I am appalled by what I just heard from the shadow minister for health—spoken like an academic health bureaucrat. Older Australians—let me tell you this, loud and clear—are just as entitled as any other Australian, including you and I, to have hospital treatment when they need it. The next time you call them bed blockers, you will have a lot of Australians to answer to. That was an expression used entirely—the implication was there all the time.

Ms Macklin interjecting—

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The member for Jagajaga has had her turn and will be silent, and the minister will address her remarks through the chair.

Mrs BRONWYN BISHOP—The shadow minister shows harsh heartedness in saying that older Australians should be pitched out of hospitals because that is the way hospitals are running these days—with shorter stays. Let me tell you that nursing homes and hostels, now combined, are homes—they are not pseudo hospitals; they do not supply acute care. Under the health agreements, as you fully well know, the category known as ‘nursing home type patients’, which is step-down care, is funded under those agreements for hospitals to treat those people. But this shadow minister would have us believe that older Australians are not entitled to be there.
The fact of the matter is that when older Australians go to hospital they are sicker, they tend to stay longer and they need the care that is supplied in an acute sense. They are also entitled to rehabilitation and, under the health agreements, they are obliged to have a proper discharge plan. I can probably name you about five hospitals that would have one that would be adequate for people to be treated. There is a long history of cost shifting associated with hospitals that say, ‘If we move people out of hospitals to somewhere else, we have shifted the cost.’

Let us talk specifically about South Australia. South Australia got $26 million in additional expenditure from the Commonwealth for hospitals. What did the state government do as a result? They took $20 million out of their own state budget and closed beds. Then they tried to say the problem was that they needed more nursing home beds. The fact of the matter is that they got $26 million extra from the Commonwealth and then withdrew their own funding. That is simply not acceptable. With the change in our tax arrangements and the GST—with $24 billion going to the states—they are going to finally fulfil their basic core business.

Let us go back to hospitals and have a look at the numbers for nursing homes and hostels. When we took over the Auditor-General did a review of the adequacy of numbers for residential aged care facilities, nursing homes and hospitals. The Auditor-General found that the Labor Party had left a deficit of 10,000 places. He observed—and we have all observed—that a benchmark was set in 1986 of having 100 places for each population over the age of 70 of 1,000. The Labor Party, having set that benchmark, never met it. In fact, each year saw less and less money and fewer and fewer beds. When we are were elected and the Auditor-General found we were 10,000 places short we introduced our much needed reforms and embarked upon the necessary action of making up for those lost beds and providing for growth and dependency.

But we did more. We also recognised that older Australians want to stay in their own homes; they want to be there as long as they possibly can. The good news is that only seven per cent of people will need residential care; 13 per cent will need some form of assistance from aged care services—meals on wheels, help in the home or help with bathing and dressing—and the other 80 per cent of us will have good, strong, vigorous lives until we drop off the perch.

Honourable members interjecting—

Mrs BRONWYN BISHOP—That is a promise. For those people who do need care, we will ensure that that care is good care. By providing additional staying at home packages, we have in fact allowed people to remain in their own homes, where they want to be, for longer. Let us look at the numbers. In the two years since I have been minister I have released 22,000 aged care places to make up for the 10,000 shortfall that Labor left—that is, the 10,000 they were obliged to provide but never did—and to provide for growth and for dependency. When we took over as a government, there were some 4,000 community aged care packages, which are virtually hostel care in your own home. When the announcement is made next month of the successful tenderers, there will be

will allow them to finally fulfil their basic core business.

The Commonwealth Dental Health Program was a part of the ALP 1993 election platform. The ALP made no commitment to further funding in the program in its last budget—

that is, 1995-96—

nor was any commitment made in the 1996 election campaign to keep the program.

She specifically referred to ‘our four-year dental program’ when she launched the client charter for public dental services in August 1995. The bottom line is that that was introduced as a temporary program. There was no commitment at all from Labor government to continue the program. What will occur with our new tax system is $24 billion of new taxes coming to the states that
24,000 such community aged care packages. The packages will come on stream very quickly, because a great number of the people who will be successful in tendering for them are already set up and are able to provide the services immediately. The other important thing about our aged care reforms is that we have put a limit on the amount of time that a provider has between receiving an allocation of beds or places and bringing them on stream. They have two years to do it. Under the previous government, before our reforms, there was no time limit at all. I have opened facilities where the providers have owned entitlement to those places since 1991. They are good providers, but there was no necessity for them to make those places operational. So the catch-up has been (a) to allocate the places and (b) to put in place a requirement that they become operational as quickly as possible.

The staying at home policies can only work if a government is prepared to put money into services to allow people back-up, and that includes back-up for their carers. There are many people who receive services who live alone. There are others who perhaps live with an elderly spouse or with one carer. Others have a carer who comes in. But what is necessary is to provide the services. The community aged care packages are a very effective way of providing that resource. Because they consistently send the same people to provide the care, an attachment is formed between the people who come in and deliver the care and the people who are the care recipients. The other way to provide the service is through home and community care. I point out that 60c of every dollar that state governments spend on HACC services is provided by me through this government’s allocation of funds. Since we came to office, there has been an increase in HACC funding from $423 million in the last budget of the Labor Party to $565 million, which is an increase of 34 per cent. State governments are obliged to match Commonwealth funds to at least 40 per cent in order to get the Commonwealth funds, so in the HACC budget at the present time there is around $1 billion. In addition to that, services like respite care are necessary to care for people who make demands on carers. The people providing respite care need to have a greater understanding of just what a difficulty dementia is. In order for a carer to remain able to keep caring, they need to get a break—they need a holiday, just like anybody else—and respite care means that they can have that break.

This combination of policies—having more beds and having greater home services—means that people are entering residential care facilities considerably later than they would have under previous policies. The so-called waiting time very often occurs when a would-be resident says, ‘I want that particular home, because I want choice and that one suits me.’ For that reason, we have introduced the ACAT assessment, which is the necessary gateway to enter into residential care or, indeed, to access community aged care packages. It is now available for 12 months, because people want choice. They say, ‘Well, perhaps I will need to go in. I want to be at home as long as I can; the services are enabling me to do that. But, ultimately, if I need residential care, I want that home—not the other one, that one.’ And they are prepared to wait. So there is the element of choice; and the fact is that the policies are working. People who receive services under community aged care packages enter residential care on average 15 months later than those people who do not.

I said that we were providing greater funds not only for growth but also for dependency. The figures show that last year there was an increase of one per cent in the number of people who entered residential care at level 1. That is quite a significant growth factor, and we will see that more often. But the really interesting figure that shows how successful the policy is is that last year there were 40,000 new entrants to residential care, but there were 46,000 entrants who were taking respite care. That means that there was a drop in occupancy rate from 96 per cent to 95 per cent. That again shows that people are taking up those policies to enable them to stay at home.

We have also put resources into providing help for carers who deal with people who have dementia and challenging behaviours. ‘Challenging behaviours’ is a rather polite
way of saying that the carers are dealing with very difficult behaviour that ranges from violence and verbal abuse to behaviours that are extremely difficult to deal with in an ordinary sense. If you understand as a carer that the progression of the disease is not an attitude of the person who is suffering from the disease, and if you understand that dementia is not a natural progression of ageing—that it is in fact a disease—you will understand that, when the one you are caring for abuses you verbally, they are not speaking emotionally as a person who no longer loves you but as a person who has a consequence of a disease. Again, we have a number of help lines and respite services designed to assist those people who want to keep their loved one at home with them and the loved one wants to stay. But when that is no longer possible there is an obligation on us to ensure that the residential care that is provided is good care.

I will finish with one more statistic. Up until a month ago, we had closed or relocated 173 facilities. People have always known that there were shonks in the system, but most people give good care. We want the shonks out. The reforms, the accreditation system and the way we use teams to monitor care when sanctions are put in place are all policies aimed at giving recognition to the people who work in the industry and provide good care and, most importantly, look after the residents who are part of the partnership of the delivery of aged care—a partnership between government, providers, doctors, allied health professionals, the residents themselves and their loved ones. (Time expired)

Ms JANN McFARLANE (Stirling) (4.53 p.m.)—Like the member for Jagajaga, I am pleased to be standing here in the House to deal with this issue and to bring to this place the concerns of the community about the government’s failure to properly provide for the health and aged care needs of older Australians. One of the things I have been hearing in the House recently from the Prime Minister and the Treasurer is that the budget is in surplus. I call on the government to use some of this money to meet some of the needs that have been pointed out by the member for Jagajaga and, in fact, by the minister herself.

I would like to deal first with the issue of nursing home beds. I was interested in what the minister had to say about people choosing to wait for a nursing home bed. One of my family members was the senior social worker on the aged care assessment team at a major hospital in Perth. This family member told me constantly of the frustration felt by family members, himself and the team when people tied up beds in the large hospital because there was no nursing home bed out there for them, let alone one in a place they would prefer to go to—a place of their choice.

I would like to draw the attention of the House, for those who do not know about it, to the fact that there are 17,680 reasons to improve aged care. An aged care nurse has gathered a petition with the signatures of 17,680 Australians which draws attention to increasing concerns about the quality of care for residents in aged care facilities. The petition calls on the government to urgently review staffing levels in nursing homes and hostels. Our shadow Minister for Aged Care, Senator Chris Evans, has taken up this issue in the Senate and I would like to draw it to the attention of the members in the House. The member for Jagajaga called for national leadership on issues such as aged care and the Commonwealth dental program, and I would like to point out to you something that Senator Chris Evans said this week. He said that a future Labor government would introduce a national benchmark of care, an approach recommended by the Productivity Commission and rejected by the government. The benchmark will set minimum standards for the level and type of care to be delivered to residents, and facilities will be funded so they can deliver these levels of care.

Ms Macklin—Good national leadership.

Ms JANN McFARLANE—That’s right. The minister rightly stressed that the Home and Community Care program allows people to live independently at home as long as they can. Labor created the Home and Commu-
nity Care program, and I was a community worker in those days. I was part of the consultation process in the community as well as in the Labor Party that helped shape and create the Home and Community Care program, which was created because many people were inappropriately admitted to nursing homes when they still had some ability and capacity to care for themselves. The Home and Community Care program was funded in the first year, I think, to the extent of $2 million. Within a couple of years it went to $20 million and now I understand it is up in the vicinity of $1 billion—because it does meet a need in the community. Even the Home and Community Care program, which is an excellent Labor created program, does not deny the fact that something in the vicinity of seven per cent of people will need nursing home care at the end of their lives.

When people get to the stage of needing home and community care they usually get to that stage fairly quickly. When they need a nursing home they need it then—not in six or 12 months time. I would like to tell you a story from a constituent of mine. A young woman came to my office. She was married. Her husband was not on a particularly high wage and she had two young children—one at preschool and one at primary school. Within a short time, both her parents went from living independently at home to needing care. One had a fall and the other became ill and they both ended up in the major teaching hospital in Perth. After some weeks on the wards, one of her parents was transferred to a facility in the southern suburbs and the other to a facility in the northern suburbs. They were from a migrant background and had very little family in Australia. My constituent found that she was spending her days going from one aged care facility to another—a long drive which included picking up a child from school on the way—so that she could provide some comfort and solace to her very ill and rapidly declining aged parents. This happened in a short period of time—something like six months.

By the time this woman came to my office, she was burnt out and tired. Her husband was increasingly carrying the burden of coming home from a labouring job and having to cook meals and do the washing and other things because she was going from one aged parent to the other. These people had been married for over 60 years. They wanted to be together in the same aged care facility, if possible in the same room. There were no beds available and no facility close to where this woman lived and she came to my office because she was at the end of her tether. She was grieving for her parents and their stress and she was grieving for herself because she was not coping with the workload she was facing on a daily basis. These people did not want the choice of a better nursing home or a fancy nursing home or something with beautiful grounds and layouts. They just wanted a nursing home or an aged care facility where they could be together. I am sad to say that I was not able to get the solution to her problem that the family wanted, because there was no facility available.

Glenda Addicott, who was the aged care nurse who collected the 17,680 signatures, should be commended for her wonderful effort in collecting the signatures, for her commitment to the frail aged residents of nursing homes and for her courage in taking her concerns to the community and the media. She is now contemplating leaving the aged care field because she does not feel that she can provide the kind of care for the frail aged residents she has been working with for many years because of the diminishing standards in the places she has been working in.

Like the member for Jagajaga, I too have concerns about the lack of funding and the government’s lack of ability to address the issue of the Commonwealth Dental Health Program. One of the reasons I ran for parliament was that I worked for a community legal centre where, when the Howard government came in in 1996, we were increasingly faced with trying to help people who came to us not with a legal problem but with a social need. They came seeking help because they could not get an appointment at the Perth Dental Hospital and they could not get the dental care they needed. Most of these people were on a low income or a fixed income and the majority of them were on a Centrelink benefit. When the Howard gov-
ernment abandoned the Commonwealth Dental Health Program, the waiting list at the Perth facility skyrocketed, as well as the one at the major teaching hospital.

These people came to us and we would try to help them by writing letters, checking to see if they were appropriately placed on the list or checking if there were any other options for them. There were none. Now I get the same people coming to my electorate office in Stirling because the situation has deteriorated since 1996 when the program was abandoned. As the member for Jagajaga pointed out, the waiting lists are long and some people have given up. This table under ‘Situation analysis’ says that Western Australia has a 10-month waiting list. I think part of that is that some people have given up because it is almost impossible to get in. The Court government need to be severely spoken to by the minister for health, because one of the things they did was change the means testing arrangement so that if someone earns any kind of a wage they are not even on the list. As members know, with casualised work, more and more people are getting a part Centrelink benefit and a part wage. They are on a low income and they are knocked off the list because they are getting some kind of wage. This is to be deplored.

Another issue I would like to quickly bring to the attention of the House is the unkindness and callousness of this government in taking the nasal spray off the Pharmaceutical Benefits Scheme. It was a small thing that will create savings for the government of $61 million over the next four years, but the people it most impacts on are those on concessions, and 83 per cent of the people who get these kinds of concessions are aged people. Surely with this huge budget surplus, the Treasurer and the Prime Minister can look to restoring some of these things to the Australian people, particularly the elderly. (Time expired)

Mr NEVILLE (Hinkler) (5.03 p.m.)—Today’s matter of public importance, in the fine tradition of most Labor MPIs, is drenched in hypocrisy and laced with insincerity.

Mr Sidebottom—Oh! You’ve been doing a poetry course. Did you pass?

Ms Martin Ferguson—He caught a train to Brisbane the other day. He had all day to look it up.

Mr NEVILLE—I will repeat that: it is drenched in hypocrisy and laced with insincerity. Let me tell you why. Today’s approach by the Labor Party, starting with question time, was: get the Minister for Aged Care and touch up the Minister for Health and Aged Care, and that would soften them up for the MPI. Let us contrast that with the government’s aged care philosophy, which is threefold. It is geared to providing quality care for older Australians on a fair and sustainable basis, to meeting the challenge of Australia’s ageing population and to ensuring that nursing homes meet standards and that care levels are properly assessed. In short, we seek consistently high standards.

Labor’s motion focuses on a ‘failure to provide’ for aged care. Note those words: ‘failure to provide’. Yet in 1992 Professor Bob Gregory warned the then Labor government that the aged care sector needed an injection of about $1.3 billion over the ensuing 10 years. This is a well-known statistic but it bears repeating. Professor Gregory found that 75 per cent of nursing homes did not meet design standards, 38 per cent of residents shared bedrooms with four or more people and 13 per cent of nursing homes did not meet health regulations. Still worse, at the human level, the ALP consistently, callously and without any apology at all neglected the matter of dementia, which is one of the prime areas of concern for literally tens of thousands of Australian families.

So what was the Labor government’s response to Bob Gregory’s suggestions? Labor decided to decrease the amount of funding for capital works in nursing homes and hostels by 75 per cent. Indeed, they did that; they decreased capital expenditure by 75 per cent in their last four years in office. On top of that, they set the benchmarks on how many people should be in nursing homes and hostels, and they fell 10,000 short of their own targets. As the Minister for Aged Care pointed out, not only did they fall short of those targets but they set no rigour whatsoever on nursing homes that were allocated beds to put those beds in place. I think I
heard the minister say she was opening homes recently that got their allocations as early as 1991. What pitiful hypocrisy it is for those opposite to come into this place, put their hands on their hearts and bleed for the so-called aged of Australia when they allowed that sort of abuse to occur.

In contrast, about 17,200 residential aged care places have been allocated to areas of need across Australia since the coalition came to office. The government presently provides $3.9 billion a year in subsidies to care for 135,000 residents in 3,000 aged care facilities. Let us contrast that $3.9 billion with the figure in Labor’s last year. What was it? It was $2.5 billion—$2.5 billion up to $3.9 billion is way ahead of inflation and way ahead of the CPI. I just wonder where that figure would be today if the Labor government had continued. Community home care packages, as you all know, allow people—again, with your hands on your hearts talking about how much you care for the aged—who want to live in their own homes as long as possible to stay in their own homes on average another 18 months each. What did you do about it? You had a pitiful 4,000; since we have been in office they are now up to 24,000. Do not come into this House bleating about those things.

The great lie that the shadow minister perpetrated here today, the great lie that is put around the electorate at the time of every state election, is that when the state governments cannot meet their dental care provision they bag the feds. Every member of the opposition knows that the Commonwealth Dental Health Program was a promise in the 1993 Keating election platform. It was delivered in a very poorly structured way in 1994. It was to provide $247 million over four years, and you were on the record as saying that you never intended to continue it. Do you know why? You said it was only going to be a catch-up program and it was not in your forward estimates.

Ms Macklin—So why did you take it as a saving?

Mr NEVILLE—You, Shadow Minister, were an adviser to the government of the day. What pathetic hypocrisy to put a catch-up program in place and try to pretend that you were going to keep it after you did not put it in the forward estimates! We never said we were going to continue it. Never once did we say we were going to continue it. So the hypocrisy is just mind-boggling in all this. I travel around my electorate frequently and I go to my nursing homes.

Mr Cameron Thompson—With Christmas cake?

Mr NEVILLE—With Christmas cake, yes, sometimes. I said before that we wanted to create a new era of care in nursing homes. The Labor Party often claim that the government has not been rigorous enough in its inspection of aged care facilities. Yet, since we have been in office, 173 facilities have either been closed or relocated. How many were closed under Labor? What sort of rigour did you impose?

Mrs Bronwyn Bishop—One.

Mr NEVILLE—The score is one. What a disgrace! What hypocrisy again for those opposite to come into this House, put their hands over their hearts and bleed for the aged of Australia! You did nothing. Not only that; your charge is also quite untrue, as those figures demonstrate. It is bizarre criticism from Labor considering that, when the coalition introduced new accreditation and certification arrangements and quality of care principles designed to ensure that accommodation was at the highest quality, all you could do was carp and criticise. You had none of it in your own schemes. I know because I go around to nursing homes. The accreditation process is rigorous. When I go to nursing homes the staff are pretty twitchy coming up to accreditation time, and in a way so they should be. I do not want to see them overstressed, but it is a good benchmark for people to aspire to. You know that when a nursing home gets through our accreditation procedures it has been through the hoops.

When you look across the whole landscape, you see that this is a very serious matter. But what is even more serious is the expectation that you have created in the Australian public. You opposed the extension of bonds to nursing homes on the spurious point that when you went into a hostel you...
had some choice but when you went into a nursing home you had none. The birth rate amongst females in Australia is now down to 1.7. Right now we have some 170,000 people entering the work force each year. By the year 2020, some 125,000 will be entering the work force. It is inevitable that Australians are going to have to take on a greater share of their own health care. What we need to do now is facilitate that in the best way possible. I, for one, make no apologies for the fact that I think the bond system was better. Not only that; when I go around to nursing homes that opposed the bond system at the time when the shadow minister was whipping up the frenzy about it, those same nursing homes also say to me today, ‘I would to God that you had put it in because now we do not have a capital base.’

Mr DEPUTY SPEAKER (Mr Hawker)—Order! The honourable member’s time has expired.

Mr NEVILLE—What a pity, Mr Deputy Speaker.

Mr DEPUTY SPEAKER—Order! The time allotted for this discussion has now expired.

INTERNATIONAL MONETARY AGREEMENTS AMENDMENT BILL (No. 1) 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 Moore)—by leave—read a third time.

PARLIAMENTARY ZONE

Mr DEPUTY SPEAKER (Mr Hawker)—Mr Speaker has received a message from the Senate approving proposals by the National Capital Authority for capital works within the Parliamentary Zone, being:

(1) the construction of Commonwealth Place;
(2) the construction of the Magna Carta monument, and
(3) temporary works associated with the second GMC 400 V8 Supercar race.

INDIGENOUS EDUCATION (TARGETED ASSISTANCE) BILL 2000

Consideration of Senate Message
Message received from the Senate acquainting the House that the Senate does not insist on its amendments disagreed to by the House and has agreed to the amendments made by the House in place thereof.

AGED CARE AMENDMENT BILL 2000

Consideration of Senate Message
Bill returned from the Senate with amendments.

Ordered that the amendments be taken into consideration at the next sitting.

BROADCASTING SERVICES AMENDMENT BILL 2000

Consideration of Senate Message
Bill returned from the Senate with amendments.

Ordered that the amendments be taken into consideration forthwith.

Senate’s amendments—

(1) Clause 2, page 1 (line 17), omit “This Act”, substitute “Subject to this section, this Act”.
(2) Clause 2, page 1 (after line 18), at the end of the clause, add:

(2) Schedule 2 commences immediately after the commencement of item 140 of Schedule 1 to the Broadcasting Services Amendment (Digital Television and Datacasting) Act 2000.

(3) Clause 3, page 2 (line 2), omit “Each Act”, substitute “Subject to section 2, each Act”.

(4) Page 33 (after line 35), at the end of the bill, add:

Schedule 2—Designated teletext services
Broadcasting Services Act 1992

1 Paragraph 6(3)(k) of Schedule 4

Omit all the words after “the purpose”, substitute:
of the transmission of either or both of the following:

(i) datacasting services provided under, and in accordance with the conditions of, datacasting licences;
(ii) designated teletext services;

2 Clause 49 of Schedule 6 (note)
Omit “Note”, substitute “Note 1”.

3 At the end of clause 49 of Schedule 6 (after the note)
Add:
Note 2: For exemptions for designated teletext services, see clause 51A.

4 Clause 50 of Schedule 6 (note)
Omit “Note”, substitute “Note 1”.

5 At the end of clause 50 of Schedule 6 (after the note)
Add:
Note 2: For exemptions for designated teletext services, see clause 51A.

6 After clause 51 of Schedule 6
Insert:

51A Exemption for designated teletext services

Clauses 49 and 50 do not apply to the provision of a designated teletext service (within the meaning of Schedule 4).

Radiocommunications Act 1992

7 Section 5
Insert:

designated teletext service has the same meaning as in Schedule 4 to the Broadcasting Services Act 1992.

8 Subsection 102(5)
Omit all the words after “has no effect”, substitute:

unless:

(a) the licensee holds a BSA datacasting licence authorising the provision of that service; or
(b) the service is a designated teletext service.

9 Subsection 102A(6)
After “other than a test transmission” (first occurring), insert “or a transmission of a designated teletext service”.

10 Subsection 102A(5)
Omit all the words after “has no effect”, substitute:

unless:

(a) the licensee holds a BSA datacasting licence authorising the provision of that service; or
(b) the service is a designated teletext service.

11 Subsection 102A(6)
After “other than a test transmission” (first occurring), insert “or a transmission of a designated teletext service”.

Mr MOORE (Ryan—Minister for Defence) (5.18 p.m.)—I move:

That the amendments be agreed to.

The Senate on 28 November 2000 passed the Broadcasting Services Amendment Bill 2000 with some amendments. The Senate has agreed to the amendments proposed by the government which would amend the Broadcasting Services Act 1992 and the Radiocommunications Act 1992 to allow the provision of designated teletext services from the commencement of digital television services in each licence area. The amendments will ensure that designated teletext services can continue to be provided from the commencement of digital television services by not making them subject to the moratorium on the provision of datacasting services by broadcasters.

The amendments would also exempt designated teletext services from having to be licensed as datacasting services. These amendments apply only to those teletext services that remain substantially the same as services which are currently provided and have been in operation for two years. This will allow teletext services to continue without being subjected to the regulatory regime applying to new datacasting services.

Mr STEPHEN SMITH (Perth) (5.19 p.m.)—This Senate message originated with the Broadcasting Services Amendment Bill (No. 4) 1999, which became the Broadcasting Services Amendment Bill 2000 in the Senate recently. The subject matter of that
bill is in respect of a proposed overseas broadcasting licensing regime, which the government is seeking to implement. In the course of debate in this House and the Senate, the opposition indicated that it was not happy with the regime that the government was proposing. Consistent with suggestions made by a Labor senators minority report arising out of a Foreign Affairs, Defence and Trade Legislation Committee, amendments were put to the Senate.

This bill was dealt with last night in the Senate at short notice and handled commendably by Senator Bishop from Western Australia. In the event, the Senate did not accept the amendments proposed by the opposition in respect of that overseas broadcasting regime. On that basis, because our amendments were not successful, the opposition formally opposed the bill on the third reading. The message returned from the Senate contains amendments which are not related to the original bill but which seek to effect an oversight missed by the government and the parliament in the course of the passage of the government’s digital TV and datacasting legislation.

As the minister has indicated, the purpose of the amendments to the Broadcasting Services Act are to effect what the parliament thought it was doing when the digital TV legislation was enacted in the course of this year, which was to ensure that teletext services which have been common in analog TV for some time are not to be subject to the very restrictive and onerous burdens which the government is proposing to place on the new datacasting industry. Discussions took place before those amendments were introduced into the Senate. I had no difficulty in advising the office of the Minister for Communications, Information Technology and the Arts that we were quite happy to cooperate in any way to effect the passage of those amendments before the commencement of digital TV on 1 January 2001.

So, in respect of the message that has come back, we are only too happy to indicate our support. But I again place on the record that, insofar as the government’s proposed regime for overseas broadcasting licensing is concerned, we will monitor the implementation of the government’s regime. We formally opposed the regime when it went through the Senate because a range of our amendments were not adopted, and we of course reserve the right to revisit those areas when we attain office.

Amendments agreed to.

ACIS ADMINISTRATION BILL 1999
First Reading
Bill received from the Senate, and read a first time.

Ordered that the second reading be made an order of the day at the next sitting.

DEFENCE LEGISLATION AMENDMENT (ENHANCEMENT OF THE RESERVES AND MODERNISATION) BILL 2000
Cognate bill:
DEFENCE RESERVE SERVICE (PROTECTION) BILL 2000
Second Reading
Debate resumed.

Mrs ELSON (Forde) (5.24 p.m.)—I would like to continue my contribution to the second reading debate by turning to the Defence Reserve Service (Protection) Bill 2000. The bill will help to protect the interests of our reservists should a call-out occur and provide mechanisms to protect the civilian employment, financial, family, educational and trade qualifications and other interests of our reserve force members. It is essentially a modern, streamlined code of protection that includes payments to employees to protect the jobs of reservists who are called up, together with other measures to protect the jobs of reservists who are called up, together with other measures to ensure that reserve force members and their families are not disadvantaged. At the press conference following the announcement of these changes in August this year, reservist chief, General Low Choy, described the legislation as ‘a giant leap forward’. He said:
For the first time reserves can now take their place equally in terms of meeting in a voluntary sense the reason why they’ve originally joined the Australian Defence Force.

He continued:

With the support of the government initiatives, it also gives us the ability to say to the Australian community—not just employers but don’t forget that a number of our reservists are students and others from other organisations in the wider community—it gives us the opportunity to create new partnerships with these organisations.

The General concluded:

From a reserve perspective, it is a giant leap forward, and, as far as I’m concerned, it is the beginning of a new way of thinking about how we use the reserve force for the contribution they make to the nation, for nation-building and community-building as a whole.

There is no doubt that these two pieces of legislation are a significant step forward for both the reserves and our Defence Force as a whole. I mentioned earlier the community consultation process that has occurred regarding the white paper on defence. The participation in this process clearly shows the value that the Australian community places on our Defence Force. More than 23,000 copies of the defence public discussion papers were assessed, more than 2,000 people attended public meetings, and more than 1,100 individual submissions were received. The consultation team chairman, Andrew Peacock, described it as

... the most successful program of public consultation initiated by any Australian government. The team was very impressed by the quality and depth of interest.

I understand that the role of the Australian reserves has featured fairly highly in the public’s view about the future of the ADF. I am sure that any further reforms that arise from the white paper will help to strengthen even more the ongoing role of our reserves.

I am very pleased to support these two bills. As a result of this legislation, it will be crucial that our reserves are fully trained and prepared for tasking on operations. I would like to take the opportunity to highlight and congratulate the defence forces on their strong commitment to training. Just a few weeks ago, I was very pleased to see the Department of Defence win the prestigious Australian National Training Authority Board award given by ANTA to the industry or organisation that acts as an excellent role model for the take-up of national training initiatives. It is a richly deserved award and reflects the commitment of our defence forces to the ongoing training of its members. The Defence organisation currently delivers 82 national qualifications and conducts 445 other programs leading to nationally recognised qualifications. That gives our Defence Force a knowledge edge, and no-one can doubt the importance of training in ensuring that we have a modern, competitive Defence Force.

I am also delighted that the future of modern reservists has been further enhanced by the new-look national Defence Reserves Support Council, which was announced last month. The council is the government’s peak advisory body on reserve matters and is now chaired by PBL Executive Chairman, James Packer. The new council comprises 27 members, with broader representation from employer, business and trade union groups as well as representatives from youth, ethnic and community councils and the media and education sectors. The council’s vice-chairs are former Queensland governor Leneen Forde and former Northern Territory Chief Minister Shane Stone—who is himself a reservist. With such a top quality line-up, I am sure that the council will play a vital role in the ongoing development of our reserves. I congratulate James Packer and thank him for taking on the chairmanship of the council.

There are many exciting new developments when it comes to our entire Defence Force, especially our reserves. These two pieces of legislation are vital and significant steps forward, but they are also part of an ongoing process. As I said at the outset, our commitment to Australia’s defence forces is very deep and, with the release of the white paper, there will no doubt be further examinations over the next few months of how we can do more for our full-time service men and women, as well as our reservists.

I take this opportunity to congratulate the Minister for Defence on his ongoing work in that area. I would especially like to thank the Minister for Veterans’ Affairs, who is abso-
olutely committed to ensuring a fair deal for our past and current servicemen. I was very pleased to welcome the Minister for Veterans’ Affairs to Canungra recently to meet with defence community representatives and to present more than $24,000 in grants under the Defence Family Support Program to our local residents. I look forward to welcoming him back into my electorate this weekend when he will present cheques to our Canungra 14th Light Horse Brigade school education unit and will also visit the Canungra Land Warfare Centre to open a memorial.

It is gratifying to be part of a government that is committed to securing the future of our Defence Force; a government that is prepared to do the groundwork and to take the time to ensure it gets it right. We are not into tokenism or empty gestures: our aim is to get on with the job and to secure the best possible outcomes for our defence personnel, and of course our nation. These pieces of legislation certainly work towards that goal, and I am pleased to support them. I commend the bills to the House.

Ms GILLARD (Lalor) (5.30 p.m.)—It is a great pleasure to be able to contribute to this debate on the Defence Legislation Amendment (Enhancement of the Reserves and Modernisation) Bill 2000 and the Defence Reserve Service (Protection) Bill 2000. As members of this House may be aware, my electorate is home to two Defence bases, one of them being the Laverton Air Base and the other being the Point Cook Air Base. Members in this House might have heard me refer previously to the Point Cook Air Base, and at present we are in the process of working out what the future of that air base will be. Before the Minister for Defence leaves the House, I will welcome him to my electorate.

I understand that he is to visit next February, in part to consult with local community members about the future of the Point Cook Air Base. I am sure that, during his February visit, we will convince him of the merits of a community based plan that we have for the Point Cook base to serve in the future as an historic aviation facility that will celebrate aviation. That will include the RAAF museum functioning at an even higher level and also incorporate educational opportunities and flight training opportunities provided by RMIT. So I will see the minister in my electorate in February.

But my visiting of Defence Force bases has not just been confined to the two in my electorate. I have had the opportunity to visit a number around Australia. In the course of those visits and in talking to Defence Force personnel, whether reservists or otherwise, it struck me from time to time that there is somewhat of a duality in our relationship and our national view about our defence forces. On the one hand, we revere our defence forces. Anzac Day has become the most significant community celebration that we have during the calendar year: it is the day that we really get out and make a statement about what it is to be Australian. Indeed, it is through the prism of Anzac Day and Gallipoli that we define, in some senses, the essence of what it is to be an Australian. So we have on the one hand this view—an exulted view, if you like—of our defence forces, but on the other hand when we are called upon to support our defence forces, whether it be through the purchase of equipment, the provision of conditions of service, support for our reserves or even support for our retired veterans, we can often display a mean spiritedness which does not sit well with the important role that defence plays and the defence forces have played in defining our national identity.

I am pleased to see that the bills that are the subject of this debate go some way to addressing some of that mean spiritedness in relation to the conditions affecting our reservists. However, like much of the defence policy of this government, this change is a belated one and it has been taken against a background of equivocation. Indeed, it is in part necessary because the government worsened conditions for those serving as members of the reserves when it first took office. So we see, once again, a pattern of causing a problem, equivocating for a long period of time about what to do about the problem and, finally, remediing the problem or, at least, remediing it in part. That is the cycle that we are in today in considering these two bills.
In considering these bills, I want to turn firstly to the question of employment protection for those who serve in our reserve forces. As we know, historically the employment position of reservists was protected through the industrial relations system and the fact that awards provided for defence leave. So a worker who wanted to serve as a reserve could rely on the fact that their job would be protected because there was a law that made that happen—the law being their industrial award, and the clause being the defence leave part of the award. We all know that, on coming to government, as part of its ideologically driven campaign in relation to industrial matters—not a rational campaign but a campaign based on a number of somewhat irrational beliefs—this government stripped away the powers of the Industrial Relations Commission to deal with a large number of matters, including the matter of defence leave. We all know that, on coming to government, as part of its ideologically driven campaign in relation to industrial matters—not a rational campaign but a campaign based on a number of somewhat irrational beliefs—this government stripped away the powers of the Industrial Relations Commission to deal with a large number of matters, including the matter of defence leave. As for how long it has taken to fix the problem that this industrial relations crusade caused, we should note that that happened way back in 1996, not long after the government was elected. Here we are, all these years later, well into the second term of the Howard government, before the problem created then in the industrial crusade for people who volunteered to be reservists for our Defence forces is being addressed by this government.

In formulating that proposal to strip back awards and to prevent industrial awards being made to allow people to have Defence Force leave, it is not as though the government was not advised and did not know that a problem would be created for our reserves. Given the day that we have had in parliament today, it is probably important to note that the minister at the time with responsibility for assessing these matters was Minister Bishop, who now serves in the Aged Care portfolio. She brought to the portfolio she had at the time all of the problems with competence that we have seen on high display today in relation to the aged care area—that is, she did not proceed to make any real recommendations about Defence Force leave matters. If she had been doing her job properly at that time, then she obviously should have said to the minister for workplace relations, ‘This is something that is going to affect the reserves and the capacity of people to serve as reserves and the capacity for us to recruit reserves very fundamentally, and you shouldn’t do it.’

But, instead of doing that, we understand that there were no active representations. So defence leave was taken away. That was despite the fact that, in her capacity as minister at the time, Minister Bishop was advised that this would cause a major problem—and she was advised by no less a person than Major General Luttral, who was then the Assistant Chief of Defence Force Reserves. So a senior officer, serving effectively as the chief of reserves—who would obviously know something about reserve conditions, about how people work as reserves and what employment conditions they need to support them as reserves and the capacity of our defence forces to attract reserves—gave some very clear advice about the devastating effect that this would have on the rights of reservists and their capacity to serve and the ability of the reserve forces to hold their numbers.

So, against a background of clear advice not to do this, the government proceeded. Of course this very stupid action was swiftly felt in recruitment numbers. For example, by 1998-99 the performance of recruitment of reserves against the Defence Force’s set targets was appalling. There was a shortfall in recruitment for the RAAF, at 44 per cent of target, the Navy was at 80 per cent of target—it fared the best—and the Army was at 49 per cent of target. So the crisis was created and the problems were almost immediately apparent. Despite that, the government has not acted until this stage, and that is despite advice from the Defence Force itself.

It is not as if the matter has not been before this House on several occasions. The Leader of the Opposition through two private members’ bills has made sure that this matter has consistently come into this House. If the government had wanted to respond more quickly to assist people who are serving as our reservists or who want to serve as a member of the reserves, then it could have acted on any of those private members’ bills instead of blocking the debate, which is of course the thing the government does whenever the opposition introduces private mem-
bers’ bills, even when those bills are of great merit, as these ones were.

So the Leader of the Opposition introduced two bills. The first was to amend the Workplace Relations Act to fix the fact that Defence Force leave had been stripped out of the allowable matters and the second was a private member’s bill entitled the Defence (Re-establishment) Amendment Bill 1999. The purpose of that private member’s bill was to enhance the civilian employment protection available to members of the ADF reserves under the Defence (Re-establishment) Act 1965. These bills were introduced into this House by the Leader of the Opposition at a time when the minds of every member of this House, government and opposition, ought to have been focused on our defence forces and our reserves, because their introduction coincided with the first major deployment of our forces to serve as part of INTERFET in East Timor. At that time, obviously, defence was at the forefront of people’s minds. It was a matter of very deep concern—and if people cast their minds back they will recall this—that in part the forces that were deployed in East Timor were already reliant on reserves. But, even more worryingly, was ensuring that there were reserves available if the deployment ended up being very lengthy and the only way of sustaining it over time was to have reserves move in and take the positions of soldiers and others who needed to be spelled back because of the long deployment.

That is the sort of environment in which you would think that the government would very willingly and very quickly pick up two positive ideas put forward by the Leader of the Opposition to assist the position of our reserves. But of course not. We all know that instead of picking up those two bills and processing them—bills which would have fixed some of the problems that we are now debating today—the government stopped that debate. Indeed, the whole matter ended up in a bit of high farce if we cast our minds back to the days of those debates, because we had Ministers Reith and Scott in their capacities commenting on workplace relations and Defence personnel matters putting out press releases claiming that the Leader of the Opposition’s private members’ bills were unnecessary because the employment position of a reserve who went and assisted in East Timor was fully protected anyway. Minister Reith in his press release claimed that the bills were unnecessary and that the existing legislation already prohibited an employer from penalising or prejudicing an employee who serves with the Defence Force and that this protection extended to volunteers who served with forces, including the East Timor deployment force. Minister Scott in his press release said that the existing provisions of the Defence Re-establishment Act 1965 prevent employers from penalising or prejudicing employees because of their service and that sections 8 and 9 of that act can be invoked where an employer refuses to release an individual reservist who has volunteered to serve and whom Defence requires.

The problem for all of this ministerial PR spin, which was being pumped out very quickly because the opposition had brought the two private members’ bills to this House, was that the Australian Defence Force did not agree with it and did not agree it was an accurate summation of the law at the time. You could go to the Internet and get the ministerial press releases. Having read the ministerial press releases, if you then logged onto the ADF Internet site, on exactly the same questions you would find very different answers. The ADF Internet site at the time posed the question: ‘Is there a law in Australia protecting my civilian employment?’ Against that question the following statement was made in relation to overseas peacekeeping and humanitarian relief operations: ‘No. Reserve participation in these operations is on a voluntary basis. Reservists wishing to volunteer for this type of duty should contact their employer to arrange for leave of absence before doing so.’ So Ministers Reith and Scott were out there saying, ‘Don’t worry, it is all right, you have a legal right,’ and the ADF was telling us that it is really about grace and favour from your employer.

Then in respect of the category call out there was the statement: ‘Yes; however, existing legislation does not go far enough to-
wards protecting the civilian interests of reservists. Once again we have a setting where the ministers are trying to tell us it is all right and you have these legal rights and the ADF site—which of course contains the accurate position—telling us that there are problems with the law as it existed at that time. So we were in a situation where there was clearly a problem. We knew there was a problem. The ADF knew there was a problem. The Leader of the Opposition through two private members’ bills volunteered to this House solutions to the problem and the government chose to put out some inaccurate PR spin rather than dealing with the substance of the matter.

Before moving on from that point I would like to finally note that, interestingly, in terms of this high farce that was acted out at this time, the ADF web site was quickly adjusted. Presumably, the ministry for truth in the government got on the job as quickly as possible. The ministry for truth in complete Orwellian fashion ensured that the web site was amended and that the answer was one that properly squared with the ministerial press releases. So once again we see the ministry of truth in operation. As I have had cause to note in this House before, the parallels between George Orwell’s Nineteen Eighty-Four and various actions of this government do not just end there.

However, I will move on to the content of these bills. Now that we have finally got here—somewhere we could have been a few years ago—these bills do recognise that there has been a change in our strategic environment in terms of instability in our near region. That instability has a number of causes, one of which is of course the Asian economic crisis. One is the instability and transition phase in relation to various governments in our region. One is the independence movements in a number of key areas in our region. In all of those things, we have problems with violence associated with independence movements and the reaction of governments to those movements. As we heard from the shadow minister for foreign affairs in his reply to the ministerial statement, we also have major problems with food supply, displaced persons and medical issues in our near region. All of those are causing an arc of instability around us. That means that we are more likely to call out and need our defence forces and our reserves for peacekeeping, peace enforcement, humanitarian assistance, civil aid and disaster relief rather than war fighting operations, which would perhaps have been traditionally viewed as their purpose.

Consequently, these bills address that and allow the call-out of reservists to occur in far broader situations than just call-out for war fighting purposes. These bills comprehend the fact that we are more likely to call out our reservists for peacekeeping or peace enforcement than for war fighting as such. These bills then provide a number of protections that will exist for reservists deployed in response to the call that Australia needs them for some of these operations. In these bills, we find prohibitions against conduct that discriminates against reservists in their employment or other work. We have provisions that make sure that a member’s employment is not prejudiced in being viewed as discontinuous because they have deployed. We have protections in relation to reservists who are involved in partnerships. We have protections for reservists who are involved in courses of study and need the flexibility to break those courses and then resume without having lost status or having lost their place. We have some protections in relation to the postponement of debts and bankruptcy proceedings. We also have some capacity for persons who have been deployed to be offered some assistance through loans, guarantees and the like when they resume their civilian life. All of those things are, of course, most welcome.

As I said before, I have had the opportunity to travel to a number of Defence Force bases in Australia and to meet with serving personnel, with people who serve as reserves, with spouses and with people who are just generally interested in Defence Force issues. Having undertaken travel to places like Lavarack Barracks, Enoggera Barracks, Robertson Barracks, HMAS Stirling, RAAF Pearce, Irwin Barracks and Campbell Barracks, I have been struck wherever I go, particularly when I have had conversations with
reserve brigade members, that the problem with our reserve forces extends far deeper than the key problem of security of employment. As the second reading amendment moved by the member for Reid indicates, whilst there are positive measures in these bills, we think there is more that needs to be done if we are to properly resource, support and indeed rebuild our reserve forces from the state that they are in at the moment. Amongst those things is the articulation of a coherent policy about what we want the reserves for and what contribution they are to make to our national defence effort. We need to create a sense among the reserves that they are valued and that their contribution is the key to our defence effort. Because of the employment insecurity matters, some of those morale questions have been lost.

Let me say in conclusion that, whilst the measures in this legislation are a step in the right direction, they are only one step. There are several more steps to be taken. I trust that, in taking some of those further steps, we do not have to wait the extraordinary length of time that we have waited for this legislation to come before the House, that we do not see the kind of equivocation that we have seen in the production of this legislation and that we actually move promptly to address a number of matters which I think are still of concern to those who serve us on a voluntary basis in the reserves and to those amongst our number who would consider becoming a member of the reserves if some of these issues were positively addressed by the government and indeed by this parliament as a whole.

Mrs GASH (Gilmore) (5.50 p.m.)—I cannot let the member for Lalor get away with her statement re industrial relations in the defence forces. Again, her only interest is in matters to do with unions. What did the Labor government leave us with? It left us with a legacy of poor facilities and no infrastructure—not a very proud record, I would think.

How many people in this parliament, or indeed Australia, could take three to six months off with very little notice and move away from their homes with little or no effect? That is what we could ask an ADF reservist to do. I rise to speak on the Defence Legislation Amendment (Enhancement of the Reserves and Modernisation) Bill 2000 and the Defence Reserve Service (Protection) Bill 2000. Today I also speak as chair of the government committee on defence and veterans’ affairs and as the federal representative for Gilmore, an electorate that comprises a large defence facility, HMAS Albatross, and HMAS Creswell, adjoining Gilmore, and a significant number of current and former Australian Defence Force personnel and their families. This community also includes a large number of veterans, who have a great understanding of defence and related issues. I would like to again pay recognition and thanks to those many organisations and individuals who made a contribution to the discussion paper, details of which are now available for general perusal. I would also say that Gilmore was one of the largest contingents to participate in that consultation process.

I also speak on behalf of employers in small business, who may have to wave goodbye to a valuable and trusted employee for several weeks or months with little notice—and, of course, families of these personnel can suffer greatly from the dislocation of their normal family life. Balancing these apparently competing roles is not easy. There is no doubt that most Australians, and certainly my constituents of Gilmore, want a defence force that will be able to do whatever is required of it. Most of us also want to work in our businesses, and we rely on everyone’s continuing presence in the workplace, as personnel changes can be time consuming and disruptive and can cost a lot of money.

Currently the requirements on the Department of Defence when calling out reservists are quite cumbersome and apply only to narrowly defined situations. One of the main consequences of this is that our reserves have not been able to reach levels of training that allow them to enter some arenas with competence. There has been a training and readiness distinction between the regular permanent service members and the reservists. By this I mean that permanent full-time service personnel have not felt confident that reservists could easily stand beside them in
all arenas and act with the benefit of the same training and skill. If reserves are to be efficient and effectively take their place beside permanent members in the field and fulfill support roles adequately, they must be trained and maintained at higher states of readiness. Obviously this training requirement will take extra time, and this will necessitate additional cost to the reservists in terms of time away from work, study and family life.

Extra time away from their normal living patterns can bring added burdens. Currently, reservists are afforded some protection of their employment status while serving, but their employers receive no payment in recognition of the cost of this protection. By protection I mean that while reservists are on duty or in training employers have to retain the positions for their reservists and are not allowed to demote them or in any other way penalise reservists for their absences—nor should they. Often the time off has been negotiated for holiday times or in good faith by the employer. What usually happens is that the other employees work harder, doing extra hours to fill the gap that the reservist has left. Obviously, paying that overtime for the existing staff will cost the employer extra money, and this was not properly recognised either by the government or the community.

In times of sound economic management such as has been demonstrated by this government, we now have a low unemployment rate that is dropping even further and a business sector that is growing. These conditions mean that the added pressure of covering time off for reserve service is becoming a disincentive for employers and employees alike to regard reserve service as even possible, let alone preferable. It is a fact that, in a fast growing economy, businesses are growing, there are opportunities for promotion and new technologies and products, and the development of niche markets. In this kind of business climate, it is difficult to justify absences of several weeks or months, because businesses must simply keep going.

Many of our current reservists, while proud and happy to serve, have to think seriously about leaving, as they are promoted through the ranks of their regular business. Those who are self-employed have a marvellous opportunity to grow their businesses with continued careful management and really cannot afford to disappear for weeks on end. So, ironically, our government’s success in creating a healthy environment for business has contributed to our difficulties in attracting and keeping high quality personnel in our ADF reserve forces. Because current provisions do not extend to self-employed people or students, both can suffer significant personal cost to fulfil their reserve service obligations. Consequently, our endeavours to recruit new reservists and retain the current ones are destined to be less than successful.

If the reserves, who currently make up approximately 42 per cent of our Australian Defence Force, are to have their numbers increased to about 50 per cent of the ADF, we need to provide encouragement. Therefore, in recognition of the costs involved in reserve service, we need to provide financial payments and other administrative arrangements. For example, most of us have loans, credit cards, mortgages or other accounts with regular payments required. A significant period of time overseas with a defence contingent may impact negatively on a person’s financial situation and credit rating if these payments are not met, thereby creating serious problems for their family members. With the enhanced ability of Defence to call on its reserves for duties on a full-time basis, we must look at addressing the needs created by that extra service requirement. This government is not encouraging a light-hearted approach to calling out the reserves. While the range of opportunities to use their services will be broadened, the reservists will be used only as necessary. I welcome the measures in the two bills and look forward to watching our reserve forces become more aligned to their permanent service counterparts.

Another facet of the changes brought about by this legislation is the benefit that employers will now receive in their reserve training being nationally recognised and accredited. Even the owner-operator who joins the reserves will find that much of the ADF training will stand them in good stead in their business. Much of the training can be
transferred to the workplace, and reserves will be well regarded for the standard of their training. Secondly, this government will provide a payment to employers in recognition of the costs of a protracted absence of their employees on ADF reserve duty or training. This payment will come into effect after the second week of absence and shall be equal to average weekly full-time adult ordinary earnings. Currently this would amount to $784.90 per week and is subject to tax. This will be paid to employers to make whatever arrangements they choose, whether it be to employ relief staff, to pay overtime to other staff, to contract out work or anything else. This payment, for the first time, will also be available to self-employed reservists.

Of course, in some professions the cost of losing an employee or leaving a business as the self-employed owner may be far greater than the payment provided. For example, the IT industry pays much higher salaries to its employees or contractors and is renowned for its tight deadlines. This could create an atmosphere where reservists were discouraged from continuing either in the industry or with their service and training obligations. Also, there are provisions to allow for increased payment to be negotiated.

In the defence community consultations held around Australia recently, the people supported the upgrade, funding and extension of our defence forces. There was no doubt about that whatsoever. Australians indicated that they wished to be proud of a defence force that was equipped, trained and ready to fulfil roles in local emergencies and disasters, and peace missions overseas in neighbouring countries, as well as defence emergencies elsewhere. We have already been extremely well represented by our ADF permanent and reserve personnel in East Timor, Bougainville, Rwanda, and other neighbouring countries. Similarly, the services played important roles during the Olympic Games here in Australia, and in times of floods, bushfires and other emergencies. Too, we must not forget and must respect the service of our servicemen and servicewomen in the many arenas of battle in which they have served around the world.

As the people of Australia have asked for the ADF to play a continuing role in the broad range of services indicated, we are likely to see our reserves participating in these fields. To that end, we must upgrade the training, equipment and experience of our reservists. This will necessarily take them away from their ordinary lives, more often for longer periods, to participate in the added training requirements. Of course, once we have given our current reservists extra training, they will need to maintain their level of training and gain regular, high-quality experience. For our new recruits we will also have to provide added induction training and perhaps more in-depth exercises. This will result in more work for other, more experienced, members who will have to design those exercises and create opportunities for reservists to gain the extra experience.

I also need to address the requirements of students. We have many schools and communities that support military cadet units. Gilmore has four units in the Shoalhaven and two in the Southern Highlands. Students and other young people gain a taste of military life on a regular basis and learn many new skills. I am on the record, both here and in Gilmore, as being an enthusiastic supporter of cadet programs, and I have been working for a considerable time to have the scheme widened to encompass community organisations such as surf lifesaving, rural fire services, state emergency services, national parks and wildlife services, police and the Red Cross. Many of our students who have served in cadets during their time at school continue on to join a reserve force as they leave school and become excellent, well-trained members of our defence force. Some enter into vocational training agreements or further education.

We need to make sure that reserve service enhances rather than hinders other training opportunities. For instance, some people may have to comply with certain conditions to retain scholarships, bursaries or apprenticeship agreements. This government is well known for its support of opportunities for further training and education for all Australians. Consequently, these bills make provi-
sion for administrative arrangements to protect those opportunities. Our students—primary, secondary or tertiary—are our future and we need to support their advancement opportunities.

Lastly, I want to talk about the ADF personnel who are leaving the services. It is in the best interests of this country not to lose their expertise and experience entirely. We need to give them good reason to join the reserve ranks on retirement from full-time employment in a permanent service. Part of that can be addressed by increasing the standing and status of the reserve forces. It needs to be an honour to be asked to join the reserves, and reserve forces must be perceived in a very positive manner by permanent service personnel. This can be attained through the proposed upgrade of our reserves training, equipment and experience. In my electorate of Gilmore there are approximately 1,600 full-time Navy, Army and Air Force personnel and 92 reservists. This is about 6.7 per cent of the total force available in Gilmore. In my electorate we have a significant community of former service personnel who are not in the reserves, and many are very active in the promotion of our reserves and cadets. As chair of the government committee on defence and veterans' affairs, I would like to see that percentage increase—not through further attrition of our current ADF but through a greater take-up rate of reserve duty.

Obviously, if reserves are to be used in conjunction with local emergency services in times of disaster or during major events like the recent Olympic Games, where 2,500 reserves were given roles to play, we need to have the community's backing. To that end, the Defence Reserves Support Committee will act as the peak body. It will provide advice to the minister and his department and act as the agent for consultation. Consultation will include employers, unions, professional bodies, young people, the education sector, the business sector, and the ethnic communities, and it will make certain that we all derive the greatest advantages from a high quality and well respected reserve force.

I look forward to a significant enhancement of the Australian Defence Force by the contribution of reserves, and I look forward to greater opportunities for reservists to earn respect and self esteem in the ADF as well as in the Australian community. I commend to the House the Defence Legislation Amendment (Enhancement of the Reserves and Modernisation) Bill 2000 and the Defence Reserve Service (Protection) Bill 2000. I compliment the Minister for Defence, the Minister for Veterans' Affairs, and the parliamentary secretary, Senator Abetz, who is in charge of the cadet services.

Mr PRICE (Chifley) (6.04 p.m.)—I rise to support the Defence Legislation Amendment (Enhancement of the Reserves and Modernisation) Bill 2000 and the Defence Reserve Service (Protection) Bill 2000. I want to be partisan for one minute and then, hopefully, not partisan. In terms of reserve protection, I think some credit should go to the opposition for getting the government to change their views on these matters. Now that they have changed their views, I think we should all welcome it. Perhaps you think that this is a most important change. It is, but the changes in this legislation are addressing longstanding problems that the reserve has had. In fact, I have a letter from General Glenny in which he says that his association has been arguing for these changes for 14 years.

I think it is really good that we have got these changes by way of legislation, but they are addressing longstanding problems. I note, for example, that we have Defence advisers in the advisers box. I would like to ask them to what extent they believe that these changes will change the picture as far as recruitment is concerned. In 1995-96, we were recruiting a bit over 5,500 reserves per year. In 1999-2000, it has dropped below 2,000 per year. Are the advisers—or the Parliamentary Secretary to the Minister for the Environment and Heritage who is at the table—able to tell us what the kick in the trend line will be as a result of these changes? I think it is important that they do so. I am trying to say that this is not addressing the current problems of the reserves. I think that, quite unfairly, the minister, in his remarks on these bills, has not given us an indication of
what the current problems are and how they are going to be tackled.

On the issue of mobilisation, I chaired a committee into peacekeeping that actually made that a recommendation. I am not trying to take credit for that; I am just saying that that was the first report process I chaired as chairman of the then Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade.

I think this is really important legislation, but it will be interesting to see how the government uses it. This is not some sort of theoretical debate that we are having in this parliament today. Why isn’t it theoretical? Because of East Timor. We ought not to try and reshape our defence forces on the basis of East Timor, but it gave us a hell of a wake-up call. That is not to say that people did not do good things and perform well in East Timor, but there were a huge number of problems. How did we use the reserves? Bear in mind that the ceiling—if I am not incorrect—for the reserves is about 27,000, we actually have 16,000 on the books and we had about 600 go over to East Timor. That was the first significant deployment of reserves, and they actually really enjoyed it.

Let me make a few observations about that. Firstly, what was being utilised was what I call ‘slot theory’; that is, the 16,000 reserves—costing $500 million or the total budget of the ABC—produced at the time of emergency 600 reservists who could not be sent in formed units but were used to slot and fill gaps. I am told they performed well. I do not think anyone in this House has said that in fact they were barrier tested. So, of those 16,000, the percentage of those who were volunteering actually represented the best of the reserves. And they did a good job, just like the regulars did, over there.

But, Mr Deputy Speaker, if you want to leave the reserves and rely on slot theory, you are really saying that the reserves are merely an expansion force to plug holes in the Regular Army. I think that is demeaning to the reserves—and the regulars, for that matter, but principally the reserves—to fully kit them out, would cost $4.5 billion. This figure has not been dismissed by the government. That gives you some idea of the obsolescent equipment provided to our reserves and of their underequipment.

The reserves are currently in the process of being re-roled. I do not think anyone is going to debate that. I understand that there was a conference two weeks ago in Canberra where new roles and tasks were discussed. I do not have a problem with that, because I understand how badly the reserves are roled and tasked at the moment. Having said that, I need to exclude the glamour units—that is, the doctors, lawyers, dentists and reconnaissance units. But the rest of the reserves are poorly tasked and roled.

What have we heard from the minister or from coalition members about this re-roling, and what does it mean? Let me give you an example. This legislation implies—it is not in the legislation—that there will be a new category, among five new categories, of a ‘high readiness reserve’. Again, I am someone who argues that having all these people sitting at 365 days readiness is absolutely ridiculous. But what does a ‘high readiness reserve’ mean? If you actually give them that new high readiness requirement, what extra investment are you putting in in terms of training? Please do not tell me that you are going to be able to do it under the existing guidelines. I just do not believe it. We have a duty of care, even for the Department of Defence. You have a duty of care where you actually have to provide people with the appropriate level of training to get that level of skill and readiness. So, if we are going to talk about reforms and changes, let us make sure they are realistic. Let us make sure that, if there is an additional investment required, we make that additional investment. Do not
carry on with the bulldust that somehow, under the existing budget, you are going to be able to do this.

What else can I say about the reserves? I would have thought that, given this new legislation affecting the reserves, the minister might have enunciated some principles around which he expects the reserves to be re-roled and restructured. I cannot really detect anything in his speech that rejects slot theory. I have to say to the advisers in the box that slot theory is anathema to those reserves. I have been around and talked to quite a few, and it is anathema to them. They definitely want to be able to deploy in formed units.

I will now address the issue of training. In the amendment we talk about the initial six weeks training being a disaster. It is a disaster. The theory of common training is well-intentioned, I might say—it is a principle I support. But I can demonstrate what the real problem is. When the Defence Force business representative and the Victorian Chamber of Commerce appeared before us during the inquiry culminating in the report *From phantom to force: towards a more efficient and effective army*, there was no agreement about the best way to approach employers. One thing I am very firm about is that we have to understand what it is that employers today can cope with. I have long argued that the practice payment we pay to doctors should be extended to other small businesses. I would be pleased to see that happen. But the issue is: in what blocks of time can employers best adapt to ADF training requirements for reservists? There is nothing in the minister’s statement that answers that fundamental question. I believe that when people sign up for the reserves they, like the regulars, want to do as quickly as possible the thing for which they signed up, whether that is shooting a rifle or driving a truck or an armoured vehicle. With the current regime of training—particularly in, say, a reserve comms unit—it takes years just to get through the basic training.

The report *From phantom to force: towards a more efficient and effective Army* proposed the introduction of flexibility in training. We should not try to apply a matrix across Australia for all Australian conditions. Maybe it would be easier for both reservists and their employers if reservists had an extended period of full-time training on a full-time payroll; the reservists would get their recruit training, including their training in manoeuvres, and their initial employment skill training in that first bout of full-time training. Depending on requirements, the training in New South Wales could be different from the training in Queensland or the training in Brisbane could be different from that in Townsville. There is nothing in this bill that allows the flexibility we need to train reservists. I put on the public record that I admire these people, because they volunteer their time knowing that they may be putting themselves in harm’s way on behalf of the nation. I believe that they ought to be supported, but they ought to be supported by realism.

The report *From phantom to force: towards a more efficient and effective army* was, I think, much misunderstood, because people felt it was recommending an expansion of the ADF. But what we said was that we wanted to cut the nine brigades down to four real brigades, and that there ought to be uniformity in those brigades. What is the lesson from East Timor? When the government fired up 1 Brigade, it scrounged manpower and equipment from everywhere to get the brigade up to the high level of readiness required, at a reported cost of $180 million. I supported that, but surely we cannot go through that again. I have to make a point about East Timor: if we had been required to sustain the initial force in East Timor over an extended period of time we could not have done it. Have honourable members present heard a coalition member or the minister say that? It has happened; it is no good living in the past or being critical about it—we have got to move on. But we have got to absorb that lesson. Just as it says in this report, I do not think it is unrealistic that we may need to sustain brigade level operations in one theatre for an extended period of time. We need to be able to rotate the brigades—that is, have two other brigades so that they can be rotated—to maintain a battalion level operation. It looked like the Solomons might have been a battalion level operation. How could
Australia have sustained that operation? We could not do it, given the structure of the Army today; in particular, given the structure of the reserves. I know the advisers think that this legislation will help—it will. But it will not solve the fundamental force structure problems, equipment problems and training problems that we have.

I support these measures. But I think that, at the end of the day, the reserves require leadership at two levels. They require leadership at ministerial level. Whether it is Minister Moore or whether it is Minister Scott, they should clearly enunciate the parameters for the changes that we are expecting. They should not be hidden as they are in this legislation. Mr Deputy Speaker Quick, do you understand that there are five categories of reservists in this legislation? Do the coalition members who are participating in this debate? I am not deprecating the genuineness of their interest in saying that. Do they understand that there are now five categories of reservists underpinning this legislation? Do the coalition members who are participating in this debate? I am not deprecating the genuineness of their interest in saying that. Do they understand that there are five categories of reservists underpinning this legislation? Do they understand that there are five categories of reservists underpinning this legislation?

I am trying to indicate to honourable members, and to reservists— they may not be listening but they might read the Hansard— that we have a window of opportunity here for real structural reform in the Army, not because I am saying it but because there are problems of block obsolescence. In fact, I was recently corrected. I usually say that I believe we have six or seven years in which to get our concepts, our force structure and our equipment right and to make the investment in those things. We have that window because if we do not do it within that time frame the requirements of Air Force and Navy mean that we are going to have to wait until 2020. Given the lessons of East Timor, we cannot afford to take the risk that the reform and restructuring will take place in 2020. Should there be some unforeseen disaster and we are forced to take back body bags, people will then ask why we did not make these changes.

In relation to From phantom to force, I am pleased to say that the committee has decided to bring down a second report on the consultation it has received back. Having been to 13 Brigade and 11 Brigade and with General Moylan, I know there is a lot in this report that Army accepts. We can have a debate about some of the issues, but the principle is this: we need uniformity in our structure so that if one brigade is deployed it can be sustained and rotated. We should have equipment that is mirrored through the Army, and if we have units that are not in threes, that is, cannot be sustained, then we have to really think about getting rid of those capabilities. Reservists deserve the best from their parliamentary representatives. I believe they are entitled to know what the political leadership in this place is proposing for them in terms of the quest to re-role and re-task them. In most defence matters we have a bipartisan debate, and there is an opportunity for that, but in the absence of leadership the government and the ministers will be failing the reserves.
Forces Day Council, a national independent organising committee which was established to celebrate the service and achievements of the reserve component, both past and present, of the Australian Defence Force.

The national chairman of the council is Sir Roden Cutler VC, and the Honourable Sir Laurence Street is deputy national and New South Wales chairman. Lieutenant Colonel John Moore (Retired) is the national executive and New South Wales deputy chairman; Major Frank Woodhams (Retired) is deputy national executive; Mathew Walsh is the secretary; Bruce Loynes is treasurer; and Lieutenant Colonel Charles Watson (Retired) is the public officer. It was my privilege to have been present last weekend at functions arranged by the Reserve Forces Day Council to commemorate the contribution of reservists to the Australian Defence Force since Federation. To commemorate Federation itself, the Reserve Forces Day Council arranged a reception in Centennial Park in Sydney where the six flags of the colony were flown and the Sydney Town Crier, Mr. Graham Keating, dressed in period costume as Lord Hopetoun, the first Australian Governor-General, read the original Proclamation of Federation by Queen Victoria.

The following morning, His Excellency Sir Gordon Samuels, Governor of New South Wales, and Admiral Chris Barrie, Chief of Defence Force, were received on parade in the beautiful grounds of Government House in Sydney. Mr Laurie Ferguson, the member for Reid, who is known as a good supporter of our reservists, was also present as were several members of the New South Wales state parliament who are also active members of the reserves themselves. I am aware of only one federal parliamentarian who is an active member of the reserves, and this year at the Reserve Forces Day Parade in Sydney I watched with pride as the Hon. Jackie Kelly, Minister for Sport and Recreation, proudly marched in uniform with her unit, the 22nd Squadron, which is stationed at Richmond.

Finally, on Saturday evening, 25 November, my husband and I were delighted to join the members of the council in welcoming His Excellency Sir Gordon Samuels, Governor of New South Wales, and Lady Samuels to a dinner at the Randwick Officers Mess. The activities last weekend formally marked the beginning of the Reserve Forces Day Council celebrations to recognise the role of those Australian citizens who have made a very personal contribution to the defence of Australia since Federation. Indeed, volunteer militia are very much part of our history.

The legislation before the House allows for the calling up of the ADF reserves for continuous full-time service and is a significant departure from past practice. While it is true that, during World War II, the federal government deployed the militia, that is, the reserve forces of the day, to the defence of Papua New Guinea, it was only done at the time on the basis that PNG was an Australian protectorate under the League of Nations. Consequently, the deployment of the militia to PNG was regarded as not being overseas. Otherwise, during the Second World War, reservists wanting to serve overseas had to join the regular forces. Except for the PNG decision, reserve forces remained in Australia, protecting Australia.

When the Citizen Military Forces, or the CMF, was formed in 1948, the same limitation restricting service to Australia was maintained. That policy continued after the CMF was restructured in the 1970s and renamed the reserve forces. As an island continent a long way from historical allies, Australia has always been defence conscious, right from the earliest days. For example, 7 September this year marked the 200th anniversary of the formation of the reservist local Sydney and Parramatta associations, formed for the defence of the largely defenceless fledgling colony. During the 19th century, the Australian colonies raised their own militias, starting with the South Australian Brigade of Volunteer Militias in 1840. The Volunteer NSW Rifles was formed in 1854. At different times these militias were called out during what were regarded as local emergencies such as the convict rebellion at Vinegar Hill in 1904, the 1861 uprising on a NSW goldfield and the 1890 maritime strike. Units formed from the militias saw service in the Sudan as part of the relief of Khartoum in 1885 and in the Boer War in South Africa.
from 1899 to 1902, where young men from the colonies were involved in serious action like the battle at Elands River where they distinguished themselves with exemplary valour.

Following Federation, in 1903 the various state colonies were amalgamated into a total force of 28,836. Of these, only 944 were regulars. The Defence Act 1903 stipulated that reservists could only be called out in response to a direct attack on Australia’s territorial integrity. Increasingly since the Second World War, this constraint has been seen as a major impediment to utilising the reserves in support of regular forces. In 1911, the new federal government introduced compulsory, part-time military training that continued, except for the interruption of the First World War, up to 1929. There was no Regular Army as such. Indeed, there was a full-time corps of staff officers and senior NCOs who were intended to provide the yeast in the citizenry dough in the event of mobilisation. In the wake of the Second World War, a Regular Army was created for the first time. Between 1951 and 1960, a universal National Service scheme was introduced that required conscripts to serve 98 days full time in the CMF. A voluntary, selective National Service scheme for the CMF operated from 1964 to 1972. In keeping with earlier conflicts, some volunteers from the CMF transferred to the regular forces and served in Vietnam. Today in East Timor, of the 1,550 ADF personnel in service with the 6th Royal Australian Regiment, 13 officers and 200 other ranks are from the Army Reserve. As at August this year, another 48 reservists were in Bougainville and 55 were in a rifle company at Butterworth in Malaysia. Over 2,500 reservists played an important support role contributing significantly to the safety and success of the Sydney Olympic Games and Paralympic Games.

Despite these achievements and a high level of performance in these operations that I have mentioned, for several decades now there has been an unease about the role of the ADF reserve and its predecessors. Up to about 1974, the reserves had been seen as a vague building block in the event of mobilisation. A comprehensive review of the reserves in 1974 recommended the concept of a total force that would integrate reserves and regulars. As a result, for the past 20 years or so, there has been a struggle to create a viable, integrated, total force. In theory, the reserve is an integral component of the ADF, providing sustainment and strategic depth for higher readiness elements. The reserve also is supposed to provide strategic depth for the ADF in the form of a mobilisation and expansion base that, in times of necessity, can be raised to operational levels of capability. The Army also uses the reserves to augment the regular force. To some extent, this is true. Many reservists and regulars have put a lot of hard work and thought into trying to make it work. Different approaches have been tried, but the concern about the successfulness of a viable integrated total force has persisted.

For example, in 1989, Exercise Kangaroo revealed the Army and the Air Force would require greater numbers of combat and combat related personnel with more modern equipment for widespread and round the clock operations in Northern Australia. In 1990, the Wrigley report argued that the regular forces should be able to sustain major operations for any length of time, even in Australia. It recommended a boost in reserve forces. In the same year, the Audit Office raised concerns about inadequacies in the organisation of the Army Reserve. The Defence Structure Review in the following year recommended the contracting out of certain activities to the commercial sector and the development of a new Ready Reserve program to compensate for losses in the regular forces. A few months later in 1991, the Joint Standing Committee on Foreign Affairs, Defence and Trade recommended major restructuring of the reserves and expressed serious concerns about the Ready Reserve program.

If history has taught national governments anything, it is that the defence of the nation is a dynamic process—ever in a constant state of flux, you might say. It requires continual review and adjustment of the composition of forces, their arms and equipment, the way forces are structured and the degree of readiness required of them. Change can
One major change in global security that has emerged since 1989 is the disintegration of the Soviet Union and the consequent evaporation of the 40-year Cold War. However, in its place is a new threat of a wide range of destabilising security problems, often at a regional level and ethnonationalistic in nature. Localised conflicts no longer contained by the two great Cold War superpowers are now the biggest threat to security. As a consequence, cooperative international peacekeeping operations have grown in number, size and complexity, and they have fluctuated in their demands upon Australia. As a middle order power and a good international citizen, Australia is required to pull its weight in international peacekeeping.

These peacekeeping operations provide both advantages and disadvantages to the ADF and Australian security. The advantages include good practical operational experience for ADF personnel that cannot be simulated in routine exercises. It allows the testing of training methods, equipment, systems and organisational capabilities in difficult and challenging situations over extended periods of time. It provides the opportunity for the ADF to interface with a variety of organisations and localities. Among the disadvantages are the wear and tear on equipment and the loss of training in the defence of Australia. In particular, the value of the peacekeeping experience is diminished when the peacekeeping requirement of Australia is not sufficient in size to match normal unit organisation, or indeed if the ADF does not have the capability of the required size.

In the past when United Nations peacekeeping operations were characterised by the establishment of buffer zones with small numbers of troops in static observation posts, the ADF’s ability to meet United Nations demands was not compromised by force structure limitations. Prior to 1964, that is prior to our involvement in Vietnam, the reserves provided the bulk of the United Nations observers because of the small size and the other priorities for the regular forces. The observers were drawn from the ranks of captain to colonel and were deployed for 12 months. After 1964, peacekeepers were drawn largely from regular forces. In recent years, the trend has been for Australia to contribute military forces to larger, more complex United Nations missions. This has placed greater strain on Australia’s ability to rapidly and flexibly expand. Our ADF needs to be better able to stretch or surge and contract as required, and with more safety to our own territorial security. I note that the 1994 report of the Joint Standing Committee on Foreign Affairs, Defence and Trade titled Australia’s participation in peacekeeping said:

According to General Baker, to keep one unit in the field two similar units are needed out of the field. One of these units will be preparing to replace the unit in the field; the other unit will have recently returned from the field. It takes about six months after its return from an operation to get a unit back to full operational capability, to reconstitute it at high state of readiness.

The report also noted that the 1993 commitment to UNITAF in Somalia demonstrated the ADF’s inability to meet the requirements of the changing situation within Somalia. It was the view of the committee that the commitment of four months duration stretched the resources of the ADF beyond acceptable limits. If the First Infantry Battalion had been required to stay longer in Somalia, and consequently had needed to be rotated, it would have been very difficult to do so because of manpower limitations. There is no doubt that the otherwise successful Somalia deployment revealed serious weaknesses in Australia’s combat capability.

Australia’s military commitment to East Timor raised these fears. I thank God that the operation had such a successful humanitarian, democratic and military outcome and with so few casualties. Despite the success in East Timor, the question still remains: how can we get more combat capability into the Army in particular? It is a vitally important question for our regional commitments and options and for peacekeeping missions. I believe that the answer to that question lies within this bill.

In 1988, the legislative provisions in the Defence Act for call-out of the reserve forces in times of war, or defence emergency, were
extended to permit their call-out for the defence of Australia ‘otherwise than in time of war or defence emergency’. This was intended to provide increased flexibility in the use of the reserves. However, the words ‘for the defence of Australia’ effectively prevented call-out of the Reserves for peacekeeping, unless the peacekeeping operation could be justified as being essential for the ‘defence of Australia’.

The problem of the utilisation of the reserve as a component of a total force has been the impediments that flow from the legislative constraint to its utilisation, no matter how far it has been loosened to date. This has been recognised for some time. The 1994 defence white paper entitled Defending Australia said this about call-out powers:

Such arrangements are constrained in peace by what can be demanded of citizens who volunteer to defend Australia when needed. Part-time military service competes with civilian employment, family life and other interests.

The defence white paper went on to say:

The government is considering the protection of Reserves’ interest on call-out by guaranteeing a return to their place of employment, offering financial compensation for employers, deferring tertiary studies and other employment-related training or education, re-instating employment-related licences which may have lapsed, assisting with the member’s family home mortgage in defined circumstances, providing assistance with the welfare of Reserve members families, and offering a call-out gratuity payment.

This bill will put in place financial protection for members of the reserve who have been called out while safeguarding the interests of their lenders. It will authorise payment of compensation, incentives or benefits to employers or business partners of reservists as a result of the reservists’ service. It will be an offence to dismiss or discriminate or refuse to employ a person on the basis that they are a reservist, with mediation and conciliation provisions. I am also confident it will lead to the long sought achievement of a total integrated force. In the report Australia’s participation in peacekeeping, Professor Dibb pointed out:

If you are thinking about a total force, and indeed a total army, you cannot have a First Eleven and a Second Eleven ... To have a total force it must mean exactly that. A First Eleven and a Second Eleven situation—and there is still a tendency to think like that in some quarters—is only exacerbated when you exclude people from opportunities to participate in areas such as the United Nations, with all the interest, professional training and, indeed, prestige that brings about.

This legislation will enable the call-out of reserves for peacekeeping, peace enforcement, humanitarian assistance, civil aid and disaster relief, as well as for warlike service and defence preparation. This legislation represents a giant step forward in removing many of the anxieties that have surrounded the Australian Defence Force for almost half a century. It will put the ADF on a new millennium footing. It is a realistic response to contemporary security threats in the post Cold War era. It will give added confidence to the men and women of the regular ADF who have put their lives on the line in the interests of protecting Australia. These bills provide a new dawn in the defence of Australia. I commend these bills to the House.
consultation team. In that particular report—and it is important to state it here—it was said:

Reserve forces were recognised by the community as an integral part of our national identity and were seen to play an important role in support of the regular forces of the ADF. They are a practical expression of community support for the ADF and in many locations provide the only tangible contact the community has with the Defence Force.

These sentiments were echoed repeatedly during our visits around the country. Obviously one of the major themes that arose out of that was that they wanted to be deemed to be full partners in the ADF and, in my discussions with the executive of the Defence Reserves Association of Victoria, that was something that they felt quite strongly about.

I will just touch briefly on the legislation and then some concerns, as I said, that have been expressed to me by members of the Defence Reserves Association about the process and the aftermath of this. According to the legislation brief, these two bills represent the first stage of a process of modernising the structure of the reserves—we would not contest that—by providing that the ADF will basically provide a permanent force and a reserve force for each of the three services. We are obviously establishing regulations that will have five categories of reserve service: the high readiness active reservists, high readiness specialist reservists, active reservists, stand-by reservists and retired reservists. Also, the bills empower Defence to implement an employer support payment—the current estimate is $784.90 per week—to compensate employers who incur disruption and additional expense because of the absence of an employee on extended reserve leave.

The Defence Reserve Service (Protection) Bill 2000 talks about implementing a graduated series of protections and benefits that will apply to various forms of service in the reserves, including a prohibition on discrimination in employment, and rights to defer and resume studies and to postpone certain financial liabilities. This bill is the government’s response to Labor’s own Defence (Re-establishment) Amendment Bill 1999, which was supported by significant portions of the Defence Reserves community.

Whilst we welcome this legislation, concern has certainly been expressed in more general terms and certainly by the Defence Reserves Association. I would like to document some of the representations that I have received from an executive member of the Defence Reserves Association of Victoria, Kevin Walsh, who was the treasurer of that particular organisation and is someone that I have had a fair bit to do with. Kevin has been a member of the Defence Reserves for 21 years and is someone who has actually received a Reserve Force Decoration. He has been speaking to me on an ongoing basis about the concerns of the defence reservists in my electorate. I have about 70 active members, most of whom serve in the 22 Battery 2/10 Medium Regiment at Lonsdale Street in Dandenong, not far away from my office.

One of the concerns he articulated, particularly when he was aware of this bill, was that the Liberal government when it was first elected in 1996, when Bronwyn Bishop was the relevant minister, promised that this legislation would be a priority. His perception was that it sat in her too-hard basket for the full term of government. The Defence Reserves Association and others have repeatedly brought the need for this legislation to the attention of this government. Last year, Kim Beazley introduced a private member’s bill on this subject.

One thing Kevin feels particularly bitter about is the plight of those reservists who served in East Timor. He said, ‘Some might say better late than never, but this legislation is too late to protect the jobs of hundreds of reservists who volunteered to serve in East Timor.’ I think that is a fairly damning indictment of the government, which took a lot of credit for those who were sent overseas. This particular individual, who represents a number of those people, said that those reservists feel that these protections were offered too late and they feel pretty bitter about the government’s lack of protection at that time. He also expressed a concern about his perception of how far the government had
run down the Defence Reserves and the Defence Force. He felt that the lack of a coherent policy on reservists at Defence headquarters resulted in the failure to mobilise parts of the reserves when commitment to East Timor became probable. This left Australia, in effect, without adequate ground forces for some 90 days. That is of great concern, and it should be of great concern to many members in the community that the perception of this particular individual is that, as a consequence of this government’s lack of coherent policy with respect to this issue, Australia was without adequate ground forces for its own self-protection for some 90 days. In his words:

Sending our troops to East Timor without having troops immediately available as backup for contingencies was like driving in a car race without wearing seatbelts. We risked a catastrophe. I believe the reason for this failure was a lack of attention to the problems associated with mobilising the reserves, and this was borne out in the joint parliamentary committee report From phantom to force where the deterrent effect of a well understood mobilisation plan was recognised. One of the great contributions reservists bring is that they are a key component in the sustainment of the force.

Also, in his perception, the reservists, due to their lower category of readiness, were cheaper to maintain. They were his particular concerns. In 1996, the coalition had promised to accelerate the legislation to protect the reservist civilian jobs but it failed to deliver. We basically introduced a bill in 1999 to ensure that that happened, and we have waited until now to actually get that bill into place. I think it is a testament to the people who went over to Timor from the Defence Reserves. Commenting in an article in the Sun-Herald on 13 August, our spokesperson on defence personnel, Laurie Ferguson, said that their personal commitment had been crucial to the ability of the Defence Force to sustain just the East Timor and Bougainville deployments. They put the national interest first despite threats to their personal employment security and long-term promotional prospects. And it is his belief that the coalition totally failed to legislate properly to protect their civilian employment. That was that particular situation.

It is important to provide a level of encouragement to those who wish to join both the Regular Army and the Defence Reserves because we have scarce defence resources, and we must acknowledge this. In particular, as I said, one of the resources that Australia is short of is people. In a speech that Kim Beazley gave in Sydney recently he said, ‘Defending around 10 per cent of the earth’s surface with 50,000 full-time personnel is a tough assignment.’

It should be recognised that there are challenges in military life, especially the toll it takes on the family. Certainly we were committed to providing service men and women with a package of pay, conditions of service and other benefits, including housing, designed specifically around the special nature of military service. In the words of Kim Beazley, and also echoed by the Defence Reserves Association, the things that reservists found difficult to understand were that the coalition government legislated to remove defence leave for reservists as an allowable award matter, considered privatising the Defence Housing Authority and questioned the future of the independent Defence Force Remuneration Tribunal. Most starkly of all, it chose to treat defence personnel entitlements as perks to be reported on group certificates—a position from which it only partially relented under sustained pressure, whilst still leaving anomalies that needed addressing.

Whilst the government’s rhetoric has been quite optimistic and fulsome, the reality—what the Defence Reserves are feeling—is completely different. A further comment about reservists’ conditions from the perspective of the Defence Reserves Association was characterised in a submission to me as ‘out-of-date pay and conditions’. Over time, Defence Reserves conditions of service have stagnated and are now out of step with contemporary remuneration practice. Current human resource practice states that the fundamental purpose of any remuneration scheme is to attract and retain adequate skilled staff. At a time when defence reliance on Defence Reserves to fill its positions is undeniable and the government is on record as committing itself to increasing that reli-
The recruiting of those in the Regular Army and the Defence Reserve is interesting and is touched on in the community consultation paper. A section of that paper—which is particularly pertinent to my electorate—states:

Another factor that received much adverse comment was the centralisation of Reserve recruiting away from the more traditional practice of localised recruiting. It was argued that localised recruiting had proved successful in the past and was still practised successfully in more remote areas, notably the Regional Force Surveillance Units. The prospect of the contracting out of the recruiting function to a civilian firm was also generally believed to be a step in the wrong direction and likely to fail.

That is certainly the perspective in Dandenong. The government recently closed a Defence Force recruitment office that had been in the Dandenong area for 10 years and handed recruitment over to Manpower. One individual expressed concern that an American company was recruiting Australian defence service personnel. He was quite stunned that the government would do that, given the security concerns involved. He considered the move to be not just a concern or a case of outsourcing gone too far but a potential security breach.

Another problem that has not been addressed adequately is the issue of common induction training. According to representations, the rigid six-week CIT has been a disaster for recruiting—as we all know. The government has been incredibly slow to recognise the adverse effects that this has had on recruiting. It is interesting to note that when the ADF commissioned New Focus Research Pty Ltd to conduct market research into employees and potential recruits in Victoria and Perth—and a copy of that report has been sighted—it found that:

The concept of six weeks up-front training for Army Reserves is seriously out of step with the real world of business. Apart from the time-off issue, employers struggle to see the benefits to them of releasing staff for this period of time. Legislation would be the only thing that would make employers release staff for six weeks but the result would be potentially discriminatory against recruits, with employers finding a legitimate reason to employ someone else.

There are potential difficulties in that area that obviously have not been addressed. Other obvious issues were defence leave for reservists and award protection for reservists. It was stated:

There is no award protection as of right for reservists. The current government abolished this.

There is then the hoary issue of compensation for the income effect of the GST. Whilst people may say that Labor members have a particular barrow to push in this area, I have received three specific representations from members of the Defence Reserves Association of Victoria discussing this point. These people want their services to be valued and acknowledged. Whilst other individuals received general compensation for the GST, the Defence Reserves did not because their salaries have a tax-free component. They did not receive the top-up payment. Their concerns about this anomaly have been addressed to me. I received a letter about this issue from Kevin Walsh, who refers to employers being compensated to release defence reservists. He states:

What then is happening with the conditions of service for the reservists themselves?

You may not know this but the Defence Minister has stated that the Defence Reserves will be denied 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 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.

While I have heard many members speak this evening about the government’s recognition of, and protection for, reservists, the government continues to fail to address several key issues.

The government has introduced other adverse changes, such as the abandonment of the RFD award and anomalies with the home loan benefit scheme. Because of the wording of the act, some people who appeared to be rendering good service failed to meet the eligibility criteria. There was also a decision to issue group certificates for those receiving a housing loan benefit—as was touched on before. It should be noted that the housing loan benefit was introduced by the current Liberal government and accrues as a result of the tax-free service. Not only are reservists not getting GST compensation, they are being slugged by this additional impost. The decision to issue group certificates required by legislation runs counter to the long-standing tradition that reserve service is tax free.

There is also concern about the use of regular officers in reserve postings. The replacement of reserve commanders of reserve units by regular commanders was a change made during the term of the current government. More and more difficult requirements have been imposed upon reservists by regular commanders who are not sensitive to the delicate balancing act required of reservists. Reservists must balance their service as an additional part-time job in competition with their full-time employment in the civilian workforce. Yet another concern is reservists made redundant without compensation. To my knowledge, reservists are the only employees in Australia who can be made redundant—not fired—without attracting any compensation payment. People so treated are often well known in their communities and do not make good ambassadors for defence.

All of these particular changes were made by the current government and have had an adverse effect on the already poor conditions of service of the reservists. The perception of these members of the Defence Reserves Association is that part of that has resulted in the collapse of recruiting. The result of this approach, as would be expected, is that there has been a huge fall in recruiting and a large increase in the number of reservists discharging—indeed, recruiting fell near 31 per cent as little as two years ago, with an overall 9,000 reduction in strength in the last year alone. Indeed, the Defence Reserves Association has frequently stated that the removal of realistic promotional opportunity and the almost impossible six weeks of common induction training were so unrealistic as to be only understandable as a deliberate attempt to destroy the reserve.

Reference has been made to the issue of high-quality training. Reservists generally, when funds are available, receive high-quality training. The problem has been that its value has been depreciated by Defence Command. Then reference is made to the issue of sustained funding. In the situation of global budgets that have been the case historically, the practice of raiding reserve resources to cover overspends in other parts of the Defence Force has been commonplace. This has resulted in situations where, for example, the 28 rounds needed to qualify for the Army individual readiness notice system have been unavailable. I find it absolutely staggering that you have a situation where people cannot have the 28 rounds needed to qualify for the Army individual readiness notice, as a consequence of this government’s policies. I think that is an outrage.

Other cost savings measures have included not paying soldiers for their legal entitlements, and paying soldiers for two hours and then expecting them to work three or even five hours. As for adequate consultation:

Any analysis of the catastrophic collapse in Reserve recruiting would have revealed that there were significant issues with conditions of service. That these matters have not been addressed is symptomatic of the lack of consultation by the present government.

These concerns have been quite clearly articulated by prominent members of the Defence Reserves Association—and that is
something that is certainly worth keeping in mind. In fact, one particular individual went so far as to compare the situation with the current government’s treatment of defence forces with the situation that we faced prior to the Second World War. He there spoke about the lack of preparedness and our dependence on the Singapore strategy. I will not go into that because there are some fairly controversial statements that are made. But I think that analogy is a good one: that we have people that we are relying upon to defend our nation—people who are sacrificing their time from their families, who in some senses are prepared to sacrifice their life for their country—and they are not getting adequate recognition by this government. (Time expired)

Mr LINDSAY (Herbert) (7.02 p.m.)—At the beginning of my contribution, I must say that I was extraordinarily surprised that the member for Holt, at the start of his contribution, made the observation that the current government had been running down the services quite considerably during its time in office. I would remind the member for Holt about his party’s performance in 13 years in relation to the defence forces. I would remind him of Labor’s record. Labor’s record goes like this: the Australian Defence Force’s personnel numbers were cut and little was done to increase combat capability. Combat capability ran down and the Army’s self-assessment, after 13 years of Labor was: 

... units were not adequately prepared for combat. Army lacks sufficient combat power. With some exceptions, units are understaffed, poorly equipped and have a low readiness level.

I would also observe that Commonwealth expenditure on defence was steadily reduced under Labor, with defence outlays as a proportion of total budget outlays falling from 9.4 per cent before Labor down to eight per cent after 13 years. Administrative inefficiency was rife, and I have been made aware of that time and time again in talking to members of the Defence Force. They know it now, they knew it then—and, of course, I speak with some authority, having Australia’s largest defence base in my particular electorate.

Mr Brough interjecting—

Mr LINDSAY—Labor ordered submarines, as the parliamentary secretary quite rightly observes, and frigates fitted for, but not with, an adequate weapons system. Can you believe that? Frigates fitted for a system but not with the system. This left serious gaps in Australia’s defence. Then there was the defence mismanagement and neglect. There were the financial disasters of JORN. There was the purchase in 1993, and subsequent refit, of two amphibious transport craft—and that was so poorly constructed that the project cost blew out from $61 million to nearly $400 million. That is the kind of administrative inefficiency that Labor left us with. Of course, the Collins project, now two years behind schedule, is now quite legendary for showing how not to spend defence dollars. I would point out to you, Mr Deputy Speaker, and I would observe, that the minister in charge of that particular project was the current Leader of the Opposition. It was he as defence minister who gave taxpayers the Collins class blow-out, and as finance minister he gave us then the $10 billion black hole.

Contrasting that, there have been a number of coalition initiatives and achievements that have gone over extraordinarily well in the defence community and for the defence forces. Certainly not since we were elected have we cut funding; you are aware of that, Mr Deputy Speaker. We have maintained that and, of course, having now recovered and got the budget back into the black and in a much better and healthier position, we are now in a position to increase, in real terms, spending on defence. We will see that announced next Wednesday with the release of the defence white paper, which you are also aware of. I am certainly very much looking forward to that. I think that will be a landmark and something that the government will be very proud of. I know that the Australian defence forces certainly also are looking forward to the white paper and where we might go from there.

We have had some marvellous achievements in the last three years with the delivery of major equipment projects and the approving of these particular projects: the Hornet upgrade, the anti-ship missile defence
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upgrade, infantry mobility vehicles, the Chinook helicopters, the attack helicopters and so on. There are a number of very good stories there. We certainly have improved the management of the Australian Defence Force, and there has been an awful lot done in that regard. We have strengthened the alliances and the regional ties that we have. We have certainly got closer ties to Australian industry. We have supported personnel and building community links—and the bills before the parliament tonight are certainly part of that.

I speak to the parliament tonight as the federal parliamentary representative of a garrison electorate. The twin cities of Townsville and Thuringowa consider themselves as garrison cities and have since World War II when they had over 100,000 Americans in the city and were the prime base for the Battle of the Coral Sea. A lot of history came out of Townsville at that time. Since then we have had a very close association with the Australian defence forces. As I said earlier, Australia's largest defence component is in the seat of Herbert at Townsville and Thuringowa. We have got the Army at Lavarack Barracks and the RAAF at RAAF Townsville.

Mr Brough interjecting—

Mr LINDSAY—And soon we are to have the Navy. We are spending right now about $139 million at Lavarack, another $70 million at RAAF Townsville and there is more to come next year, which is terrific. Defence Force personnel make a valuable contribution not only to our community but to our country. As members would be aware, the Defence Force reserves also make a vital contribution to defence. I speak with some authority on that too with the reserve unit 11 Brigade based in Townsville under Brigadier Ian Flawith and his people. Recently 11 Brigade have had their mission upgraded. They have a real job. Their job is to protect the joint deployable force headquarters from 1 Division when it deploys and wherever it might deploy. That is a very important job for 11 Brigade, and I know they are keen to do that job well.

Reservists now make up about 42 per cent of the total Australian Defence Force and predictions are that that is going to grow to around 50 per cent in the not too distant future. The Defence Force relies on reserves for the effective conduct and sustainment of operations. In that sense I am pleased to see 11 Brigade, the reserve brigade in Townsville, is in the process of moving to Lavarack Barracks, so it will be co-located with 3rd Brigade, the ready deployment force for Australia. The new brigadier who has just been posted to Townsville, Brigadier Mark Kelly, was in the parliament today. It will be good to see him take over his post early next month.

Thirteen officers and 200 other ranks served with the 6th Battalion of the Royal Australian Regiment group in East Timor, supported by 200 reservists on full-time service back in Australia; 2,500 reservists supported the recent Olympic and Paralympic Games; currently reservists are serving in Bougainville and Butterworth; and reservists routinely support Defence Force operations overseas such as the previous operations in Africa and the tidal disaster that occurred in Papua New Guinea. This legislation sees important changes to the Defence Act 1903, the Naval Defence Act 1910 and the Air Force Act 1923 and the provision of a new act to replace and repeal the current Defence (Re-establishment) Act 1965. The protection bill will protect and support reservists and their employers in their vital role in the defence of this nation.

The legislation will enable the call-out of reservists for peacekeeping, peace enforcement, humanitarian assistance, civil aid and disaster relief as well as for warlike service and defence preparation. The Peacock report was released a couple of weeks ago following unique community consultation around Australia to see what Australians thought should be the role of the Defence Force. It came out very clearly that Australians not only wanted a Defence Force that could respond to warlike operations and the defence of the country but also wanted our Defence Force to have a role in peacekeeping and humanitarian assistance. I believe next week we will see that component incorporated in the Defence white paper and I think the people of Australia will be very pleased and
proud that that is the direction in which our Defence Force is heading.

I believe this legislation greatly enhances our Defence Force. It will allow the Defence Force to operate in all circumstances as an integrated total force. There will be a more usable and effective reserve, making an important contribution to the generation, delivery and sustainment of defence capability. The government does not intend to regularly call out reservists under the new legislation but will exercise this option only in times of exceptional need. The need for changes to the call-out of reserves was identified in the government’s public discussion paper ‘Defence Review’ in June 2000, in the report of the Joint Committee on Foreign Affairs, Defence and Trade into Australia’s participation in peacekeeping of December 1994 and in the Ready Reserve review undertaken by Lieutenant General John Coates and Dr Hugh Smith in June 1995. The need for a code of protection for reservists was also identified by the government in the public discussion paper, the Defence white paper of 1994, in the JCFADT report into peacekeeping and in the Standish report of 1988.

Currently there is a measure of employment protection provided by the re-establishment act; however, this is now outdated and is in urgent need of review. Most reservists have civilian duties which can detract from their availability for training and operational service. The nature and precise level of protection will always vary depending on the service being provided by the member. A reasonable level of protection should always be available. The government certainly strongly believes in that.

Without protection, reservists and, just as importantly, their families might be very severely disadvantaged by reserve service. I am pleased that this legislation significantly enhances their job and education protection. I believe this will lead to a much higher number of reservists volunteering to complete a tour of duty of full-time service in support of operations. This will also breathe much needed new life and a sense of rejuvenation into the Australian Defence Force. Financial protection will be made available to reservists after call-out, also safeguarding the interests of lenders and financiers. These protections include the rescheduling of mortgages, loan and hire purchase payments and interest. There will also be the postponement of execution, distress and bankruptcy procedures, the restriction of partnership dissolution and, on the completion of full-time service, the provision of an entitlement for re-establishment loans. Not to be forgotten in all of this are the employers of reservists. The government fully acknowledges the vital contribution that the employer makes.

As Australia becomes an increasingly competitive economic powerhouse, many employers whom I have spoken with in Townsville and Thuringowa who have been traditional supporters of the reserves—and I pay particular tribute to Merv Short and his committee—find it difficult or inconvenient to release reservists for training or service. That is why I am extremely pleased that, in recognition of this, this legislation will authorise the Minister for Defence to make determinations for the payment of compensation, incentives or benefits to employers, business and professional partners arising from a member’s absence on defence service.

Reservists can be confident that, when they undertake extended training or operational service, their job will be protected. Importantly, employers can be assured that they will be adequately compensated when releasing employees for extended periods of reserve service. More good news from this legislation is that, as with the Defence (Re-establishment) Act, various forms of unacceptable conduct towards reservists will be prohibited under the protection act. Although circumstances are rare and the support of employers, as I said earlier, was welcomed, it will be an offence to dismiss, discriminate against or refuse to employ a person on the basis that they are a reservist. It is hoped that, in rare cases, mediation and conciliation with employers in the vast majority of cases will resolve any problems.

About four weeks ago, I was talking to some officers in the United States defence force. They were talking to me about the difficulty that their employers in the United
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States had with the reserve system. I think that, having seen this legislation, it might well be the case that the Americans could model some similar legislation on what is before the parliament tonight. Certainly it is a tribute to the minister, Bruce Scott, for bringing this legislation to the parliament and for looking after both the employers and the reservists in the way that this legislation does.

As members of this House would be aware, under the current legislation the services are split into permanent, emergency and reserve forces, which causes significant inefficiencies and a great deal of bureaucracy. This will be replaced by a unified reserve component in each service, administered under a single system. I know that there have been one or two small concerns about administration under a single system but, as with all new arrangements, there are always transitional issues. We will work our way through those, and the reservists and the regulars will work their way through them. I have no doubt that a single system will work best in the long run for the ADF.

I have been asked by my constituents: what is this going to cost? In the budget in May, $20 million was allocated for the measure in the bills tonight, which includes the enhancement of the accreditation process of the skills of reservists and getting those skills and competencies nationally accredited. There is also going to be a communication strategy as part of this package to make sure that we communicate the message to employers and self-employed reservists right around Australia. That is welcome money in the budget, and it covers what might be needed to implement this legislation.

The legislation implements recommendations from the Joint Standing Committee on Foreign Affairs, Defence and Trade’s report into the Australian Defence Force reserves in 1991 and the 1994 white paper that the structure and types of service available within the reserves be streamlined and standardised. Defence will undertake the necessary steps over the next 12 months to achieve this major revamping and upgrade of the existing reserve personnel management system. The bills also contain a number of other important initiatives. Defence will be empowered to offer flexible packages of defence service to prospective recruits and re-enlistees. The new flexible personnel management system will assist recruiting and retention in the permanent forces and reserves and will ensure that the community gains the maximum possible benefit from the professional, highly trained members of the Defence Force.

The bills address issues that have been wrestled with for many years. Firstly, they address the issue of how we get employees in a very tight and fast growing economy to support people who want to give up their time to be members of our reserves. People will feel a lot more comfortable about being able to say, ‘I want to be a member of the reserves,’ which will enhance the quality of recruiting. Secondly, from an employer’s perspective, if you look at the whole package, the support package enables an employer to deal with the loss of productivity when a reservist is off serving with the ADF. It acknowledges the training and the skills that the reservist is bringing back to the employer. For all those reasons, employers will now support this scheme pretty thoroughly and reservists can feel comfortable about being a close part of the ADF.

I believe that, when passed, this legislation will ensure that the reserve of the future will be very different from the reserve that we have known in the past. More than ever, it will play a pivotal role in maintaining and strengthening our defence capability. These proactive bills reflect the modern make-up of Australia’s society in the new millennium and the modern make-up of the Defence Force. They will result in a defence force that all Australians can have an ongoing sense of pride in and a defence force that will be efficient and capable. I congratulate the minister on this legislation and endorse it in its entirety.

Mr Cox (Kingston) (7.22 p.m.)—Reserves are one of the principal assets of the Australian Defence Force. Our reliance on them will increase in coming years, if we are to develop an appropriate level of capability and sustainability. The recent deployment to East Timor drove this message home. It
demonstrated the country’s limitations if we were forced in a larger contingency to rely on our present force structure. The pressure that was placed on the ADF in Timor, particularly to provide personnel for rotation, would have been greatly reduced had the Howard government not abolished the Ready Reserve scheme set up under Labor after the Wrigley review and the 1991 white paper. That was one of a number of short-sighted decisions by this government that have cost the nation dearly in terms of defence capability. I hope we will receive some recognition in the forthcoming Defence white paper of some of these problems, even if the government will not admit the true cause of those problems, and that some action will be taken towards their rectification.

The reason the government abolished the Ready Reserve was that Labor had created it. I frequently meet people in my electorate who believe we should reintroduce national service. Usually they are people who did national service in the 1950s and who recognise the benefits they had derived from that training. I explain to them that, quite apart from the issue of compulsion, that was a different time and the threat scenarios were different. Military training and full-time service are expensive. We cannot afford to use scarce defence resources where there is not a clearly defined defence need. In the Ready Reserves we had a substantial force of well-motivated and well-trained volunteers who were fulfilling, in terms of their capability and readiness, a defined defence need. They were providing that capability with savings of 30 to 40 per cent of the cost if regulars had been used to provide the same capability. Yet the Howard government abolished them. As the shadow defence minister, the member for Cunningham, said this morning, reserve recruiting is down from 6,000 per annum then to 1,600 now.

Those Ready Reserves did a year’s full-time training. They then undertook part-time service for the following five years. This was particularly useful for tertiary students, who received a year of full-time work before commencing study, had their tertiary fees paid by Defence and had a reliable source of income from parades and training camps over the succeeding years while they were studying. They were effective soldiers, and the structure of their training ensured they had appropriate individual and collective skills for the operations on which they were liable to be called out. It was a cost-effective means of providing an essential force element that did not require the maintenance of full-time forces.

The problems faced by the ADF in managing the personnel requirements of Australia’s East Timor deployments were a wake-up call. That wake-up call has already been heard by the Defence Subcommittee of the Joint Standing Committee of Foreign Affairs, Defence and Trade in its report From phantom to force. That report raises a number of critical issues: a lack of planning for expansion and sustainability; force elements that do not have an adequate number of personnel for deployment; problems recruiting and training reserves; and an impending financial crisis in the Defence budget because of rising personnel costs. This problem with funding defence personnel costs was based on an analysis undertaken by Mr Derek Woolner. Mr Woolner has assumed a yearly increase in personnel costs of four per cent but supplementation to the Defence budget of only 1.5 per cent on account of those costs. He concluded that by 2009—assuming the Army’s wages remain fixed as a proportion of total defence expenditure—defence spending will have to rise to 2.5 per cent of GDP simply to handle growth in personnel costs, or alternative methods will have to be found to meet the Army’s personnel requirement.

Defence spending is currently 1.8 per cent of GDP, so an increase to 2.5 per cent represents a very large and real fiscal problem. That problem would not be as large now if the Howard government had not abandoned the most appropriate alternative method of meeting the Army’s personnel requirement. I want to make the qualification here that I have not examined all of the assumptions underlying Mr Woolner’s analysis. As I have not attempted the analysis myself, I am not able to offer a well-considered assessment of its validity, but neither do I accept it uncritically, because to do so could lead to an exaggerated or inappropriate policy response.
That is code for committing too much money on too little analysis, when better outcomes could be achieved without as large a contribution of additional resources. However, it is exercises like Mr Woolner’s that can focus errant ministerial minds on a significant emerging problem.

The big lesson for the Howard government is that defence personnel are expensive to recruit, train and maintain. High levels of readiness increase the costs of maintaining regular military personnel by a substantial additional factor. For any given level of resources applied to defence, there is a set of potential trade-offs between the number of personnel, the level of readiness and the amount of money that can be committed to the acquisition of platforms and weapons systems that will enhance capabilities. It is for that reason that much more analytical effort needs to be applied to optimising the personnel component of the force structure, to meet the contingencies the ADF must be prepared to deal with.

Properly trained reserves offer the most cost-effective means of providing for expansion and sustainability. That is not to imply that their role is limited to making up the numbers on a shortened warning time than for new recruits. Other countries’ military forces, most notably those of the United States, make much greater use of reserves than Australia does. Reserves offer the opportunity to maintain elements with particular skills that are at a higher level than is available amongst existing regular forces. The most obvious example of this is medical staff. A trauma surgeon from a major public hospital is going to be at a high state of readiness to be sent to a field hospital in a combat zone. Similarly, with the revolution in military affairs, there will be technical specialists who are needed only on a part-time basis who can offer high levels of capability that may be costly and difficult to maintain on a full-time basis. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

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

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be taken into consideration at the next sitting.

QUESTIONS TO THE SPEAKER

Ruling by Mr Speaker

Mr McMULLAN (7.30 p.m.)—I just wanted to ask you a question, if I might have indulgence to do so, Mr Speaker. Is this an appropriate time?

Mr SPEAKER—It will need to be a short question.

Mr McMULLAN—It will; I promise. It relates to the matter which I raised with you at the end of question time, and about which no further action has taken place in this House, concerning the statements by the Minister for Employment Services. You will recall that I asked you—and the Leader of the Opposition asked you—to get the minister to come back to the House and withdraw the remarks. You undertook to respond to me, which you did. That was a private conversation so I will not disclose it, but I was grateful for the fact that you did that. I wondered if you could advise the House of the outcome of your considerations of the matter which we raised.

Mr SPEAKER—I am happy to respond briefly by saying that I have spoken to the minister. I understand the minister is in transit—I cannot give you the details—and therefore not in the parliamentary building and has not been for at least an hour and a half or so. He is prepared to come into the House tomorrow morning to make a statement.

ADJOURNMENT

Mr SPEAKER—Order! It being 7.31 p.m., I propose the question:

That the House do now adjourn.
Liberal Party of Australia: Electoral Practices

Mr LEO McLEAY (Watson) (7.31 p.m.)—Mr Speaker, it is pertinent that you just mentioned Minister Abbott, because today he came into the House and made a disgraceful and dishonest attack on the member for Dickson. He said things about electoral fraud which were absolutely untrue and which he knew were untrue. While he was talking, it reminded me that there have been other stories in the paper today about electoral fraud. There was a story today about the attempted bribery of the Shooters Party candidate by Senator Woods in the Lindsay by-election. Senator Woods was the Prime Minister’s point man out there in the Lindsay by-election. He was out there trying to organise that election for the Prime Minister and for Minister Kelly. He was out there offering to bribe the Shooters Party people so they could win that by-election.

Obviously old habits die hard out in the Lindsay electorate, because when September last year came around, Minister Kelly wrote to all the people in the Liberal Party out there and said that she was going to take quite an interest in the local government elections for the Penrith City Council. Not only was she interested, but a lot of other Liberals became interested in it, too. Two of her staff stood for election—a Mr Simat and a Ms Bourne—and a sister of Mr Simat stood for election. The sister owned a house down at Avon Place, St Clair. Obviously the Liberal Party was so interested in this election that all these Young Liberals from all over Sydney started moving into this house—an empty house down in Avon Place, St Clair.

It is a shame that the Minister for Financial Services and Regulation has just left the House, because some of these Young Liberals who moved into this bodgie address came all the way from Willoughby. Adam Brown, who was a well-known member of the Young Liberals over in Willoughby, moved into the empty house at 15 Avon Place, St Clair. Mr Paul Matosin and his brother, who were members of the Rossmore Young Liberals outside of the Penrith City Council area, moved into this empty house. But worse, just like Senator Woods—old habits die hard—they got themselves on the electoral roll for ey got themselves on the electoral roll for 15 Avon Place, St Clair. It was an empty house with no furniture—nothing. Who was the house owned by? It was owned by the sister of one of Minister Kelly’s staff members. The sister was No. 4 on the Liberal Party ticket for the East Ward of Penrith City Council.

What we have got is a whole lot of Liberals moving into these houses, getting themselves on the electoral roll, and they obviously took up the minister’s interest in local government and ran as candidates. They had such funny names: one was the Marijuana Rights Party, another one was the No Badgerys Creek Party. In fact, the fellow who came all the way from Willoughby and got into the bodgie enrolment in 15 Avon Place, St Clair, was a member of the No Badgerys Creek Party. Of course, over in Willoughby they are all in favour of Badgerys Creek. But he probably didn’t know where Badgerys Creek was anyway, because there is no doubt that he had never been to 15 Avon Place, St Clair.

What we have here is a pattern out in the western suburbs of people in the Liberal Party getting involved in electoral fraud. Senator Woods was out there trying to buy the election. He was out there offering to print the how-to-votes for the Shooters Party so they would change their preferences. Later on, all these Young Liberals, all of a sudden, move out of Rossmore, move out of Willoughby, get themselves on the electoral roll for 15 Avon Place, St Clair, and then they run in the election campaign and they give their preferences to the Liberal candidate.

Mr McMullan—I wonder who paid for the how-to-vote card?

Mr LEO McLEAY—Maybe it was Senator Woods or the people Senator Woods was going to pay for the how-to-vote card for the Shooters Party. What you have got here is the same scam. People allegedly living in an empty house, people getting on the electoral roll, people setting up bodgie political parties, people funnelling those votes from those bodgie political parties back to the official Liberal candidates—who just happen to own the house that these people...
with bodgie enrolments live in. What Minister Abbott has got to get in the back of his mind and in the forefront of others is: if you are going to start attacking people on one side of the House, they will fight back. You lift these rocks up but you don’t know what is about to crawl out from under them.

Mr Brough—You are making up lies and smears, that is what—

Mr LEO McLEAY—Mr Speaker, I ask him to withdraw that remark, because, unlike Abbott, I do not tell them.

Mr SPEAKER—The parliamentary secretary made reference to people acting with lies and smears. The parliamentary secretary will withdraw the remark.

Mr Brough—I withdraw.

International Peace Prize: Young Jin Kim

Mr BAIRD (Cook) (7.36 p.m.)—I rise tonight to speak about a visit that I made to Korea two weeks ago. This was to attend the awarding of the peace prize to Young Jin Kim for his special role in fostering peace activities not only in the Korean Peninsula but also on a wider spectrum. National Assemblyman Young Jin Kim is known for his various roles but, most importantly, for his role in the uprising in Kwangju. This involved a struggle at a time of a dictatorial regime in which he strongly took up a human rights role on behalf of the residents who lived in Kwangju Province. He showed great fortitude and determination. As a result of the particular role that he played in Kwangju and in the uprising, he lost his job and was put in prison. But not being deterred by that, he eventually decided that he would carry on his fight for democracy and for the rights of those citizens of Kwangju who were adversely affected.

In 1988 he stood for the national assembly elections, with a pledge to seek the truth about the massacre in Kwangju, punish those responsible and protect survivors, as well as to champion the rights of economically weaker people in that area. He won in a landslide victory. He went into the Korean parliament and pushed hard, through a number of meetings and rallies, to expose those who were behind the attacks where several hundred people lost their lives in Kwangju, including a whole number of students.

As a result of those meetings, the government of the time decided to hold an inquiry into the uprising. At the end of that inquiry there was a whitewashing of the results. The militia did what they had to do, consistent with their role in the military. Young Jin Kim decided that that was simply appalling and an abuse of democracy by those who were in charge at that time—by the dictatorship that was in power. He therefore went on a hunger strike, which attracted international media attention. After he had been on a hunger strike for 12 days, the government capitulated and held a formal inquiry, with the result that compensation was paid to the victims and punishment was meted out to those who murdered so many people in Kwangju Province.

Young Jin Kim has gone on from that time to take up a leadership role in the national assembly in Korea and has become the head of the World Christian Parliamentary Association, which has membership from around the world, including a group in this parliament. He has led delegations to various international groups, including the UN, and represented Korea in GATT rounds. His concern for undeveloped countries has been particularly strong. But most importantly, as recently as two weeks ago when I visited Korea, he gave a strong, impassioned speech in the assembly saying that it was time Korea cleaned up its act in terms of the degree of corruption existing within the government. Whether at an official or parliamentary level, he argued that each of them had a responsibility for greater accountability in government.

This was widely reported by the media at the time and was responded to by the Prime Minister, who indicated in the parliament that this was the objective of the government and who commended Young Jin Kim for his role. I was privileged to be part of the awarding ceremony in which he was granted the International Peace Prize for his role in upholding human rights, particularly in the Korean Peninsula. These developments and trends have led to an easing of tension in the Korean Peninsula and the fight for greater
reconciliation with the north. He has close relationships with the President, Kim Dae Jung, and is working strongly to bring about a lasting peace with the north. I would like to acknowledge my high regard for Young Jin Kim and his being awarded this prize. *(Time expired)*

Sport in the Community

Ms BURKE (Chisholm) *(7.41 p.m.)*—Tonight I wish to discuss the value of sport in our community. On 18 and 19 November I was privileged to be part of the Relay for Life event, which was organised by the Rotary Club of Box Hill Central for the Cancer Council.

Mr Barresi interjecting—

Ms BURKE—As the member for Deakin points out, so was he. The concept involved teams of people walking or running around a track for 24 hours to raise money for cancer research. The event was held in East Burwood and I am pleased to say my team managed to both complete the 24 hours and, more importantly, raise much needed funds. I understand the event in the city of Whitehorse has raised close to $100,000 for cancer research, which is fantastic. The organisers of the event combined an up-beat carnival atmosphere with a candlelight ceremony and a walk around the track by cancer survivors that paid tribute to the lives of people who had battled cancer and to their carers.

The Box Hill Central Rotary Club, which I am pleased to say I am an honorary member of, should be congratulated for all their hard work. I would also like to put on the record my personal thanks to Margaret Taylor, who managed to cajole people to walk around a track for 24 hours on behalf of the Chisholm Chasers. This event was truly a triumph of community spirit. It also showed to me the important health and social benefits of organised regular exercise. As I had the pleasure of walking between nine and 10 at night and again at five and six in the morning, I saw the many benefits of walking that people enjoy.

This prompted me to look at some of the evidence on the matter. A report to the federal government entitled *Shaping up: a review of Commonwealth involvement in sport and recreation in Australia* reported the following statistics: up to a third of new cases of diabetes could be prevented by physical activity, people who are sedentary have a 20 to 100 per cent higher risk of cardiovascular events compared with those who are moderately physically active and the risk of thrombosis—*stroke*—is 33 to 67 per cent lower for those who are moderately active than for those who are sedentary. These statistics are by no means surprising. As our lifestyles and recreational pursuits have moved away from outdoor activities and towards IT and spectating rather than participating in sport, there has been a corresponding increase in the advent of so-called ‘affluent diseases’. As these statistics show, increased physical exercise is a very effective method of promoting greater health awareness and disease prevention. Not only does it teach us more about our bodies, but a regular exercise regime started at an early age will set up healthy patterns of behaviour for a lifetime. But beyond the obvious health and medical advantages are the social benefits of sport and physical exercise.

Australia is a great nation which fosters pride and unity through its sporting activities, and we saw this during the Sydney Olympics and Paralympics as Australians cheered on. Whilst this is important, I think actual participation in local sporting organisations rather than just flag waving has far more profound effects on the lives of individuals and their community. For children and young people, sport is a useful way to build the skills they need later in life: teamwork, leadership, discipline, self-esteem and an acceptance of the highs and lows of success and failure. It is probably a good start for politics! Sport is also an important tool in the socialisation of our young people. I think this is particularly important in the technological age when so many children are glued to their videos and computers and socialise less and less with their peers. This is also true of teenagers who face difficult choices in their schooling and their future, not to mention the temptation of those other less than healthy recreational pursuits such as drug taking, drinking and smoking. Being involved in a sporting organisation that requires training, discipline and fun can provide the sense of belonging and purpose that
can mediate against feelings of isolation and self-doubt experienced by many teenagers. Sport also provides an avenue for older Australians to get out there. It has been demonstrated that stronger bones do reduce the risk of many health problems for middle aged people. It also can ensure social benefits through contact. When older people are isolated, participating in sporting activity gets them out of the home and into contact with people they might not normally be involved with. In a broader community sense, sport and active recreation help break down the barriers that have been artificially created in our society.

I recently held a sporting forum with the numerous sporting groups in my electorate. I was surprised not only by how tall Justin Madden is but also by how many diverse sports and activities are partaken of in our community. Clubs in our community include: Box Hill Lawn Bowls Club; Box Hill Hawks Football Club; Wattle Park Golf Club; Box Hill Rugby Union Club, which caters for both men and women; Box Hill Inter-Soccer Club; Surrey Park Swimming School, which produced Matt Welsh, who got three Olympic medals; Oakleigh South Soccer Club; Old Scotch Waverley Soccer Club; Harlequins Club, which is another rugby club; Oakleigh Chargers; and Chadstone Harlequin Cricket Club—the list goes on. There are not just the traditional football, cricket, netball and tennis clubs out there; there is a whole range of sports clubs in the community, providing outlets both for children and for older people. I think they should be supported. There is mounting evidence that an effort to increase local participation has many positive spin-offs. (Time expired)

Health: Diabetes

Dr SOUTHCOTT (Boothby) (7.46 p.m)—I would like to draw the attention of the House to an event which occurred in Parliament House on 14 November—World Diabetes Day. The Hon. Michael Wooldridge, Minister for Health and Aged Care, was awarded the inaugural Novo Nordisk Health Policy Award in recognition of his commitment and policy achievements in the area of diabetes since becoming minister in 1996. This is an international award, and the Minister for Health and Aged Care is the inaugural winner. The policy initiatives include the declaration in 1996 that for the first time diabetes was to be recognised in Australia’s national health priorities, and the 1998 release of the National Diabetes Strategy. This strategy is the first of its kind in the world and is now used around the world as a model. It is something that we in Australia all should be proud of. It is estimated that diabetes affects from 800,000 to 900,000 people in Australia, and half these people are unaware they have the disease. It is also estimated that by the year 2010 there will be 1.15 million Australians with diabetes. It costs the health system $1.2 billion. Compared with the rest of the world, Australia has very high rates of type 1 diabetes—formerly called juvenile diabetes or insulin dependent diabetes but now more accurately called type 1 diabetes. Australian Aborigines have the fourth highest rate of type 2 diabetes in the world.

The National Diabetes Strategy established the diabetes task force. It funded 40 research projects to encourage areas to improve the control of diabetes. It also funded a diabetes vision impairment prevention program which improves screening for, education about and treatment of diabetic retinopathy, including referral. It also developed evidence based guidelines for type 2 diabetes and helped with the distribution of these guidelines to diabetes educators and medical practitioners. It developed a national diabetes register, which is run by the Australian Institute of Health and Welfare. It also funded a community awareness program, which has been developed by Diabetes Australia, called ‘Diffuse diabetes campaign’. We had a launch here earlier this year. In 1996, Newt Gingrich, the former Speaker of the US Congress, who is not known—by me, anyway—for his comments in the area of public health, said in the US context:

We could save $14 billion a year by reforming what we do on diabetes.

I am proud that in Australia, through our National Diabetes Strategy, we have made sure that research is getting right through to practitioners and then on to patients to improve their results.
In 1993, the *New England Journal of Medicine* published a trial which showed excellent control of blood sugar levels in people with type 2 diabetes reduced the risk of microvascular complications; that is, it reduced the risk of things like renal failure, diabetic retinopathy and diabetic arterial disease. The National Diabetic Strategy sees research advances translated into evidence based guidelines for medical practitioners and diabetes educators.

Dr Wooldridge was nominated by the Novo Nordisk Health Policy Committee. The nomination was then ratified by an independent panel of experts, including Professor John Bell of Oxford University, Professor Jorn Nerup of Denmark and Professor Alberti, President of the Royal College of physicians and President-elect of the International Diabetes Federation. The award was presented at a ceremony at Parliament House, with the member for Parramatta, who is known for his interest in health and is a member of the government’s health committee, as master of ceremonies. The National Diabetes Strategy has provided a comprehensive plan and allows government and non-government organisations and industry to work together. It addresses those who have been diagnosed and also addresses prevention strategies. We should be very proud that Australia has developed a model for treating this important disease which is recognised around the world.

**Agriculture: Importation of New Zealand Apples**

Mr GIBBONS (Bendigo) (7.51 p.m.)—Tonight I would like to address two issues which affect central Victoria. The first issue relates to the potential of fire blight to devastate the apple and pear industry of central Victoria. The second issue relates to the pork industry, and by pork industry I mean the pork-barrel industry, which is alive and well under the Howard-Anderson coalition.

Yesterday in Shepparton a rally of some 6,000 people was held, resulting in some 80 businesses being closed because of a demonstration against AQIS’s decision to relax import restrictions on imported apples. It was very unusual for a place like Shepparton to have such a turnout. It was virtually a strike which the whole town participated in. The mayor addressed the gathering. That council is not widely renowned for its radical views, yet the whole town shut down and went on strike to protest against the impact of fire blight.

Fire blight has the potential to destroy about 20,000 tonnes of fruit in the Harcourt Valley, which is in my electorate of Bendigo, and puts some 200 permanent jobs and another 500 seasonal jobs at risk. Victoria’s apple and pear industry is reported to be worth about $1.2 billion. Interestingly, sources advise me that the scientific evidence used by AQIS is quite seriously flawed. For example, they claim to have consulted with some 15 international scientists of quite substantial renown but when you press AQIS they inform us that, in fact, only seven of them responded to the request and those responses were all verbal. There was nothing in writing; therefore, it is very hard to test the information that has been given to the industry. You can understand why the industry has some serious concerns about this whole process.

The industry has retained Biosecurity, which at present is undertaking an import risk analysis, and that was part of the process at the meeting at Shepparton yesterday. After hearing the Biosecurity speakers at that rally, those gathered at the meeting unanimously passed a motion of no confidence in Biosecurity. There have been three previous attempts by New Zealand to import apples into Australia: 1986, 1989 and 1995. Under the Hawke-Keating government, which was in power during those times, apples were prevented from being imported into Australia from New Zealand. There will be a Senate inquiry early next year, and I call on the minister and AQIS to give us a guarantee that no decision will be taken on importing New Zealand apples until after the completion of that Senate inquiry. It is a major industry throughout Australia; there are members from both sides of this House who are very concerned about it. The Senate inquiry should be allowed to proceed and obviously
they should not make a decision about it until after that.

Such is the nature of the disease, fire blight also has the potential to wipe out our flower crops. It could also devastate our wine industry. In fact, if a tree contracts fire blight the only way to effectively deal with it—and this is what happens in other countries—is to cut the tree down and burn it. That is how serious the matter is. I urge the minister to make sure that the Senate inquiry process is allowed to be completed, that the industry is consulted widely and that a decision is reached taking the best interests of that industry into consideration.

Getting on to the pork-barrelling, I notice that the Minister for Transport and Regional Services yesterday sent around a list of electorates divided into local government areas relating to the Roads to Recovery Program in the Victorian division. An electorate like Ballarat, for example, is listed as having $25.2 million allocated to local government agencies. In the grievance debate the other day the member for Ballarat was beside himself with excitement—as well he might be—but I have some bad news for him because if you have a detailed look at the figures, bearing in mind that local government boundaries go across electorate boundaries, rather than $25.2 million being spent in Ballarat it is only $15.4 million. I concede that that is a very welcome amount. The member for Ballarat will be well pleased with that. It will go a long way to alleviating the problem. For my electorate of Bendigo they have listed $22.6 million—in reality it is only $13 million. Again, I am very pleased to receive it, but the spin doctors in the Deputy Prime Minister’s office have been working overtime, obviously. There is a point to all this, but I am obviously running out of time; I will continue my remarks in the debate on this issue tomorrow.

Australian Labor Party: Queensland

Ms GAMBARO (Petrie) (7.56 p.m.)—Mr Speaker, it has been said that the only thing Labor could fix in Queensland is an election. I know this line has been used before but, given the revelations from the Shepherdson inquiry over the past few days, it contains more truth today than ever before. In just over a week the people of Queensland have witnessed the resignation of Deputy Premier Jim Elder as well as a succession of senior Labor Party people appearing before, or being named in the proceedings of, the Shepherdson inquiry. The serious allegations of electoral fraud that have been made against a number of sitting state and federal MPs have cut to the core of the Labor Party. Even today, we have heard a startling confession from the state Labor member for Springwood. Under examination by counsel assisting the inquiry, Mr Musgrove admitted to witnessing not one, not two, not three, but four false electoral enrolment forms.

The Shepherdson inquiry has also forced to the surface revelations about a payment that the honourable member for Lilley made to the Democrats during his desperate attempt to seek re-election in 1996. By his own confession, the honourable member has admitted to giving the Democrats money. It now remains to be seen exactly how much money is in question and precisely why a Labor member of parliament would be helping to fund the campaign of an opponent. It is beyond all of us. An important question that needs to be asked in relation to this matter is this: what does the honourable member for Dickson know about this payment? The honourable member for Dickson, as we all know, was not only the Leader of the Democrats at the time of the 1996 federal election but also a senator from Queensland. I find it very hard to believe that much would have happened within the Queensland Democrats without the knowledge of the member for Dickson, or at the very least her staff. That is why the silence from the member for Dickson over this matter is quite startling. However, the facts speak for themselves. History has recorded how easily the Labor Party lured Ms Kernot, the member for Dickson. I may be wrong, but I do not think even the AWU had to dip into its slush fund. But, as they say, if you pay peanuts you get monkeys.

Mr Gibbons—Mr Speaker, I draw your attention to the state of the House.

The bells being rung—

Mr SPEAKER—Order! It being 8 p.m., the debate is interrupted.
NOTICES

The following notices were given:

Mr Truss to present a bill for an act relating to the pig industry.

Mr McGauran to present a bill for an act to amend legislation relating to communications and the arts, and for related purposes.

Mr Bruce Scott to present a bill for an act relating to the application of the Criminal Code to certain offences, and for related purposes.

Mr Anderson to present a bill for an act to provide funding to supplement expenditure on roads.

Mr Slipper to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the Committee has duly reported: RAAF Base Edinburgh, Redevelopment Stage 1, Adelaide.

Ms Hall to move:

That this House:

(1) condemns the Government for failing to ensure that residents in nursing homes receive an adequate standard of personal medical care;

(2) notes the concerns of the families of nursing home residents and workers in the aged care industry about the impact of the Government’s aged care policy on nursing home standards and care; and

(3) calls on the Government to review its aged care policy to ensure that the wellbeing of nursing homes is paramount and not secondary to government savings.

Ms Hall to move:

That this House:

(1) condemns the Government for agreeing to allow a French nuclear-powered attack submarine to visit Australia in March 2001;

(2) urges the Government to prohibit the visit; and

(3) calls on the Government to make a commitment to keeping Australian ports free of nuclear-powered and armed vessels.

Mr Bevis to present a bill for an act to amend the Workplace Relations Act 1996 and the Corporations Law, in order to assist workers to recover employee entitlements lost in cases of artificial corporate restructuring.

Mr Hawker to move:

That this House:

(1) recognising the increasing demands being placed upon Australia’s armed forces;

(2) welcoming the widespread community support for our armed forces;

(3) accepting the need for the Parliament to be as well informed as possible on all aspects of the operation of the forces but recognising that fewer Members and Senators now have direct experience of service in the forces;

(4) agrees that a Parliamentary Armed Forces Scheme be introduced to enable Members and Senators to gain first hand knowledge of service life and to enable service personnel to gain an insight into political life.
Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Borneo: Orang-outangs

Mr DANBY (Melbourne Ports) (9.40 a.m.)—I wish to talk about a matter that has been raised by some very young constituents of mine at Caulfield North Primary School. Mr Deputy Speaker, if I am accused of nepotism in making this speech, it is a charge that I will be happy to answer. My daughter, Laura Danby, together with two of her friends, Cody and Matilda, in class LA11 at Caulfield North Primary School, together with their teacher, Emily Halliday, and the class, are most concerned about the situation of orang-outangs—in particular, baby orang-outangs in Borneo, northern Indonesia. This follows a program on Today Tonight about the orang-outangs—things that Australians are doing to help them and, in particular, the black market in baby orang-outangs in Jakarta and the murder of the mothers of these baby orang-outangs.

At a sanctuary in Jakarta, baby orang-outangs that have been seized by Indonesian officials from smugglers, some of whom are selling these baby orang-outangs for $2,000, are kept with the dedicated assistance of some people from Australia, including Allison Ritchie and her family, who are appealing for Australians to give assistance with things as varied as food, nappies, et cetera, for these baby orang-outangs.

What concerns the grade 4 and 5 class at Caulfield North Primary School is that people in these parts of North Borneo and Sarawak are killing the mother orang-outangs so that the baby orang-outangs may be sold as pets. The children in my electorate are most concerned about this, as is the Ritchie family, who are making an appeal around Australia for Australians to assist the sanctuary in Jakarta so that these young orang-outangs who, as could be seen on the television program are most lovable creatures, can be saved from these smugglers, kept in the sanctuary in the Jakarta zoo and then released into the wild.

The fact that this issue has been raised by my daughter, class LA11, Cody, Matilda, Emily Halliday, Allison Ritchie and all of the people who are concerned about the plight of these adorable animals, is most understandable. I commend their activities, particularly those of the Ritchie family, in trying to preserve this very important species on our planet.

Diesel Fuel: Excise Reduction

Mr BROUGH (Longman—Parliamentary Secretary to the Minister for Employment, Workplace Relations and Small Business) (9.43 a.m.)—I had the dubious pleasure of having the opposition’s fuel inquiry visit my electorate the other day. And what an ill-informed bunch of dummies they turned out to be.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! Be a bit more moderate in your language, please.

Mr BROUGH—Certainly, Mr Deputy Speaker. They came to an area which is in fact paying less tax per litre of fuel since 30 June—less tax, less excise and GST combined—and yet asked why I was not out there opposing the Prime Minister and why I was causing local motorists to pay 2c a litre more tax. So the first point is that they were misinformed.

We saw a press release put out by the member for Holt and the member for Batman. It was one of these generic press releases in which you just swap the names of the electorate and the member. It referred to how I had been defaming the Prime Minister—wrong—and that motorists were paying more tax—wrong again. Mr Deputy Speaker, you may recall that, prior to 30 June, when the Labor Party was in its death throes and was starting to recognise what
was going to occur and that the GST was not going to mean the end of the world. It was a report that said 30 Australians would die because the coalition was going to take the excise off diesel. This was grabbed on to by the Labor Party as yet another case of saying, ‘Look what’s going to happen—the world’s going to end.’ Of course, nothing could be further from the truth. These are the same people who, while visiting my electorate—they have also visited Eden-Monaro this week—said at one stage that the reduction in diesel excise was going to kill people, but now wanted it to be reduced even further.

Can I just remind those opposite that if, on 30 June, we had not had tax reform, today every truck on the road would be paying $1 or more per litre, there would still be up to 45 per cent wholesale sales tax, there would be no tax cuts and, on the basis of that, we would have higher production costs, higher inflation and unemployment would be being driven up. What would that have resulted in? It would have resulted in the Labor Party doing what it does best: we would have seen more unemployment and at the end of the day, we would have seen Simon Crean, the member for Hotham, who no doubt would have been the Treasurer, saying to the Australian population, ‘We cannot do anything else but drive you into recession.’

We have only just heard again from the former Prime Minister, who still lives in la-la land, telling people that the only reason we now have economic shine is that he managed to put us into recession. They are the sorts of dumbfounded expressions that you get from the opposition. We would get the same from the member for Hotham if he ever got onto the treasury bench. I remind all of those opposite: when you come to the electorate of Longman, remind the public that they are paying less tax on their fuel and that they would be paying more if they were under Labor. (Time expired)

Oxley Electorate: Community Groups

Mr RIPOLL (Oxley) (9.46 a.m.)—In these few minutes I have, I want to bring to the attention of the House the tireless and selfless work of volunteers and community workers in the community groups and associations in the electorate of Oxley. These are people who work extremely hard. They have been acknowledged in the past, but I want to acknowledge them for the extra work that they are doing now. They are inundated with calls for support and help, and they really are at breaking point. They are at breaking point because of the harshness of the GST and the pain and suffering that so many people in our community are going through. These groups and volunteers help a range of people in our community—families, young people, homeless individuals. They supply things such as counselling, emergency services, emergency housing and food. They help people with all sorts of things. They even help people with bills.

I want to quickly mention some of those groups. There is the Ben Lao Cultural and Welfare Association, which looks after the Vietnamese community; the HUB Neighbourhood Centre in Inala; and the Challenge Employment and Training group, which this year actually gave tax help that was organised from my office. St Stephens Welfare looks after disadvantaged people. The Peace Centre at Goodna works with migrants and young people.

The Veterans Support and Advocacy Service is part of a wide range of services in my electorate for our veterans. The Ipswich RSL, the Railways Branch of the RSL, the Goodna RSL and Forest Lake Sub-Branch all do a wonderful job for our veterans. I have had some involvement with Drug Arm. I have actually been around in the Drug Arm van and experienced first hand some of the difficulties they face in the work they do for people with drug addictions.

I would also like to thank Envirocare. They do great work in bringing to light some of the environmental issues. They help out on Clean Up Australia Day and in a whole range of other activities. The Riverview Community Support and Referral Group does a fantastic job in...
difficult circumstances. This year, fortunately, they have received funding from the state
government to make their work just a little easier.

ARTIC, which is a resource and technology centre in Acacia Ridge, is doing a fantastic job.
The 60s and Better Ipswich, Inala and Acacia Ridge are fantastic people. They may be over
60, as they say, but they are certainly young in mind and spirit. I would like to thank the
Camira-Springfield Lions and all the Lions groups in my electorate. The Goodna Rotary, of
which I am a member, does a fantastic job. The Queensland Rail Social Club is actually
involved in community work. The Redbank Plains Rugby League Club does great things for
young people in the area.

The Vietnamese Community of Australia, Queensland Chapter, supports so many people in
its own community and also gets involved in broader community issues. It informs people
about things that are happening locally. Little Athletics Queensland does a great job in the
electorate of Oxley. Parents Without Partners, again, does a fantastic job in helping people. I
have great admiration for the Purga Friends and Elders Association. (Time expired)

Hinkler Electorate: HMAS Gladstone

Mr NEVILLE (Hinkler) (9.49 a.m.)—The city of Gladstone has a rich maritime history,
going back to even before the formation of the state of Queensland. That history has been
progressively built upon until today. Gladstone is now the fastest growing port in Australia—a
port which plays an important role in Australia’s exporting efforts. Gladstone is also the focus
of the Brisbane to Gladstone yacht race, and a number of Gladstone residents are currently
serving, or have served, with distinction in the Royal Australian Navy.

The Gladstone Maritime History Society is operated in the city, with Councillor Stephen
Mills as its president. This society is developing a maritime museum in Gladstone and has
canvased a proposal to relocate the HMAS Gladstone, a Fremantle class patrol boat, to the
museum when it completes its current round of service with the Royal Australian Navy.

Ships carrying the name ‘Gladstone’ have always had a close relationship with the city, and
I was impressed by the community empathy displayed when the HMAS Gladstone made its
last visit to the city recently. The city council and the local residents are keen to have the ship
in the Gladstone Maritime Museum and they have an ideal location for it. The society plans to
lift it from the water and level it on blocks, similar to a model boat display, where it will be
visual from a great distance. It is obvious that the HMAS Gladstone could play an important
part as a living museum, pulling together the importance of its naval history, the marine
environment of Gladstone and its potential focus as a tourist attraction.

I would like to lend my support to this very worthwhile project and urge the government
and relevant departments to give it careful consideration. I have already discussed the matter
with the minister and he is looking into it. Of course, it hinges on when the HMAS Gladstone
becomes surplus to requirements. I hope in the new white paper we might see some new
patrol boats, and this might give us the opportunity to pick up the old HMAS Gladstone.

Mr Sawford interjecting—

Mr NEVILLE—That is right. We could take one of the subs, too. While there are a
number of issues still to be clarified, such as determining when the HMAS Gladstone is
decommissioned, I think the city would receive a huge boost if the HMAS Gladstone were to
be relocated in its retirement in the city which bears its name.

Health: HIV-AIDS

Ms HOARE (Charlton) (9.52 a.m.)—This week, from 26 November to 1 December, is
World AIDS Week. This Friday, 1 December, is World AIDS Day. The red ribbon badge I am
wearing has been made by HIV-positive women in South Africa. They make these badges to
raise awareness about HIV-AIDS in South Africa and they also derive a small income from it.
Sub-Saharan Africa currently has 23.3 million adults and children living with HIV-AIDS, out of a total of 33.6 million people in the world who have HIV-AIDS. We are all aware of the epidemic which has taken place in Africa, but we are not as aware of the fact that currently in India, a country of one billion people, there are an estimated 3.4 million people living with HIV-AIDS. While I am pleased that Australia provides aid for HIV-AIDS prevention and care, I must acknowledge that much more is needed. Australian total aid to India is a modest $19 million for 2000-01, which is less than one per cent of the total aid received by India. Of this, there is $0.9 million set aside for the India-Australia HIV-AIDS prevention and care project. The project will cost $18.5 million over five years and seeks to reduce the risk and impact of HIV-AIDS, to assist Indians with the epidemic, and to undertake prevention and care activities.

I, together with my colleague the member for Oxley, recently visited a HIV-AIDS hospital in Chennai which has received funding from Australia. The hospital began by providing voluntary and counselling services in 1993. At the moment they provide comprehensive services for over 2,500 people living with HIV-AIDS, as well as their families. They have a 24 in-patient care facility at the campus in Chennai, and persons living with HIV-AIDS receive high quality care from a team of dedicated professionals. The facility provides day care services, nutritional counselling, family support services and a subsidised pharmacy program. The hospital was staffed with a fantastic team of nurses and doctors, but it was quite obvious that many more resources were required. At this hospital, the sufferers of HIV-AIDS can access basic care and treatment; however the drugs to treat patients’ immune deficiency are far too expensive for these people. These drugs are currently only available for pregnant women who have HIV-AIDS and may pass it on to their babies. While Australia will provide $200 million over six years to help countries in our region to counter the advance of AIDS, much more is needed to prevent the epidemic from devastating their health and stalling their social and economic development. (Time expired)

Forde Electorate: Ironbark Recyclers

Mrs ELSON (Forde) (9.55 a.m.)—I am pleased to report to the House today on a unique and innovative business in my electorate that is a shining example of eco-commerce at its best. Ironbark Recyclers is not only a booming timber recycling business but also another progressive venture that encapsulates the can-do approach of the Boonah Shire on which I have spoken in this House many times. This commendable enterprise which has been in operation for only five short years is a great example of the tenacity and spirit of many rural businesses in both Boonah and other rural areas of my electorate of Forde. In fact, Ironbark Recyclers’s success in producing custom-made timber products and the milling of recycled hardwood timbers has earned them a reputation as Australia’s leading recycled timber and furniture specialist, and this is no small feat for a very small business.

It is evident that Ironbark Recyclers’s practical response to important environmental concerns within Australia has gained approval in not only Australia but also the Asia-Pacific market where Ironbark Recyclers export much of its products. One of the remarkable and enormous business ventures Ironbark Recyclers has been involved in is providing 100 per cent recycled timber for over 1,000 park benches for the Sydney 2000 Olympic Games, and for a small business in a very small town that was a very good achievement.

I was pleased that the Minister for Forestry and Conservation, the Hon. Wilson Tuckey, accepted my invitation to visit this business when he came to my region two weeks ago. I know he was incredibly impressed with this venture. I would like to take the opportunity to commend Mr Greg Taylor, the Manager of Ironbark Recyclers in Boonah, on both the unique product he produces and his contribution to both the Shire of Boonah and the Australian environment. This practical contribution includes employment opportunities for the people of Boonah. When Ironbark opened five years ago they had two employees and today they have...
I am sure that Boonah will continue to enjoy the benefits of Ironbark Recyclers’ success. I am proud of the many achievements Ironbark have enjoyed since opening the mill over five years ago. I encourage Australian firms to look at Ironbark’s success as a shining example of what can be achieved by tapping into a speciality niche market. I look forward to watching Ironbark’s success continue and go from strength to strength while also supporting this job creating local business in my area in any way that I possibly can.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! In accordance with standing order 275A, the time for members’ statements has concluded. The committee will now consider government business.

INTERNATIONAL MONETARY AGREEMENTS AMENDMENT BILL (No. 1) 2000
Second Reading

Debate resumed from 12 October, on motion by Mr Slipper:
That the bill be now read a second time.

Mr KELVIN THOMSON (Wills) (9.58 a.m.)—The Labor Party is happy to support the passage of the International Monetary Agreements Amendment Bill (No. 1) 2000 through the parliament. In some respects it is a unique occasion because it represents the Howard government doing the right thing in the international arena. With a deteriorating reputation with respect to Australia’s involvement in the United Nations committee system on all things on human rights and the rights of women, issues in which Australia has been able to hold its head high in years gone by, it is a welcome change to finally see the Howard government doing the right thing.

This issue relates to the International Monetary Fund. The bill is important because it seeks to give Australian legislative backing to amendments before the International Monetary Fund to alter its articles of agreement. With its passage through the Australian parliament, it moves the International Monetary Fund one step closer to gaining the required consent from the majority of the fund’s members to ratify the amendments.

At its meetings in September and October of 1997, the Board of Governors of the International Monetary Fund made a decision to amend the IMF’s articles of agreement to allow for a special one-off allocation of IMF special drawing rights, generally referred to as SDRs. The amendments are known as the fourth amendment. Australia voted for this change at the IMF and must now amend Australia’s International Monetary Agreements Act 1947 which mirrors the IMF’s articles of agreement. The changes will come into effect when the amendments are formally accepted by the majority of the fund’s membership, when 85 per cent of the fund’s total voting power are in agreement — and I think we are up to around 58 per cent at present.

The amendment to the IMF’s articles of agreement proposes an allocation of SDRs in the light of new countries having become members of the fund—for example, a number of East European countries have recently joined the fund. While member countries each subscribe to the IMF via a quota contribution reviewed approximately every five years, there have in fact been no allocations of SDRs since 1981. It is in order to address this inequity concerning a significant number of countries not having received the SDR allocations that the fourth amendment has been proposed.

Following the changes, all member countries of the fund will have received an SDR allocation and with the ratio of cumulative allocated SDRs to quota for every country set at 29.32 per cent. In total, these changes will mean that the overall level of SDRs will rise from SDR21.4 billion to SDR42.87 billion. Once approved, the allocations will mean that Australia
will receive an additional SDR213.5 million—the SDRs being effectively IMF currency. As with general financing transactions to do with the IMF, this additional allocation will, however, have no impact on the Commonwealth’s fiscal balance.

This bill helps the IMF to restore equity in the fund through the allocation of SDRs to all member countries. That is why the Labor Party supports the bill. Indeed, it is a welcome change to support the Howard government on a positive international matter. I will resist the temptation to go on to other areas of international conduct and relations, let alone to get into things like free trade versus fair trade. There are things going on in the other chamber which require me there, so I will conclude on that note.

**Ms JULIE BISHOP (Curtin) (10.02 a.m.)**—The International Monetary Agreements Amendment Bill (No. 1) 2000 seeks to amend schedule 1 of the International Monetary Agreements Act 1947 to reflect changes that have occurred to the articles of agreement of the International Monetary Fund. In September 1997 the board of governors of the IMF approved these amended articles of agreement, known as the fourth amendment, in order to facilitate a special one-time allocation of special drawing rights to the value of SDR21.43 billion. These special drawing rights are interest-bearing reserve deposits that supplement the existing reserve assets of the IMF’s members and function as a unit of transaction for the organisation—the accounting unit, if you like, an SDR. The value of SDRs is determined by the daily calculation of a basket of currencies from those members with the largest exports of goods and services—namely, currencies such as the US dollar, euro, yen and pound sterling. Currently SDR1 equals about $US1.3.

In introducing the fourth amendment, the board of governors was finalising a process that began in 1993 when the IMF executive board expressed concerns that the actual allocation of cumulative SDRs did not properly reflect the quotas of members of the IMF. Of particular concern was the position of the more recent members, particularly those who joined after the last general SDR allocation in 1981. In fact, some Eastern European members had no SDRs as no allocation had taken place since their entry into the fund. The Australian government supported the proposed amendments in 1997. The fourth amendment ensures greater equity between members in terms of cumulative SDR allocation relative to quotas or capital subscriptions to the fund at a benchmark level of 29.32 per cent. In the case of Australia, the fourth amendment is expected to receive SDR213.5 million or approximately $A500 million in additional reserves.

The provisions of this bill before the chamber will take force when the fourth amendment is formally accepted by a three-fifth majority of IMF members and 85 per cent of total voting power within the fund. When the new allocation of SDRs is completed, the Treasurer will direct the Reserve Bank of Australia to buy Australia’s SDR allocation from the Commonwealth in exchange for Australian dollars. So the bill addresses what is essentially a technical matter associated with changes to the internal administration of the IMF and it will not adversely affect the Commonwealth fiscal budget balance.

The fourth amendment has drawn the support of the Joint Standing Committee on Treaties, which has recommended to the federal government that binding treaty action be taken. Nonetheless, in supporting this bill on the basis of its clear improvement to the present working arrangements of the IMF, this debate does afford an opportunity to comment more generally on the IMF, its activities and Australia’s involvement. I expect that the thrust of that preceding statement would have been appreciated by the member for Wills or even some other members opposite. It is of concern that since September we have already been witness to the spectacle of some ALP and minor party members and senators acting as apologists for the riots and violence at the World Economic Forum in Melbourne that month. To some it seems that international economic institutions—
Mr DEPUTY SPEAKER (Mr Nehl)—Order! I would remind the honourable member for Curtin that this bill is a fairly tight one and she should endeavour to keep her remarks on the bill.

Ms JULIE BISHOP—Tight in what sense?

Mr DEPUTY SPEAKER—in the context of it.

Ms JULIE BISHOP—Indeed.

Mr DEPUTY SPEAKER—Any debate should be directed to the contents of the bill.

Ms JULIE BISHOP—I think it is an interesting issue in terms of Australia’s support for the IMF, which is where I am taking it. This is directly relevant to the bill before the chamber.

Mr DEPUTY SPEAKER—I am delighted it is relevant to the bill. Please continue.

Ms JULIE BISHOP—Thank you. In fact, it is perhaps no surprise that the IMF itself was the target of leftist protest at its Washington DC meeting last April. The US Congress itself grapples with its stand on free trade and international bureaucracies, including the IMF and its position on foreign aid. It has been elucidated by Daniel Griswold of the Cato Institute, and it is an interesting elucidation. In his recent depiction of a matrix in the US Congress, the two dividing points on the matrix are, on the one hand, support for the fast-tracking of global free trade and, on the other, support for an additional allocation by the US Congress to the IMF.

Griswold suggests that President Clinton and his Washington followers clearly fall into the internationalist camp—that is, generally supporting free trade yet supporting additional powers and funding for the IMF—while a nationalist like Pat Buchanan falls into the opposite corner, opposing both free trade and the IMF. While the internationalist position is definitely more justifiable, the nationalist position has, I guess, a degree of consistency to it—a view that I do not share. The least defensible position on the matrix is that held by those persons—and Griswold’s specific example is the democratic House minority leader Dick Gephart—who oppose free trade in the name of the campaign slogan of fair trade, but support the IMF as part of the furniture of a regulated international economic system. I suggest that is the worst of all possible worlds, denying the obvious benefits of free trade while requiring US taxpayers to support, to the tune of $18 billion, the sometimes inept regulation of the international economy by an organisation that tends to override the voluntary judgments of private international investors.

Those of us who are wholeheartedly supporting global free trade—who are committed to free markets, limited government and individual liberty; the ‘free marketeers’ as they are called—also appreciate that free trade and free markets are the best hope for raising living standards in all countries, developed and less developed. It would seem that a Bush administration will be free market internationalist, on the matrix to which I refer. The rather tired invective of the Left, as demonstrated in Seattle, Washington and Melbourne, simply obscures the genuinely constructive and informed criticism, from many analysts and international financiers, of the IMF’s operations and guiding principles in its provision of loans.

There is a respectable line of questioning as to the capacity of the IMF to better police international economic relations than market forces. It is an institution whose resources are in fact dwarfed by current private global capital flows, for the IMF is, at heart, an institution of the past. Its total quota is about SDR210 billion, about $US300 billion—as at April this year, it had credit and loans outstanding to 92 countries for about SDR50.4 billion. That is about $US66.5 billion. Its creation was part of the institutional foundation established by the Bretton Woods agreement signed in 1945, an institutional foundation that collapsed when it no longer met the needs of the global economy.
The IMF, I believe it can be argued fairly, is not part of the architecture of a new global economy, but an institution that was established in the old world economy of capital controls and fixed exchange rates. Originally it had two functions: exchange stability and balance of payments support. But, today, the question ‘Is there a legitimate role for the IMF in the post Bretton-Woods era?’ exercises the minds of many noted monetary economists and there is a range of views. One view is a call for an end to the IMF, by Allan Meltzer of Carnegie-Mellon University, for example. Steve Hanke, a professor of economics at Johns Hopkins University, has called the IMF ‘an empty shell’ because the US dollar is no longer convertible into gold and the system of fixed exchange rates, which existed under the Bretton-Woods agreement, has long since been replaced by a system of pegged exchange rates. Others points to the Mexican bailout to argue that the IMF has become too politicised to have credibility as an independent arbiter. Yet others still argue that the world needs greater economic surveillance and that the IMF could, given greater funding, fulfil that role. I think this is somewhat a moot point, given that the IMF was charged with that mission and yet failed to alert anyone to the problems in Thailand, South Korea, the Philippines and Indonesia in the recent Asian financial crisis.

The IMF plea for $US18 billion in funding to enable it to strengthen its role as an economic watchdog to provide an early warning system in case of potential financial troubles has been met with more than a degree of scepticism. The US Congress earlier this year sponsored a report, most certainly embraced by senior Republicans, which argues that the IMF and, indeed, the World Bank should be radically scaled back. The report is known as the Meltzer report, after Allan Meltzer, who headed the commission, and is signed off by Jeffrey Sachs, the well-known development economist at Harvard. It argues that the IMF should not have detailed loan arrangements with economic strings attached. More importantly, it argues, it should concentrate on one big market failure—financial panics in which solvent companies cannot borrow. In essence, to be eligible for IMF support, the report argues, countries should pass a number of preconditions, including adequately capitalised banks, some form of fiscal prudence, and money lent short term and at penal rates. Only in systemic crises should non-eligible countries receive IMF bailouts; nor should the IMF lend at subsidised rates to the poorest countries.

I can see the difficulties in translating some of these principles into practice to ensure that the basically sound but cash-strapped countries get IMF funding. But there are some very sensible ideas to redirect funding at lower interest rates to countries with better banking systems and more prudent economic policies than to those that do not, and consistently do not, and to provide incentives for countries to aspire to better financial standards. Nonetheless, the IMF continues to portray itself as an important player in international economic relations, a force for global capitalism, tying loans to strict economic reform conditions and thereby acting as a reformist force for nations previously characterised by corruption, inefficiency, largesse and tyranny. These are most certainly worthy goals, but there is cause for concern as to the gap between rhetoric and reality.

In its role as an aid agency and crisis manager, the IMF should be promoting self-sustaining growth and market reforms. But take the examples of Argentina and South Korea, where reform came not from IMF imposition but from internal reform generated by the economic realities of private credit provision. At the opposite end of the spectrum is Russia, which continued to receive IMF aid funding for years despite continually failing to demonstrate that it had complied with the so-called tough conditions for reform set by the IMF. In fact, the former Russian Deputy Prime Minister, Boris Federov, commented in 1999, in a warning against further and future Russian borrowing from the IMF:

I strongly believe that IMF money injections in 1994-98 were detrimental to the Russian economy and interests of the Russian people. Instead of speeding up reforms, they slowed them.
When the IMF finally did turn off the cash supply, Russia was forced to confront the reality of reforming a moribund economy, the implication being that the IMF is most effective at promoting liberalisation when it ceases to lend, and that is obviously an uncommon occurrence.

The problem with nations borrowing from the IMF is wider than simply Russia. Seventy countries have depended on IMF credit for two or more decades. It is a case of loan addiction at this point. Fifty-four countries have depended on IMF credit in every year after temporary finance was first offered. By acting as a large-scale lender, outside of the restraints of commercial transactions, the IMF is effectively crowding out private lending to countries and for liquidity purposes at times of crisis. International capital markets are ready, willing and able to provide liquidity. Examples of private lending that have occurred have been promising—liquidity measures were adopted by Argentina in December 1996, and a $2.1 billion private credit line was established by Mexico with international banks.

We must not forget that the IMF is an international bureaucracy. It employs approximately 2,700 people from 123 countries and is funded by the taxpayers of its member nations. Public choice theory revealed that public enterprises are subject to pressures other than simply those related to their stated goals. In the case of the IMF, the pressure is to lend and to provide credit to justify its size and operations and, like all bureaucracies, the IMF needs to justify its existence. While the Main Committee supports this bill—for it will be a positive benefit to the IMF and its members; Australia, in particular, will benefit indirectly in that poorer countries will be allowed to meet part of their reserve needs at a lower cost than otherwise, which will in turn lead to an easing of the burden on industrialised nations for financial aid—it is nevertheless incumbent upon nations like Australia to re-examine the IMF, either as to a restructuring or a merger with the World Bank or, indeed, the necessity for the very existence of the IMF in the context of an increasingly globalised economy. Private capital is now more readily available and transferable and may just be the more effective and efficient regulator of the international economy rather than a centralised, state-directed lender. I commend the bill to the Main Committee.

Dr MARTIN (Cunningham) (10.17 a.m.)—I have to say that the contribution of the honourable member for Curtin was quite refreshing and went beyond the strict guidelines contained in the International Monetary Agreements Amendment Bill (No. 1) 2000 to a consideration of the role in the future of the IMF and, indeed, the World Bank. She made some very interesting comments about that, and I would like to respond to a couple of those in a moment.

This bill, as indicated by my colleague the shadow assistant treasurer, is supported by the opposition. The proposed amendment to the International Monetary Agreements Act 1947 will reflect changes to the principal international agreements, which will consolidate the arrangements for a new allocation of special drawing rights among member nations of the International Monetary Fund. I think a publication produced by the Parliamentary Library on this particular legislation goes into some amount of detail and background on the IMF’s development, the role played by the World Bank and the various amendments which this legislation is seeking to implement. The main provisions, as outlined here, are contained in that document, where it proposes to amend schedule 1 of the act to reflect the fourth amendment of the articles of agreement. It goes on to talk about two items that are part of that, and the opposition has no difficulties with that.

The honourable member for Curtin did raise some very interesting issues about the International Monetary Fund and its role in the future. Very close to home, some examples of the way the IMF has operated in recent times highlight the present philosophical debate, which is an appropriate debate and one we need to have. There must always be a consideration of whether there is a role for an organisation—which the member for Curtin
considers is perhaps a little bureaucratic in the way in which it deals with issues—to look after the interests of poorer nations. If there is no such structure in place, then the haves of this world may themselves become too consumed by their own capitalist intentions and the way in which they can make a quick return on an investment through a whole range of strategies that they might embrace under the mantra of a free market. However, that said, if we look closely at many of those nations in our immediate region that were affected by the Asian economic crisis, I think it is fair to say that without an organisation which was recognised and to some extent was, to use the old economy jargon, more regulated in the way it approached its task, we might not have seen some of the reform processes start in some of these economies.

I have to admit that I do not think those reform processes have gone far enough or are proceeding as fast as I would like to see, or have gone as deep as some would suggest, particularly if it is taken into consideration that the foundation of any economy has to be its financial system. It has to be the financial sector, and if that sector is not operating appropriately you are going to find yourself in all sorts of problems. Regrettably, for many of the economies in our immediate region the Asian economic crisis became endemic, systemic and long enduring, for the simple reason that the financial sector of those neighbours was not being managed in a way which enabled a quick response to the contagion that came from the meltdown of foreign exchange and so on.

To some extent, when we talk about the way in which these countries approach prudential supervision, cash reserves and, perhaps, regulation versus deregulation in the financial services sector, we should be arguing from a position that the best outcome has to be one which delivers economic benefits to the country concerned. That in turn means that people have access to jobs and security arrangements in the transition from schooling systems into jobs and so on. In that way we are going to generate reasonable, self-sustaining economies.

To take some of our neighbours: I have had the opportunity in the last 12 to 18 months to visit quite a number of the Asian economies, talking mainly on defence issues. Ms Julie Bishop—Indonesia?

Dr Martin—I was just going to say that Indonesia is a case in point. I have been there a number of times. It seems that every second building in Indonesia is a bank, and a bank that is operated in a way which calls into question whether opportunities might arise—as we saw in the case of the Bali bank saga—for difficulties to be caused within the economy. To be quite frank about it: there was corruption and as a consequence many people lost a lot of money, and the economy has suffered.

We need to try to ensure that economies like Indonesia, which are the last to emerge from the Asian economic downturn, are given appropriate resources to enable them to make the reforms that are required. But often—and this is the difficulty—unless there is a body that can in some respects say, ‘We are prepared to give you those resources but it is on the understanding that certain preconditions are met,’ there are problems. My friend the member for Curtin would say that they do not ensure that those conditions are adhered to. That is a genuine problem, but I do not think the free market is going to deal with that. Dr Mahathir, for example, might have a different view of the way in which the capital market works in Asia and whether free trade and the free exchange of monetary resources around the globe give economic benefit to his country. He has had some pretty scathing things to say about investors and the way in which the capital markets work, the free trade arrangements exist and so on. I disagree with that, as does Labor. We have said that free market concepts are important.

The comments of the honourable member for Curtin about particular positions that were adopted in relation to the world economic forums in Melbourne, Seattle and so on were a reflection, I think, of a number of issues. Yes, there were the professional agitators; there is no doubt that that is the case. But there were also people genuinely concerned about the effects of
globalisation on security—that broad definition of security as to how people might have a secure future for themselves. That means a job, which means a secure income that can sustain them, which means in turn an economy that is going to continue to tick over and to grow, to be part of an internationalised world. I think everyone accepts, in their heart of hearts, that that is the way the world is today.

The IMF and the World Bank, therefore, may have to look at the roles that they play at the moment and perhaps readjust their own thinking and their own charters to reflect more of this globalisation, because there can be a tendency for bureaucracies, that are established with all the best intentions in the world, not to deliver an appropriate outcome. There is a problem, though, when one uses the United States as an example. I noted that the member for Curtin quoted a lot of comments made by Republicans, which did not surprise me. We will wait and see whether Mr Bush becomes the next president. Nevertheless, the view of the US, whether it be of the World Bank, the IMF or whatever, must be a little discounted because of what I call the UN syndrome. The United States, whether it is in regard to defence relationships or whatever, in a lot of ways pay lip service to the United Nations when it suits their purposes, but often they are quite happy to do their own thing in respect of certain arrangements that they put in place.

I think the United Nations is owed a considerable amount of money by the United States. I think the United States, in terms of their other obligations regarding organisations like the IMF, the World Bank and so on, clearly want to see reforms there. There is no doubt that that is the case. They are supposedly one of the leading advocates of free markets and free trade—although, of course, when you look at the amount of subsidies they pay their farmers, one always questions whether or not that is a genuine concern. They will say that there is this opportunity for globalisation, the free movement of capital as part of that, and private capital, to take the place of controlled access to finance through bodies like the IMF.

I would like to think that that might be the case. I would like to think that the Merrill Lynches of the world are going to become the new IMFs. I would like to think that the new investment houses of Wall Street, Sydney and Melbourne, equally, are going to look at those opportunities. Unfortunately, at this stage the jury is still out. I think there are still a lot of people who would want a quick return. There is the old carpetbagger syndrome: get into Indonesia, get into Malaysia, get into the Philippines, with the idea of getting a quick return, but at the same time export that capital out as quickly as possible.

During the Asian economic crisis we saw that take place a lot. We saw the flight of capital out of many of those Asian economies but we have not seen, with the return of at least some stability, the return of that capital. I think all the statistics show that. Look at the Far Eastern Economic Review and at some of the other journals in which this matter is being written about. The question has to be asked again about the poorer countries of the world—and I am using Asia as an example because it is our nearest neighbour, but the same argument could be applied to poor African or European countries. If you are simply saying about the IMF that it is time for a change, what is its role, et cetera, and that we should redefine all of that and let private capital take its place, I am not sure whether those conditions have been formulated as part of globalisation to enable that to happen.

The honourable member for Curtin also talked about Korea and Russia and used a converse argument as to how the IMF worked in both of those cases. Some might say, about the Korean example at present, that, with respect to the way in which those major corporations developed—and it is reflective of this idea of global capital being available—the downside is now being seen. Korea is seemingly going through a major reform process again, with major companies like Daewoo and a number of others starting to fall by the wayside. There are questions about how IMF or World Bank assistance, which might have been required previously, might be required again.
The danger, of course, is that, if you have got a fall-back position, if you have got an IMF and a World Bank in the background that you know are always going to bail somebody out, it takes away that incentive. I remember having an argument about this a few years ago. Actually it is almost the 10th anniversary since the famous Martin inquiry report on financial services in Australia was handed down.

Mr Lieberman—You haven’t been making the same speech for 10 years, have you?

Dr Martin—No, it has varied now.

Ms Julie Bishop—It is the new economy.

Dr Martin—It has now been adjusted for the new economy. There is not one, as my friend will tell you. It was not a bad article; I saw that.

Mr Lieberman—Stop suffering from delusions—it is a vibrant economy.

Dr Martin—I think just ‘the economy’ will do. An argument could be sustained that unless you have an organisation like the World Bank or the IMF that provides that succour, comfort and assistance on particular defined terms—

Ms Julie Bishop—The lender of last resort.

Dr Martin—The lender of last resort is always a difficult concept, whether it applies to domestic banking circumstances or whatever. Fortunately, in Australia it has never had to be tested, but if you are talking about the world scene, you would find that, on many occasions, there would be opportunities for that to happen. The danger is, if you eliminate that, whether you will be able to guarantee that the international flow of capital is going to be directed to those areas of greatest need. How do you do that? How do you say to the Merrill Lynchs and others of the world, ‘You need to invest in plant and equipment on the Ivory Coast’? How do you say to them, ‘You need to go to some of the smaller islands of Indonesia and assist in the economic development there’? Unless they can see that there is a benefit for their shareholders, unless they can see that there is a good return on capital for doing that, it will simply not happen in the short term. I think people’s time horizons in this regard must also be considered.

The honourable member for Curtin raised a number of very interesting issues associated with this matter. In Australia, it probably is time for us to have a long and meaningful debate about the relationship that we have with these organisations and the direction in which we see organisations like the IMF and the World Bank heading. We should consider whether those conditions that they lay down for assistance are adhered to; and, if they are not, why not. Is it always sufficient to say there is a fall-back position so that we should have them in place? Is it always sufficient to say that they are the ones that bring the political clout to some economies to try to get them to go through a difficult reform process? We need to have a debate on all of those issues.

This bill, regrettably, is fairly tight and does not allow us to consider all of those matters, but they are matters which, in Australia, those on both sides of politics need to take very seriously. We do make substantial contributions. In the case of Indonesia, it may be well and good for certain people in the streets to try to beat up our ambassador, but they should remember that the first people who honoured their commitment to the contributions from both the IMF and the World Bank was Australia, in order to assist with the package of funding for Indonesia. People should be reminded of that point.

As I said, the opposition certainly does not oppose this legislation. I welcome the opportunity to talk with my friend on the other side of this smaller chamber about such an important piece of legislation.

Mr Murphy (Lowe) (10.33 a.m.)—I, too, rise to support the International Monetary Agreements Amendment Bill (No. 1) 2000. The bill works to give Australian legislative effect
to the September-October 1997 decision—a decision that Australia supported on the board of governors—to allow for a special one-off allocation of IMF special drawing rights. It amends the International Monetary Agreements Act 1947 to reflect the International Monetary Fund’s proposed new fourth amendment to its articles of agreement. The special drawing rights are an international reserve asset—effectively, the IMF’s international currency—and are allocated to member countries by a country’s GDP, current account transactions and official reserves. No special drawing rights allocations have been made since 1981 and it is estimated that Australia’s share of an SDR allocation would be approximately $500 million.

A number of important issues have been canvassed today, particularly by the member for Curtin and the member for Cunningham, which come to mind when discussing the IMF and its role, including the impact of the market economy and globalisation on people’s lives, the environment—which is terribly important—the financial requirements for agriculture, fair worldwide competitive trading, and political stability.

As it is a very influential force in terms of the environment, everyone is concerned about the current greenhouse gas emissions and the role of the IMF to influence countries in regard to that. We have just had a spate of events around the world in line with the effects of global warming which had been predicted by the climate scientists; and the growing number of these extraordinary weather events, together with the measurable increases in global temperatures and a strong correlation with the increasing levels of atmospheric carbon dioxide, is a warning that we simply cannot afford to ignore. The IMF have a very important role here in terms of their influence.

I remember, as a child growing up in a small country town called Dunedoo in New South Wales, the famous 1956 floods. I am sure the member for Fisher would remember that time also. I have a very deep impression of looking out the window of my home in Dunedoo at the impact of the floods there. The local railway tracks were standing up in the shape of the Sydney Harbour Bridge: it was quite extraordinary. Floods like those in 1956 and at other times have become part of our folklore, and I am sure that many Australians with a rural background would have had similar experiences. The fact that our already variable climate can produce such floods has, I believe, tended to blind us to the increasing frequency and intensity of these events. Even so, the latest floods in New South Wales have been described as unprecedented and have caused extraordinary damage to crops, private property and local infrastructure. In a similar manner, the spate of floods and other weather related disasters around the world have also exceeded all previous records in intensity and destructiveness.

The IMF has its role here to influence those countries which are contributing to global warming. The recent heavy rains that have caused losses of something over $600 million in the New South Wales wheat industry have been linked to higher than usual temperatures in the Indian Ocean. This is the third year in succession that higher than average rainfall has ruined the crop, and it is in line with the predictions by the CSIRO Division of Atmospheric Research of increasing and heavier rainfall in New South Wales.

The chance that appeals for financial assistance after these sorts of disasters will grow is high, especially since predictions of further greenhouse emissions induced climate disturbances are becoming more reliable and are increasingly supported by evidence of climate change. The government continues to argue that the measures to reduce the greenhouse gas emissions would be too expensive to contemplate, yet the costs of the damage to agriculture and infrastructure do not seem to have been included in their calculations. But that is not to say that the rural areas will experience the worst that global warming could deliver. After all, the hailstorm that wrecked Sydney’s Eastern Suburbs last year produced the largest insurance claim ever seen in this country—it was very costly.
We need to realise that the changes in the weather systems that we are seeing are the probable consequence of an increase in atmospheric carbon dioxide concentration from a pre-industrial level of 275 parts per million to the current 350 parts per million. That is an increase of about 21 per cent. If we continue to pump out the carbon dioxide at the present rate, we could double the pre-industrial level by around 2035. The consequences of an increase to this level could be major changes in the world’s weather systems. Just as we seem to be reaping the climatic consequences of the industrial revolution, we are, by pumping out even more carbon dioxide, preparing a near-term future that will very likely see increasing havoc and disruption. The only difference will be that previous generations were not aware of the risks. We are aware and we have to act accordingly. This damage from the present climatic disruptions pales into insignificance if we contemplate some of the other possibilities: the chance, for instance, of the ice caps melting is slight, but glaciologists warn that there is still a possibility that global warming—

A division having been called in the House of Representatives—

Sitting suspended from 10.38 a.m. to 10.51 a.m.

Mr MURPHY—I am not sure where I was just before we broke up.

Mr Slipper—You were praising the government.

Mr MURPHY—I do not know if I was praising the government. I was expressing my concern about the impact of global warming and also the role of the IMF because the bill is about Australia’s financial contribution to the IMF and the SDRs we receive back from the IMF in return. This goes to the heart of our involvement with the IMF. When we are considering the nature of our relationship with the IMF, it is surely not irrelevant to raise some of those very important aspects which have been raised.

My concern is about our planet at the moment. On that scene, I think I was saying before the break for the division that the chance of the ice caps melting is slight but the glaciologists warn that there is still a possibility that global warming could cause a huge west Antarctic ice sheet to collapse and produce a sudden rise in sea levels by as much as four to six metres—or 13 to 20 feet. It appears to have done that in the distant past. An event like that would be a catastrophe for the rest of the world. So I think the IMF in their role should be bearing those sorts of things in mind when they make their various decisions.

We know that the IMF was modelled on Keynesian economics. In 1944 the IMF was established with a view to stabilising the world’s currency and allowing countries to solve temporary balance of payment deficits. The IMF became the closest thing to a worldwide central bank, acting as a creditor and regulator of many of the world’s Third World economies. The IMF was created to facilitate the expansion and growth of international trade and to assist in the establishment of a multilateral system of payments.

The IMF was also given responsibility for maintaining orderly currency prices in international trade in the International Bank for Reconstruction and Development, the World Bank. It was given the task of creating long-term investments to improve the world economy. When it was established, any member of the IMF could borrow foreign currency from the IMF in exchange for its own currency if it had a balance of payments deficit—that is, if imports exceeded exports. The borrowing country then had to repurchase the currency within three to five years and, in that way, the borrower could take care of a balance of payments problem without having to depress its own economy, increase tariffs or devalue its own currency. When temporary loans were made, the IMF also negotiated with the borrowing country so that changes in its economic policy would solve the underlying balance of payments deficit.

Despite all this, it was never intended that the IMF was to be a major lending institution or an agency for economic development as, in the early years, it was somewhat overshadowed
by the World Bank. In the early 1970s, the IMF’s influence further declined when the major members of the OECD began to abandon fixed exchange rates and allow their currencies to float. The IMF stood to lose its power over exchange rates. It was during the oil crisis in the 1970s that the IMF distributed SDRs to countries whose balance of payments were affected by OPEC price hikes. The IMF stepped in to provide more funds and coordinate debt negotiations between countries and private lenders.

One of the IMF’s real powers came from the fact that private lenders refused to extend new loans or renegotiate old ones until the country had reached an agreement with the IMF. So the IMF had the power to order countries to improve trade balances and free up the market to encourage them to increase exports and cut imports to earn the foreign currency they needed. This could be seen as part of the problem with our Australian dollar, the value of which continues to decline. For some years this strategy was successful. In the early to mid-1980s, at least 10 of the largest debtor nations improved their trade balances. This occurred largely through austerity measures such as cutting price support for food, reducing government services, slashing wages and floating their currencies internationally.

These measures have resulted in reducing living standards for those who have only their labour to sell and is ongoing even today. The prospect that IMF austerity will provoke political unrest in the so-called Third World economies has led to negotiation by the world’s rich economies to either forgive or place a moratorium on debt to allow economies to grow and generate the goods and services they need to pay for their debts.

Many Third World critics have argued that the IMF is controlled by wealthy Western powers who are able to promote their interests more effectively than the poorer, less developed countries. It is true that the IMF is governed by more than 150 member countries and that the power of the fund’s policy is based on money, meaning that larger economies effectively control the fund’s policies. The question of more privatisation of publicly owned assets, controlled either by the states or the Commonwealth, is diverting value from those who have only their labour to sell.

I support the bill, as it is non-controversial. However, I do have some concerns, particularly about the value of the Australian dollar and how it is affected by international monetary policies and the government’s own economic policies. Mention is made on page 7 of the Bills Digest of Serbia/Montenegro and ‘an exception under which allocations to members who have overdue obligations are held in escrow’. It says that the fourth amendment ‘will come into effect when accepted by three-fifths of the members, carrying 85 per cent of the voting power’. It goes on to say:

Some of the ‘winners’ and ‘losers’ in terms of the change in allocations/quotas ratios are listed in the following table.

The key words in this table are ‘winners’ and ‘losers’. According to the table, the winners are Singapore, Kuwait, Lebanon, Saudi Arabia, Korea, China and Japan; the losers are Afghanistan, Haiti, Laos, Liberia, Congo, Sudan and Somalia. We cannot obtain information as to how Australia’s decision to back the new agreements, known as the fourth amendment to the articles of agreement, will affect the liquidity position vis-a-vis grants or loans allocations to countries like East Timor, Papua New Guinea and other nations within the India-Pacific region.

In conclusion, I support the comments made by the members for Curtin and Cunningham in their early contributions to this debate. I just hope that the IMF uses its undoubtedly influence with regard to our concerns about global warming, particularly on those countries which are promoting the expansion of greenhouse emissions to the detriment of this planet because they are driven by economic imperatives. I trust that the IMF, which is a very powerful body, will do something other than just be guided by the economic imperatives.
I think all of us on both sides of this House are very concerned about global warming, and I think the IMF could use its very significant powers of influence to arrest the expansion of greenhouse emissions throughout the world.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.59 a.m.)—in reply—I would like to thank the honourable members for Wills, Cunningham, Curtin and Lowe for the thoughtful contributions that each one has made. The debate has not been largely about the substance of the International Monetary Agreements Amendment Bill (No. 1) 2000, but there has been a very interesting and wide-ranging debate over the future of the International Monetary Fund and general matters which no doubt have been canvassed more widely.

I would like to sum up by restating the objectives and benefits of the bill. Its purpose is to enable schedule 1 of the International Monetary Agreements Act 1947 to be amended to reflect a change in the articles of agreement of the International Monetary Fund. Amendments made to the articles of agreement of the IMF, such as the fourth amendment, make it necessary to change the International Monetary Agreements Act. Since schedule 1 of the act reproduces the articles of agreement of the IMF, the bill will enter into force when the fourth amendment to the IMF’s articles of agreement is formally accepted by the required majority of the fund’s membership. This bill will enable the Treasurer to direct the Reserve Bank of Australia, under section 5A of the IMA Act, to buy Australia’s allocation of special drawing rights from the Commonwealth in exchange for Australian dollars once the fourth amendment enters into force.

The benefits of the fourth amendment are twofold. First, the amendment is being proposed as a means of ensuring greater equity between IMF members in terms of their cumulative SDR allocations relative to their quotas—or capital subscriptions—in the IMF, at a benchmark level of 29.32 per cent. Australia would receive SDR213.5 million, or about $A520 million, of additional reserves. This greater equity could result in some members becoming more committed to the objectives and functions of the IMF, which could assist it in its operations. Secondly, a special allocation would add to the foreign reserves of all IMF member countries, which would allow poorer countries to meet part of their reserve needs at a lower cost.

The honourable member for Lowe spoke about what he saw as the desirability that the IMF influence environmental issues. I restate for the benefit of the honourable member and the Main Committee that the role of the IMF is to address macro-economic imbalances, helping countries to address balance of payments problems and restore stability to allow resumption of sustainable growth. The member would be disappointed to know that its mandate does not call for it to address environmental issues.

The honourable members for Cunningham and Curtin participated by commenting in a very wide-ranging way on the role of the International Monetary Fund in the world economy. You may be interested to know, Madam Deputy Speaker, that IMF programs are focused on helping countries achieve stable economic growth, the surest guarantee that people will see their economic wellbeing improved over time. The bulk of evidence suggests that IMF policies have been generally successful in assisting member countries address their macro-economic imbalances and resume economic growth. A recent example can be seen in countries hit by the Asian economic crisis of 1997-98. From Korea to Thailand to Brazil, economies adversely affected by that crisis which have initiated policy reform with IMF assistance have now recovered solidly. This is not say that the IMF cannot do better, and Australia has urged it to undertake further reforms to improve the effectiveness of its operations in the wake of the crisis.

The IMF itself has initiated a comprehensive review of its policy framework to make sure that it remains relevant in a globalised environment. Efforts by the IMF include strengthened...
surveillance function, use of international standards and codes, and greater ownership of IMF programs. Therefore, the IMF is addressing the need for reform of international architecture. It has recently concluded a review of its financing facilities, aimed at addressing overdependence by members. It is also reviewing conditionality attached to their programs, emphasising the need for ownership of the reform program by members and also to limit conditions to those strictly needed to ensure the underlying balance of payment problems are addressed.

The International Monetary Fund has done a very good job but it continues to look at how this matter could be even more improved. It is obvious that the issue of reform of the IMF and World Bank will remain an important part of discussions for reform of the international financial system in the period ahead. The Howard government will continue to participate actively and vigorously in these discussions.

With respect to the bill before the House, the Joint Standing Committee on Treaties supported the proposed fourth amendment to the articles of agreement of the IMF and has recommended that binding treaty action be taken. The bill will have no impact on the fiscal or underlying cash balances as the receipt and sale of SDRs are treated as financial transactions. I am very pleased to commend the bill to the chamber.

Question resolved in the affirmative.
Bill read a second time.
Message from the Governor-General recommending appropriation announced.
Ordered that the bill be reported to the House without amendment.

Main Committee adjourned at 11.07 a.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Civil Aviation Safety Authority: In-flight Inspections
(Question No. 1524)

Mr Tim Fischer asked the Minister for Transport and Regional Services, upon notice, on 10 May 2000:

1. In each year since 1997, has the Civil Aviation Safety Authority (CASA) carried out surveillance in-flight inspections where an officer of CASA travelled in the cockpit to survey operational procedures and inspect airline internal surveillance practices.

2. How many in-flight sectors have been completed by CASA officers carrying out survey and inspection annually in relation to (a) Qantas, (b) Eastern, (c) Ansett, (d) Kendell, (e) Impulse, (f) Southern, (g) Air Facilities, (h) Flight West, (i) Hazelton and (j) Yanda Airlines.

Mr Anderson — The answer to the honourable member’s question is as follows:

The Civil Aviation Safety Authority (CASA) has provided the following information:

1. CASA has carried out in-flight inspections where an officer has travelled in the cockpit to survey operational procedures and inspect airline practices in each year since 1997.

2. INFLIGHT INSPECTIONS BY CASA OFFICERS

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In contrast to figures representing previous years, the figures for the period 1999 to September 2000 represent CASA’s new approach to the use of an en-route inspection.

Analysis of inspection results over a number of years to June 1998 showed that, while numerous en-route inspections were performed, they were ineffective in displaying systemic deficiencies while tying up resources for a long time. For example, only two inspections of 350, carried out on one operator over a number of years to June 1998, discovered a significant discrepancy.

To increase the effectiveness of inspections, CASA has developed a safety systems assessment audit approach, which has been gradually implemented through the inspection periods from 1998. While the numbers of in-flight inspections has decreased, the information gained from the inspections has increased in value. In combination with additional audits conducted by CASA targeting Airworthiness and Flying Operations activities, the safety systems assessment is a safety guided approach to achieving compliant operators.

CASA’s new safety systems assessment approach focuses on an in-depth analysis of the systems used by airlines in the production of a product, whether that product is a proficient flight crew, a correctly loaded aircraft, or controlled and accurate documentation.

As part of any safety systems assessment, product sampling is essential. The figures for the period 1999-2000 represent an appropriate and safety guided sample of the system used by the airlines to ensure a proficient crew.

As part of CASA’s new assessment approach, en-route cockpit assessments will continue.
Mr McClelland asked the Minister representing the Minister for Regional Services, Territories and Local Government, upon notice, on 14 August 2000:

(1) What Federal Government funding has been provided to the Northern Territory for 2000-2001.
(2) Has any of this sum been allocated for specific purposes; if so, what sums and for what purposes has the money been allocated.
(3) What financial management and accountability measures are in place in respect of Federal Government funds allocated to the Northern Territory or for a purpose or purposes within the Northern Territory.

Mr Anderson—The Minister for Regional Services, Territories and Local Government has provided the following response to the honourable member’s question:

The reply relates to the Transport and Regional Services portfolio:

(1) Federal Government funding through the Department of Transport and Regional Services provided to the Northern Territory for 2000-2001 is estimated to be $139,185,252.56

(2) This sum has been allocated as follows:

Rail
The Alice Springs to Darwin Rail project has received an allocation of $95 million.

Roads
Under the National Highway Program, $24.95 million has been allocated for the construction and maintenance of the National Highway in the Northern Territory.

Federal Road Safety Black Spots Program
Projects to the value of $459,020 have been approved for road safety remedial treatments at identified road locations.

Aviation
Under the Remote Aerodrome Inspection Program, $75,773.56 will fund the employment of a consultant to provide an inspection service for aerodromes in the Northern Territory serving remote Aboriginal and Torres Strait Islander communities.

From 1 July 2000, a subsidy of $31,234.50 per month has been allocated to a charter air operator in the Northern Territory under the Remote Air Service Subsidy (RASS) Scheme.

The Government will be spending an additional $5.2 million dollars on the Scheme over the next four years. The Scheme’s funding will be effectively doubled from $1.25 million in 1999-2000 to $2.5 million in 2000-01.

Rail Reform Transition Programme (RRTP)
Approximately $80,000 has been allocated to provide for the employment of a project officer who will provide business liaison skills for businesses in the Alice Springs region, competing for production and service contracts during the construction of the AustralAsia railway from Alice Springs to Darwin.

Rural Domestic Violence Programme (RDVP)
Grants of $16,500 for the Katherine Women’s Crisis Centre Inc and $13,915 for the Yirrkala Dhanbul Community Association Inc have been allocated as part of the $50 million Partnerships Against Domestic Violence Initiative.

Rural Programmes
Organisation: Central Australian Producers Action Group (CAPAG) Pty Ltd
Programme: Rural Plan
Funding: $100,000
Description of project: A producer-initiated project to hire a coordinator and specialist consultants to develop dynamic growth and long-term profitability for pastoralists of Central Australia.

Organisation: Jawoyn Association Aboriginal Corporation
Programme: Rural Plan
Funding: $80,000
Description of project: The Jawoyn Association project is undertaking a planning exercise to establish viable regional agricultural enterprises.
Organisation: Atite Co-operative Aboriginal Corporation
Programme: Rural Communities Programme
Funding: $19,939
Description of project: The Cooperative is conducting a horticultural project which will provide training to the people at Mosquito Bore outstation to provide the community with access to fresh fruit and vegetables.

Local Government Financial Assistance Grants
The estimated Local Government Financial Assistance Grants to be paid to Local Government Authorities in the Northern Territory comprise two components:
- a general purpose component of $9.335 million; and
- identified local roads component of $9.521 million.
Both the general purpose component and the identified local roads component are untied in the hands of the receiving council.

Rural Transaction Centres (RTC)
There are four Business Planning Grants totalling $194,167 (GST inclusive), comprising:
- Maningrida Council Inc has been allocated $11,000 business planning assistance to investigate the feasibility of establishing a RTC in Maningrida.
- Yuyung Nyanung Aboriginal Corporation has been allocated $13,200 business planning assistance to investigate the feasibility of establishing a RTC in Ramingining.
- Anmatjere Community Government Council has been allocated $8,450 business planning assistance to investigate the feasibility of establishing a RTC in Ti Tree.
- Mataranka Community Government Council has been allocated $161,517 to establish a RTC to serve the people living and working in the community of Mataranka.

Local Government Incentive Programme
Councils in the Northern Territory may be successful in applying for funding under the Local Government Incentive Programme. Applications for funding in 2000-01 are to be submitted by 27 October 2000. Under the Programme projects may attract funding up to a maximum of $100,000.

Local Government Development Programme (LGDP)
On 5 October 2000 the Jabiru town Council was sent $10,000 as a final payment of a $90,000 grant for a project to develop inter-council partnerships. The Northern territory Department of Local government will receive $10,000 as final payment of a $100,000 grant for micro-economic reform in the Northern Territory.

The Prime Minister’s Supermarket to Asia Initiative
An allocation of $50,000 has been made for the establishment of export councils in major export hubs to improve communication and cooperation between all stakeholders in the export chain. The funds will be used for the implementation of the Australian Logistics Strategy for Perishable Exports.

(3) The following financial management and accountability measures are in place:

Rail
Normal Commonwealth financial management and accountability measures apply. Financial management and accountability measures are also included in a Deed of Conditions of Grant between the Commonwealth and the AustralAsia Railway Corporation.

Roads
The financial management and accountability measures for the National Highway program are as follows:
Reporting – the Northern Territory provides monthly reports of the progress and expenditure incurred on each approved project carried out on the National Highway to enable payment by the Commonwealth.

Payments - are made monthly on a project by project basis for actual expenditure incurred by the Northern Territory to date, less payments previously made by the Commonwealth, plus an amount to cover Northern Territory’s estimated cash flow requirements until the next due date of payment by the Commonwealth.

Statements of Expenditure - the Northern Territory is required to submit to the Minister as soon as practicable after 30 June each year and within 6 months of the end of the financial year the following certificates and reports:

- A certificate from the Chief Executive Officer of Northern Territory Department of Transport and Works that ‘Expenditure in accordance with the itemised break-up shown is for works carried out in accordance with the ALTD Act and the Notes on Administration’;

- A report by the Auditor-General for the Northern Territory, stating:
  : whether the statement is in the form approved by the Minister;
  : whether, in the Auditor-General’s opinion, the statement is based on proper accounts and records;
  : whether the statement is in agreement with the accounts and records; and
  : whether, in the Auditor-General’s opinion, the expenditure of money has been in accordance with the ALTD Act.

Federal Road Safety Black Spots Program

The financial management and accountability measures for the Federal Road Safety Black Spots Program are as follows:

Reporting – States/Territories are to provide written reports notifying approved project status for the purpose of monitoring the physical and financial status of the program to enable payments by the Commonwealth to match expenditure by the States/Territories;

Payments - an initial payment of 20 per cent of total estimated program cost may be made on approval of the program. Thereafter, payments are made on receipt of status reports from the States/Territories;

Statements of Expenditure - each State/Territory is required to submit to the Minister as soon as practicable after 30 June each year and within 6 months of the end of the financial year the following certificates and reports:

- A certificate from the Chief Executive Officer of the responsible State road authority that ‘Expenditure in accordance with the itemised break-up shown is for works carried out in accordance with the Act and the Notes on Administration’;

- A report by an ‘appropriate person’ as determined by the Australian Land Transport Development (ALTD) Act, which in the case of a State road and transport agency is the Auditor General of the State, stating:
  : whether the statement is in the form approved by the Minister;
  : whether, in the person’s opinion, the statement is based on proper accounts and records;
  : whether the statement is in agreement with the accounts and records; and
  : whether, in the person’s opinion, the expenditure of money has been in accordance with the ALTD Act.

Aviation

Under the Remote Aerodrome Inspection Program, the consultant is paid on receipt and examination of aerodrome inspection reports by the Department.

It is a requirement of the RASS subsidy contracts that air operators submit annual financial reports to the Department, detailing costs and revenues. It is also a requirement that operators undergo an external audit every two years. Furthermore, operators need to provide monthly subsidy eligibility returns to the Department of Transport and Regional Services before the subsidy can be paid.
Rail Reform Transition Programme (RRTP)

A Deed of Conditions of Grant is in place between the Commonwealth and the Northern Territory that maps out the obligations of the parties under the Programme. The Northern Territory Government must provide information and reports as and when requested by the Department of Transport and Regional Services on the operation and administration of the grant monies.

Rural Domestic Violence Programme (RDVP)

Three monthly activity reports are to be provided by the grant recipients to the Commonwealth Department of Transport and Regional Services, including the final case study report due by 30 March 2001. A final audited financial statement is to be provided to the Department within 90 days of the end of the funding programme.

Rural Programmes

All Rural Communities Programme and Rural Plan grantees are required to sign a Deed of Agreement between their organisation and the Commonwealth of Australia. The Deed of Agreement requires that grantees submit progress reports, annual reports, final reports and audited financial statements accounting for the expenditure of the grant money.

Local Government Financial Assistance Grants

Section 15 of the Local Government (Financial Assistance) Act 1995, requires the Treasurer of the Northern Territory to provide to the Minister, as soon as practicable after 30 June in each year:

- a statement setting out the payments made by the Northern Territory during the year ending on that date, and the dates of the payments; and

- a certificate by the Auditor-General of the Northern Territory that, in his or her opinion, the contents of the statement are correct.

Local Government Incentive Programme (LGIP)

Successful applicants for grants under the Local Government Incentive Programme will provide a project plan that includes appropriate performance indicators and proposed financial management and reporting arrangements.

Rural Transaction Centres (RTC)

Business Planning Grants require a Letter of Exchange with grant recipient, including a requirement for the grantee to acquit funds and provide a copy of RTC business plan. Project Assistance Grants require a Deed of Grant between the Department of Transport and Regional Services and the recipient, including a requirement of the grantee to provide progress reports and financial statements, and acquit funds.

Local Government Development Programme (LGDP)

Both Jabiru Town Council and the Northern Territory Department of Local Government signed a Deed of Grant, which requires that they prepare progress reports with statements of income and expenditure and an audited financial statement at the completion of the grant.

The Prime Minister’s Supermarket to Asia Initiative

The Northern Territory will produce a report and an audited financial statement at the end of 12 months in accordance with the Deed of Grant.

Northern Territory: Funding for 1999-2000

(Question No. 1755)

Mr McClelland asked the Minister representing the Minister for Regional Services, Territories and Local Government, upon notice, on 14 August 2000:

1. Is the Minister satisfied that Federal monies allocated to the NT Government or for purposes within the Northern Territory during 1999-2000 were expended for the purpose or purposes for which they were appropriated; if so, is the Ministers satisfaction based on financial management and accountability procedures; if so, what are those procedures.

2. Has the Minister made appropriate inquiry regarding the expenditure of funds provided by the Federal Government to the NT Government or for purposes within the Northern Territory; if not, will
the Minister conduct an appropriate audit to ensure that the monies have been expended for the purpose or purposes for which they were appropriated.

Mr Anderson—The Minister for Regional Services, Territories and Local Government has provided the following response to the honourable member’s question:

The reply relates to the Transport and Regional Services portfolio:

(1) Yes, and my satisfaction is based on the following financial management and accountability procedures:

Roads

In respect of the National Highway Program, the Northern Territory will provide the Minister for Transport and Regional Services, before the end of 2000, with an audited statement accounting for the expenditure of 1999-2000 funds. In addition, the Northern Territory Department of Transport and Works will certify that the funds provided have been expended on the National Highway.

Federal Road Safety Black Spots Program

Appropriate auditing and reporting requirements for Federal Road Safety Black Spots funds expended by the Northern Territory Government are in place and have been satisfied.

The Program’s financial management and accountability procedures are outlined in the Program’s ‘Notes on Administration’.

Aviation

As a requirement of the Remote Air Service Subsidy (RASS) Scheme contracts, air operators will submit annual financial reports to the Department detailing costs and revenues. Operators will undergo an external audit every two years. Furthermore, operators need to provide monthly subsidy eligibility returns to the Department of Transport and Regional Services before the subsidy can be paid.

Rail Reform Transition Programme (RRTP)

The measures outlined in the Deed of Conditions of Grant ensure that accountability and compliance with the terms of the contract are met. Further, as a condition of grant, on a six monthly basis, reports on Programme expenditure and progress, and a detailed annual report will be provided.

Local Government Financial Assistance Grants

Under Section 15 of the Local Government (Financial Assistance) Act 1995, the Treasurer of the Northern Territory will provide to the Minister for Transport and Regional Services, as soon as practicable after 30 June in each year:

- a statement setting out the payments made by the Northern Territory during the year ending on that date, and the dates of the payments; and

- a certificate by the Auditor-General of the Northern Territory that, in his or her opinion, the contents of the statement are correct.

Local Government Incentive Programme (LGIP)

For LGIP in 1999-2000, the audit requirements are specified in the Deeds of Agreement for the grants. The accountability mechanism is set out in section 15 of the Local Government (Financial Assistance) Act 1995. If advice under that section has not been received within a reasonable time, the matter will be pursued with the Northern Territory Treasurer.

Rural Transaction Centres (RTC)

Under the RTC Programme, Letters of Exchange with the grant recipients require grantees to acquit funds and provide a copy of their RTC business plan.

Local Government Development Programme (LGDP)

Under the Deed of Grant arrangements, progress reports with statements of income and expenditure and an audited financial statement will be completed.

(2) No. As an appropriate audit is conducted within each program to ensure that all Federal monies allocated have been expended for the purpose or purposes for which they were appropriated, which will include the funds allocated to the Northern Territory during 1999-2000, no other inquiry is necessary.
Rail: Tarcoola to Alice Springs Railway
(Question No. 1759)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 14 August 2000:

(1) What is the term of the peppercorn lease over the Tarcoola to Alice Springs railway line which the Government provided the Asia Pacific Transport Consortium.

(2) What agreement does the Government have with the Consortium about the management, maintenance and upgrade of this line during the period of the lease.

(3) What agreement does the Government have with the Consortium about the state of repair or condition the track is to be in at the end of the lease.

(4) What is the financial value of that line.

Mr Anderson—The answer to the honourable member’s question is as follows:
A lease is yet to be negotiated between the Australian Rail Track Corporation and the AustralAsia Railway Corporation. In the final lease the Commonwealth expects:

(1) The term of the lease to be up to 60 years.
(2) Full responsibility for the management, maintenance and upgrade of this line to transfer to the AustralAsia Railway Corporation during the period of the lease.
(3) Upon expiration of the lease the land and assets are to be returned to the Australian Rail Track Corporation in a fully functional condition which is no worse than its condition at time of lease and meets the relevant Australian Standards.
(4) The Discounted Cash Flow valuation of the asset in Australian Rail Track Corporation annual report to 30 June 1999 was $11.349 million.

Australian Taxation Office: Australian Business Numbers
(Question No. 1810)

Mr Kelvin Thomson asked the Minister representing the Assistant Treasurer, upon notice, on 15 August 2000:

What arrangements does the Australian Taxation Office have in place to ensure that the same problems do not arise in relation to Australian Business Numbers as have occurred with Tax File Numbers, in light of the Auditor-General’s report that tax administration led to there being 3.6 million more tax file numbers than tax-payers.

Mr Costello—The Assistant Treasurer has provided the following answer to the honourable member’s question:
A very significant data cleanse of records was conducted prior to the start date of issuing ABN application forms in November 1999 and, once applications began to be received, a range of strategies was put in place to ensure that only those with a genuine entitlement to an ABN have one. Very significant penalties are also included in the ABN law for misuse of an ABN.

The ATO’s Business Registration Service provides for real-time monitoring and improvements to ABN data quality and maintenance of the Register.

Because of an entity’s regular contact with the ATO for the processing of Business Activity Statements and other forms which use the ABN as an identifier, there will be an increased degree of interaction with the ATO and a range of checks are built into the system, both in terms of risk profiling and physical checks of refunds to detect possibly fraudulent transactions. Added to this, the GST field force will be applying targeted activities to the client population.

On an ongoing basis, details from the Business Activity Statement and other statements will provide updated information as to whether an enterprise is being carried on. Other sources of register information will be used including information from the Australian Securities and Investments...
Commission and, in future, State organisations like the Offices of State Revenue and licensing authorities.

Further, the ATO is also working with the Australian Bureau of Statistics on preparing sampling methodologies and quality measures so that register quality can be further enhanced.

United Nations Committee on Economic, Social and Cultural Rights

(Question No. 1862)

Dr Theophanous asked the Prime Minister, upon notice, on 28 August 2000:

(1) Has his attention been drawn to the submission made to the UN Committee on Economic, Social and Cultural Rights by the Foundation for Aboriginal and Islander Research Action, supported by Aboriginal leaders; if so, what is the Government’s response to the claims that it has failed to address problems in Aboriginal health on a nationwide scale.

(2) Will the Government also reject any criticism from this Committee in light of the Government’s response to criticism from other UN Committees in 2000.

(3) Is the Government aware of the criticisms which are being levelled at Australia by a range of governments around the world because of its dismissive attitude to any criticism on indigenous issues.

Mr Howard—The answer to the honourable member’s question is as follows:

(1) Yes. The Government’s submission to the Committee responds to claims regarding Aboriginal health like those made by the Foundation for Aboriginal and Islander Research Action. To reiterate, improved outcomes are being achieved. Clinical studies of indigenous communities indicate:

- the death rate from infections and parasitic infections is falling;
- the incidence and severity of diarrhoeal disease is reducing due to improvements in environmental living conditions and socioeconomic circumstance; and
- mortality from acute respiratory illness has declined markedly in indigenous children although attack rates are still high in rural and remote communities.

The Government recognises that there is still a long way to go and has allocated record levels of funding to address this issue. Since 1995-96, funding through the Office for Aboriginal and Torres Strait Islander Health has increased to $189.7 million, an increase of more than 50 per cent in real terms. By 2003-04, the Government will have increased specific Aboriginal and Torres Strait Islander health funding to more than $220 million per year, an increase of 65% in real terms over this period.

The Government firmly believes that its current focus on provision of comprehensive primary health care services along with action in areas such as environmental health infrastructure, housing and education, provides the best opportunity to improve the health status of indigenous people in Australia.

(2) The Committee released its concluding observations on Australia on Friday 1 September 2000. This Committee had a number of positive things to say about Australia, including in relation to indigenous issues. Indeed, three of nine positive factors raised by the Committee related to indigenous issues. The Committee’s concerns about the fact that many of Australia’s indigenous people continue to suffer disadvantage, especially in the areas of employment, housing, health and education, vindicate our decision to give priority to these key areas.

(3) The Government is not aware of criticisms from a range of governments around the world regarding indigenous issues, as suggested by the Honourable member.

Imports: Fiji

(Question No. 1911)

Mr Danby asked the Minister representing the Minister for Industry, Science and Resources, upon notice, port the finished goods to Australia.

(2) Will he make clear that Australia will discontinue on 4 September 2000:

(1) Is he aware of plans by companies in Fiji to import textiles from China and use its export credit scheme under which clothing imports to Australia from Fiji attract a 50 per cent reduction in duty.
(3) What measures are in place to alert Australian importers and Fijian exporters that attempts to import finished clothing to Australia would be a violation of the sanctions on Fiji while Fiji is ruled by an undemocratic, unelected regime.

Mr Moore—The Minister for Industry, Science and Resources has provided the following answer to the honourable member’s question:

(1) No, I am not aware of any such plans by Fiji companies. However, there is nothing to prevent companies in Fiji or any other country from exporting goods into Australia using materials sourced from another country. Under existing trade and tariff arrangements, such goods may not qualify for concessional access to the Australian market.

(2) Australia does not have an export credit scheme. However, an Import Credit Scheme (ICS) was introduced in 1992, and was closed, with the exception of goods being exported to Forum Island Countries (FIC) on 30 June 2000. The scheme was closed for exports to FICs on 30 September 2000. In closing ICS, the Government has made generous provision for the TCF sector through its TCF Post 2000 Assistance Package.

The ICS allowed for Australian companies to obtain credits from their exports and use those credits to offset duty on imports. ICS did not provide a 50 per cent reduction in duty. Mr Danby may be referring to arrangements under SPARTECA (South Pacific Regional Trade and Economic Cooperation Agreement) which provide for duty free entry into Australia for goods whose local content is greater than 50 per cent.

(3) There are no measures in place as there are no trade sanctions against Fiji. The usual procedures employed by the Australian Customs Service are applied against goods entering Australia.

United Nations Convention on the Elimination of All Forms of Discrimination Against Women

(Question No. 1926)

Dr Theophanous asked the Prime Minister, upon notice, on 5 September 2000:

(1) Is Australia the only significant developed nation to refuse to ratify the Optional Protocol to the Convention on the Elimination of All Forms of Discrimination Against Women; if so, why.

(2) What explanation will he give the UN Millennium Conference with regard to Australia’s position.

Mr Howard—The answer to the honourable member’s question is as follows:

(1) I am advised by my department that Australia is not the only nation which has not ratified or signed the Optional Protocol to the Convention on the Elimination of All Forms of Discrimination Against Women.

Sixty-two states had signed the Optional Protocol as of 29 September 2000, and eleven of these states had also ratified the Optional Protocol. A number of like-minded states, including Canada, Great Britain and the United States, had not signed or ratified the Optional Protocol.

(2) In my address to the United Nations Millennium Summit on 6 September 2000, I made the following statement:

“We also believe that aspects of the UN treaty committee system need reform. Australia’s recent experience has been that some of these committees give too little weight to the views of democratically-elected governments and that they go beyond their mandates.

Australia will intensify its work with other states on reform of the treaty committee system. We have recently announced a series of measures aimed at improving the operation of the UN treaty committee system.

Australia’s strategic engagement with these committees will be dependent on the extent to which effective reform occurs.”

The Government has stated elsewhere that it would not be appropriate to sign or ratify the Optional Protocol while its concerns with the treaty committee system remain.
United Nations Convention on the Elimination of All Forms of Discrimination Against Women

(Question No. 1927)

Dr Theophanous asked the Prime Minister, upon notice, on 5 September 2000:

(1) What action will the Government take to ensure that its decision to refuse the ratification of the Optional Protocol to the Convention on the Elimination of All Forms of Discrimination Against Women will not have a negative impact on overcoming discrimination against Australian women.

(2) Will the Government make a commitment to ensure the determinations of the Sexual Discrimination Commissioner are implemented in legislation.

Mr Howard—The answer to the honourable member’s question is as follows:

(1) The Government does not consider that its decision not to sign or ratify the Optional Protocol to the Convention on the Elimination of All Forms of Discrimination Against Women while its concerns with the United Nations treaty committee system remain will have a negative impact on overcoming discrimination against Australian women. Australia already has a world class system of legislation and institutional mechanisms which are designed to protect Australian women against discrimination.

(2) I am advised by my department that the Sex Discrimination Commissioner does not have the power to make determinations.

Hoxton Park Airport: Flight Patterns

(Question No. 1968)

Mrs Irwin asked the Minister for Transport and Regional Services, upon notice, on 3 October 2000:

(1) Have flight patterns for Hoxton Park Airport changed recently; if so why.

(2) Have there been 4 serious incidents at Hoxton Park Airport in the last 2 years; if so; why are flights now directed over residential areas.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) Airservices Australia has advised there have been no changes to flight arrangements for operations at and around Hoxton Park in the last 5 years except that during the Olympic Games period an aerodrome control service was provided for the anticipated increase in activity. Approved hours for circuit training were changed in June 1995 and revised procedures affecting communications responsibilities were introduced in 1999.

(2) Australian Transport Safety Bureau records indicate that in the two years to 3 October 2000, eight accidents occurred at Hoxton Park aerodrome and one accident occurred four kilometres north of the aerodrome. All these accidents involved substantial damage to the aircraft involved. There were two injuries and one fatality recorded as a result of these accidents.

As stated above, there have been no changes to arrangements for operations at and around Hoxton Park in the last 5 years except that during the Olympic Games period an aerodrome control service was provided for the anticipated increase in activity.

Human Rights: Sri Lanka

(Question No. 1973)

Mr Laurie Ferguson asked the Minister for Defence, upon notice, on 3 October 2000:

(1) In the context of Australian comments concerning Sri Lanka at the 56th Session of the UN Commission on Human Rights in Geneva, 20 March to 28 April 2000, what has been the level of sales of Australian military and dual use equipment to Sri Lanka in (a) 1997-98, (b) 1998-99 and 1999-2000.

(2) When did the Inter Departmental Committee chaired by his Department, for the granting of export licences, last assess Sri Lanka’s human rights picture, and what was the outcome of the review.

(3) Have Sri Lankan defence personnel been trained in Australia; if so, what was the nature of the training.
Mr Moore—The answer to the honourable member’s question is as follows:

(1) Department of Defence records indicate that Australian military goods to the value of $176,164 were approved for export to Sri Lanka in FY 1997-98. There were no dual-use goods approved for export to Sri Lanka in that year. In FY 1998-1999 Australian military goods totalling $328,654 were approved for export to Sri Lanka. Dual-use equipment to the value of $20,905 was approved for export to Sri Lanka in that year. In FY 1999-2000 Australian military goods to the value of $3,000 were approved for export to Sri Lanka. Dual-use goods totalling $7,241 were approved for export to Sri Lanka in that year. The total figure for military goods approvals for export to Sri Lanka over the three year period in question is $507,818, and the dual-use equipment export approvals for that period totalled $28,146.

(2) The Standing Interdepartmental Committee for Defence Exports (SIDCDE) is chaired by the Department of Defence. However, country assessments are the responsibility of the Department of Foreign Affairs and Trade (DFAT). All countries are assessed by DFAT on an on-going basis. I understand that DFAT continues to review human rights concerns in relation to Sri Lanka and, as a member of the SIDCDE, I expect that any concerns that DFAT may have in relation to a given export would be raised in that forum.

(3) Overseas training records held by the Department of Defence indicate that the only member of the Sri Lankan Defence Force that has been trained in Australia was a Lieutenant Commander from the Sri Lankan Navy who attended the Joint Services Staff College (JSSC) Course in Canberra in 1982.

Telstra: Valuation
(Question No. 1985)

Mr Tanner asked the Minister for Finance and Administration, upon notice, on 3 October 2000:

(1) What were the key findings of the valuation of Telstra in the Commonwealth’s balance sheet referred to in Senate Finance and Public Administration Legislation Committee Budget hearings (Committee Hansard, 23 May 2000, pages 157-8).

(2) Were forward estimates of the sale cost, net income and underlying budget impact of the sale of the Commonwealth’s remaining two thirds share of Telstra provided at page 2-39 of Budget Paper No.1 in 1998-99; if so, why cannot this same information be provided with respect to the sale of the Commonwealth’s remaining interest in Telstra on the basis that it is commercially confidential.

Mr Fahey—The answer to the honourable member’s question is as follows:

(1) The Government has decided not to change the valuation of its investment in Telstra under AAS31:

Firstly, valuing Telstra at historical cost is the Government has always done complies with the Australian Accounting Standards. This has been confirmed by the Auditor General.

Secondly, valuation at historical cost in the General Government Sector Financial Statements is consistent with the treatment in the Whole of Government statements.

This is because the Australian Accounting Standards do not permit Telstra to be valued to market value within the Whole of Government Consolidated Financial Statements (CFS).

Thirdly, reporting investments at historical cost is the common commercial practice of large private sector organisations, which must also report under Australian Accounting Standards.

(2) Yes. It was deemed appropriate to include this information in the Budget papers for 1998-99 on a one-off basis. The Government decided that it would not be appropriate to provide this information in the papers for 1999-00 or 2000-01, as was the case for the Budget papers for the period up to 1997-98.

Centrelink: Contracts with IBM
(Question No. 1986)

Mr Tanner asked the Minister for Finance and Administration, upon notice, on 3 October 2000:
(1) Further to the answer to question No. 1566, *Hansard*, 14 August 2000, page 17327, which of the agreements listed in the answer were cleared by the Office of Asset Sales and IT Outsourcing (OASITO).

(2) Further to the answer to part (2) of question No. 1564 *Hansard*, 28 August 2000, page 17721, what were the names of the organisations about which Centrelink consulted OASITO in relation to its IT acquisitions.

**Mr Fahey**—The answer to the honourable member’s question is as follows:

(1) None of the agreements listed in the answer to question No 1566 were cleared by OASITO. The policy referred to in question No 1564 does not require the clearance of such agreements.

(2) The names of the organisations are as follows:

- Purchase or lease of desktop computers – not applicable, Centrelink were cleared to conduct a tender process.
- Renewal of mainframe and midrange computer software licenses – Computer Associates.
- Mainframe software and hardware leasing – IBM Australia.

**Civil Aviation Safety Authority: Web Site**

*(Question No. 1991)*

**Mr Martin Ferguson** asked the Minister for Transport and Regional Services, upon notice, on 3 October 2000:

(1) Is the Civil Aviation Safety Authority (CASA) now using its web site as the primary means of communicating with the aviation industry.

(2) Are there any documents, draft regulations or discussion papers on that site that are made available only via the web site.

(3) What steps has CASA taken to ensure that aviation operators, especially those in rural and regional Australia who do not have effective access to internet facilities, (a) stay informed and involved in proposed changes to regulations that affect their industry and (b) access other information on the web site that they require to operate in the aviation industry.

(4) How many hits has the CASA web site received each month since September 1999.

**Mr Anderson**—The answer to the honourable member’s question is as follows:

The Civil Aviation Safety Authority (CASA) has advised the following:

(1) The Civil Aviation Safety Authority (CASA) does not use the CASA web site as the primary method of communication with the aviation industry. The CASA web site is used in conjunction with various other methods of communication, to ensure that all publicly available CASA documents are accessible. For the purposes of the Regulatory Reform Plan (RRP) and standards development, CASA uses the following methods of communication with the aviation industry in addition to the CASA Web site:

- **The ‘Newsbriefs’ section of the “Flight Safety Australia” Magazine** - advertises changes in legislation, availability of consultative products (for example Discussion Papers (DPs), Notice of Proposed Rule Making (NPRM) and Summary of Responses (SoRs)), explanations of proposed legislative change and the effects or impacts that such proposals may have. The “Flight Safety Australia” magazine is distributed bi-monthly to over 86,000 people involved in Australian aviation.

- **The Aviation Safety Forum** - The Aviation Safety Forum is a special consultative body helping the aviation community and CASA work effectively together to improve aviation safety in Australia. The ASF is made up of a group of 15 experienced aviation people who advise CASA on important strategic issues and who have been involved in diverse areas within aviation - including passenger transport, engineering, aerial agriculture and general aviation. The ASF provides strategic advice directly to the CASA Board after each meeting and meets at least four times a year.
The Standards Consultative Committee & Sub-Committees - The SCC brings together CASA staff and representatives from a diverse range of aviation industry organisations to work jointly during the development phase of regulatory material. The SCC examines proposed regulatory changes to determine if they are worth pursuing and assists CASA in the allocation of priorities to those projects. Aviation industry experts then work together with CASA staff in subordinate groups (SCC Sub-Committees and Project Teams) on the detailed development of regulatory material (both new regulations and amendments).

RFP Update Newsletter - this newsletter is published bi-monthly by CASA’s Aviation Safety Standards Division to report to the Australian public, the aviation industry and CASA staff on progress and results from the Regulatory Reform Plan in developing new Civil Aviation Safety Regulations. The Newsletter is mailed direct to aviation community individuals and organisations who have expressed an interest in the reform plan. The Newsletter is also posted on the Web site and made freely available at all CASA offices.

In addition, CASA may use the following channels to communicate with industry -

Flight Safety Forums - Organised as necessary in various locations throughout Australia to provide safety information to the aviation community. The forums are provided to the public free-of-charge.

Direct mail / broadcast fax - Urgent safety information and important safety news is often communicated to Certificate of Registration holders, Air Operator Certificate holders and Aircraft Engineers via a letter or broadcast fax service.

Hotlines - CASA provides a nationwide 131757 (local call cost) telephone number. The Aviation Safety Standards Division has additional 1800 (free call) telephone & fax numbers available for regulatory reform activities.

Videos, brochures, CD Roms - The Aviation Safety Promotion Division produces a number of posters, brochures, flyers, instruction videos and CD Roms related to aviation safety. Most of these products are available free of charge and their availability is announced in the “Flight Safety Australia” magazine.

Media releases, Safety Reports & Other Documents - Media releases are issued as necessary to herald important aviation safety activities and news. Reports such as the Skehill Report, the Annual Report and Corporate Plan are released to provide important safety, strategic direction, financial and other operating information.

Airshows - CASA provides safety information at a number of airshows, but primarily at the Aviex & Airshows Downunder.

Special packages - from time to time special educational material is produced to coincide with major regulatory changes eg. Class G Airspace Demonstration Instructor Packs.

(2) With respect to standards development and the Regulatory Reform Plan, working draft (proposed) regulations, and CASA’s consultative products (ie DPs, NPRMs and SoRs) are made available to the general public and aviation community via the following means:

- the CASA Web site;
- hardcopy mail out to aviation community individuals;
- and organisations;
- hard copy for mail out on request from a central distribution point in central office; and
- CASA district offices.

Aviation community and industry representatives on SCC sub-committees and Project Teams are kept informed of progress through both electronic (email/fax) and postal (hard copy) means.

No draft regulatory material is exclusively made available on the CASA Web site.

As part of the 1 October 2000 changes introduced to the Aircraft Registration process, CASA will no longer produce a hard-copy edition of the Aircraft Register. The Aircraft Register is made available to view on the CASA web site. For organisations and individuals that do not have internet access,
arrangements can be made to view the Aircraft Register by appointment at a CASA office, or to request a hard-copy which a CASA staff member would download, print and forward on request.

(3) For the purposes of standards development and the Regulatory Reform Plan -

(a) CASA has a number of methods of communication to keep all interested people (including people in rural and remote areas) apprised of regulatory changes. These methods include:

- To publicise the availability/release of CASA’s consultative documents (DPs, NPRMs and SoRs) a national advertisement is placed in ‘The Australian’ newspaper (Friday’s Aviation Supplement) and in the ‘Weekend Australian’. This advertisement announces the means by which people can obtain a copy of the document, making use of a free-of-charge telephone number, fax number and reply paid postal address. Printed copies of the DPs, NPRMs & SoRs are made available at all CASA district offices and made freely available to the aviation industry and general public. The DPs & NPRMs encourage all people to respond to the regulatory change proposals and provide procedures on how to submit formal responses to CASA. CASA must consider all responses received to its consultation products. The publication of the SoR document (which contains CASA’s disposition to the comment and its proposed action) and the revised final rule, concludes the public consultation process.

- The Aviation Safety Standards Division publishes a bi-monthly newsletter entitled RFP Update, which specifically reports on the progress of regulatory reform and standards development activities. Interested members of the community that have approached CASA to be kept informed of changes in the regulations are mailed this newsletter (currently a distribution of 1500 copies each issue). Copies of the Newsletters are also made available at CASA offices for interested industry/public consumption.

- The Aviation Safety Promotion Division publishes a bi-monthly magazine called ‘Flight Safety Australia’ which has a distribution of 86,000 copies. Important regulatory reform news, articles and advertisements for DPs, NPRMs & SoRs are published in the magazine.

- The implementation period for each new regulation may be as long as twelve months (or more, depending on complexity of regulation), from the time the regulation is made to the date it becomes effective. This allows CASA and the aviation industry a period of time to become familiar with the new regulation, for example preparing and finalising new procedures, conducting training and education programs, issuing delegations and authorisations and enable changes to Information Technology systems etc. As part of the implementation process, CASA has frequently organised regional meetings around Australia to enable educational and information opportunities. For example, the proposed new maintenance related Civil Aviation Safety Regulation Parts 43, 145, 66, 183, 147 have all been subject to several ‘roadshow’ education campaigns.

- Important regulatory changes are more often than not accompanied by a direct mail / fax letter from the CASA Director or Assistant Director, Aviation Safety Standards. For example, to announce the recent changes to the aircraft registration system which commenced on the 1 October 2000, Richard Yates (AD ASSD) wrote to all Certificate of Registration holders and Air Operator Certificate holders giving them details of the new rules.

(b) All documents published on the CASA Web site are available in hard-copy to those members of the public without Internet access. No regulatory information is exclusively available on the CASA Web site.

(4) The following information is representative of all external ‘hits’ on the CASA web site.

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Due to changes in server hardware that resulted in loss of the relevant log files, CASA does not have data for September to December 1999, May 2000 and July 2000.

**Australian Maritime Safety Authority: Cost of Rescue**

*(Question No. 1993)*

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 3 October 2000:

(1) Further to the answer to question No. 510, *(Hansard, 12 May 1999, page 5318)*, concerning the 1998 Sydney to Hobart Yacht Race, what was the final cost to the Government, including the Department of Defence, of using civil search and rescue services and the defence force in the rescue operations.

(2) Is he able to say whether the Bureau of Meteorology issued race officials with a gale warning for part of the race area about 4 hours before the race start, which was upgraded to the first of a series of storm warnings, the most severe warning issued by the Bureau outside tropical latitudes about an hour after the start of the race; if so, was any of the cost to the Government of using civil search and rescue services and the defence force in the rescue recoverable; if not, has the Government considered changing its policy to make such costs recoverable.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) Refer to my answer to question No.1818.

Questions concerning the cost of resources provided by the Department of Defence for search and rescue operations associated with the 1998 Sydney to Hobart Yacht Race should be addressed to the Minister for Defence.

(2) The Bureau of Meteorology falls within the portfolio responsibility of the Minister for the Environment and Heritage and questions concerning its role in the 1998 Sydney to Hobart Yacht Race should be addressed to him.

**Hospitals: Funding**

*(Question No. 2023)*

Mr McClelland asked the Minister for Health and Aged Care, upon notice, on 5 October 2000:

(1) Is he aware of any incidents in which public hospitals have attempted to shift costs from State or Territory responsibility to the responsibility of the Federal Government; in particular, is he aware of any instances where attempts have been made to inappropriately classify patients as out patients in circumstances where they have been admitted to hospital.

(2) What are the potential liabilities for (a) a medical practitioner and (b) a hospital administrator, that engages in that practice.

(3) What are the consequences for (a) a medical practitioner and (b) a hospital administrator that encourages, induces, aids or abets such a practice.

Dr Wooldridge—The answer to the honourable member’s question is as follows:

(1) Yes.

(2) and (3) The potential liabilities and consequences depend upon the method used to shift costs.

**Telstra: Rural and Regional Australia**

*(Question No. 2024)*

Ms Hoare asked the Prime Minister, upon notice, on 5 October 2000:

Has he committed the Government to preserving Government services in rural and regional Australia; if so, (a) does the commitment extend to services provided by Telstra and (b) would the outsourcing of Telstra maintenance services in rural and regional Australia be in keeping with the Government’s commitment.

Mr Howard—The answer to the honourable member’s question is as follows:
(1) During my visit to rural and regional Australia in January and February 2000, I made the commitment on 31 January 2000 that “in any future government decisions... in effect a red light flashes if that government decision involves a reduction in the delivery of an existing Commonwealth service”. I also stated on 31 January 2000 that this “doesn’t mean to say you can’t find different ways of delivering the same service level”.

I then wrote to all portfolio Ministers on 10 February 2000 stressing that a fundamental responsibility of the Government is to ensure the maintenance of key individual services and the overall level of Commonwealth services provided to regional and rural Australia. My letter outlined new arrangements that were to be implemented immediately. These arrangements mean that there is now an active monitoring of issues related to service delivery in regional and rural Australia.

(a) I refer the honourable member to an answer I gave in Question Time on 13 March 2000, where I said that the commitment on Government services applies to the provision of services by Telstra to rural and regional Australia.

(b) As long as the service levels are maintained or improved, the outsourcing of Telstra maintenance services in rural and regional Australia would be in keeping with the commitment on Government services. This is clearly the case because, as I noted when I first made the commitment on 31 January 2000, the commitment “doesn’t mean to say you can’t find different ways of delivering the same service level”.

Swan Electorate: Medicare Agents
(Question No. 2033)

Mr Wilkie asked the Minister for Health and Aged Care, upon notice, on 9 October 2000:

(1) Can he provide a list of pharmacies that have been granted permission to act as Medicare agents within the electorate of Swan.

(2) Can he detail the requirements that must be met by pharmacies prior to being granted permission to act as a Medicare agent.

Dr Wooldridge—The answer to the honourable member’s question is as follows:

(1) Pharmacies are able to act as “Medicare agents” through the installation of a Medicare easyclaim fax device. Within the electorate of Swan, the following pharmacies were granted permission to have Medicare easyclaim fax devices installed:

- Friendly Society Chemist of Victoria Park, 553 Albany Hwy, East Victoria Park 6101
- Park Centre Pharmacy, Shop 19 The Park Centre, 789 Albany Hwy, East Victoria Park 6101
- Barry’s Pharmacy, 844 Albany Hwy, East Victoria Park 6101
- East Victoria Park Soul Pattinson Chemist, 779 Albany Hwy, East Victoria Park 6101

(2) To fulfil the eligibility requirements for installation of a Medicare easyclaim fax device, a pharmacy must be located:

(a) within a postcode area that contains a former Medicare Office which has been closed since 1997 (not including relocation);

(b) at least five kilometres away from the nearest open Medicare Office (measured along a route equivalent to that used by public transport); and

(c) within one kilometre of the closed Medicare Office site.

Ministerial Document Service
(Question No. 2049)

Mr Laurie Ferguson asked the Minister for Finance and Administration, upon notice, on 12 October 2000:

(1) What guidance, if any, has been given to Ministers about the need to ensure that their media releases are included in AusInfo’s Ministerial Document Service.
(2) How many year 2000 media releases by the Minister for Forestry and Conservation have been published in the Ministerial Document Service to date.

Mr Fahey—The answer to the honourable member’s question is as follows:

(1) No recent guidance has been provided to Ministers about this service. Currently the Ministerial Document Service is under review.

(2) There have been two media releases by the Minister for Forestry and Conservation included in the Ministerial Document Service from 1 January 2000 to 11 October 2000.

Child Support: Austudy and Abstudy Payments
(Question No. 2051)

Mr Martyn Evans asked the Minister representing the Minister for Family for Community Services, upon notice, on 12 October 2000:

(1) How many recipients of AUSTUDY/ABSTUDY payments are liable to pay the minimum child support of $5 per week ($260 per year).

(2) Are the necessary administrative systems in place to ensure that the minimum child support liability of AUSTUDY/ABSTUDY recipients is paid to custodial parents.

(3) Have any administrative difficulties been encountered in the payment of the minimum child support liability of AUSTUDY/ABSTUDY recipients to custodial parents, particularly those that receive Centrelink payments; if so, what action is being taken to overcome these difficulties.

Mr Anthony—the Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(1) This information is not collected by either the Child Support Agency (CSA), Centrelink or DETYA.

(2) The CSA and Centrelink have administrative procedures in place to collect child support from AUSTUDY, the same as any other income benefit. For ABSTUDY, the CSA is able under Section 72A of the Child Support (Registration and Collection) Act 1988 to collect outstanding child support payments from third parties (in this case DETYA) who hold funds on behalf of a child support payer.

(3) No.

Medical Specialists: National Competition Council Report
(Question No. 2063)

Mr Latham asked the Minister for Health and Aged Care, upon notice, on 12 October 2000:

(1) Is he aware of the findings of the National Competition Council paper, Reforming the Health Care Professionals, regarding the role of the specialist colleges in limiting the number of medical specialists in Australia and inflating specialists’ incomes.

(2) What progress has been made in opening up the control and administration of the specialist colleges.

(3) Are these colleges operating in a manner consistent with the principles of National Competition Policy.

Dr Wooldridge—the answer to the honourable member’s question is as follows:

(1) Yes.

(2) The Commonwealth recognises that specialist colleges have considerable influence over entry points to the medical workforce – training numbers and the recognition of overseas trained doctors.

The Australian Medical Workforce Advisory Committee (AMWAC) makes recommendations on medical workforce numbers, and the Commonwealth will continue to encourage specialist medical colleges and State/Territory Health authorities to increase training places in line with AMWAC recommendations.
AMWAC has reported that the implementation of its recommendations is broadly on schedule, and the Commonwealth is monitoring this issue closely.

Medical colleges are the recognised training bodies and the arbiters of clinical and professional standards, and there is widespread agreement that the standards of education and professional practice in Australia are very high by international standards.

The Commonwealth will also continue to support and encourage action by the profession to review medical college processes for the recognition of overseas trained doctors.

The Commonwealth considers that the desire to remove anti-competitive behaviours must be balanced with the need to maintain public safety.

The Commonwealth will continue to promote selection and assessment processes by medical colleges which are timely, equitable and transparent.

(3) The issue of whether a specialist medical college is operating in a manner consistent with the principles of National Competition Policy is not a matter dealt with by the Department of Health and Aged Care.

**Industry: Assistance**

(Question No. 2068)

Mr Latham asked the Minister representing the Minister for Industry, Science and Resources, upon notice, on 12 October 2000:

(1) How much does the Federal Government spend each year on industry welfare.

(2) What corporate responsibility requirements are associated with the programs and outlays in (1) above.

(3) Does the minister support the recommendation of the McClure Report that mutual obligation requirements be extended to corporate Australia: if so, what will this involve.

Mr Moore—The Minister for Industry, Science and Resources has provided the following answer to the honourable member’s question:

(1) The Federal Government provides a range of assistance measures to industry to foster economic advances and scientific achievements that continue to strengthen Australia’s international competitiveness. This assistance includes tax incentives to encourage research and development and assistance to attract investment to Australia. Given that this expenditure is designed to foster economic advances that continue to strengthen Australia as a whole, and given that the programs have a strong public interest underpinning, the Government does not accept that they constitute ‘industry welfare’.

(2) Most industry assistance programs include, to varying degrees, elements of enhanced corporate responsibility. These include, in some circumstances, demonstration programs for educating other businesses, the sharing of some intellectual property, as well as commitments to investment, job creation and/or the involvement of local firms in projects. In developing industry assistance programs significant consideration is given to maximising the national interest, which can include a range of measures to maximise the externalities associated with a given expenditure.

In addition, as highlighted by my colleague, the Minister for Community Services, the Hon Larry Anthony NIP, in responding to the similar Parliamentary Question on this subject asked by the Honourable Member (Question No: 1905), the Government has established the Prime Minister’s Community Business Partnership which explicitly promotes a culture of community/business collaboration in Australia. This program builds upon the already extensive community work undertaken by many businesses in Australia.

(3) While the Government has given in principle support to the McClure Report on Participation Support for a ‘More Equitable Society’ it has not, as yet, responded to specific recommendations such as that highlighted. The Government’s response to individual recommendations in the report will be made available before the end of the year.
Minister for Immigration and Multicultural Affairs: Newspaper Articles

(Question No. 2081)

Dr Theophanous asked the Prime Minister, upon notice, on 12 October 2000:

(1) Are remarks by the Minister Assisting the Prime Minister on Reconciliation to international newspapers about Indigenous people and their civilisation an accurate representation of the views of the Government on issues of reconciliation; if so what is the Government’s response to condemnation of those views by the community and the Indigenous community.

(2) Why has the Minister Assisting the Prime Minister on Reconciliation completely failed to apologise to the Indigenous community and the Australian people and Parliament for his remarks about Aboriginal culture and civilisation, since the Minister’s return to Australia.

(3) If it is not the intention of the Minister Assisting the Prime Minister on Reconciliation to apologise and explain the Minister’s comments, in light of the condemnation by the community how can he have confidence that the Minister will be able to do anything constructive in his role as Minister Assisting the Prime Minister on Reconciliation.

Mr Howard—The answer to the honourable member’s question is as follows:

(1) I have read in full the remarks that were recorded in Le Monde and The Washington Post and believe the Minister’s remarks were taken out of context.

(2) I am advised by my department that after media reports in Australia, the Minister, while still in Switzerland, phoned Dr Evelyn Scott, the Chairman of the Council for Reconciliation, and the Deputy Chairman, Sir Gustav Nossal, to clarify the content of his remarks and express regret for the interpretation that some people had placed on his remarks.

(3) I have full confidence in the Minister.

Minister for Immigration and Multicultural Affairs: Newspaper Articles

(Question No. 2082)

Dr Theophanous asked the Minister Assisting the Prime Minister for Reconciliation, upon notice, on 12 October 2000:

(1) Does he recognise that his remarks to international newspapers about Indigenous people and their civilisation are in conflict with the views of the majority of the Australian people on reconciliation.

(2) Is he aware of the outrage created by his comments in the Indigenous community, and amongst Australians generally.

(3) Why has he (a) not apologised to the Indigenous community for his comments about Aboriginal culture and civilisation since his return from overseas and (b) not made a statement to Parliament about this matter.

(4) How can he continue to serve in his role as the Minister Assisting the Prime Minister on Reconciliation, when the role requires him to deal with the Indigenous people and a range of community organisations that have expressed outrage at his comments.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) My comments were taken out of context.

(2) I am aware and regret that my remarks have caused hurt and concern. The remarks were never intended to be divisive.

(3)(a) While still in Switzerland I phoned Dr Evelyn Scott, the Chairman of the Council for Reconciliation, and the Deputy Chairman, Sir Gustav Nossal, to clarify the content of my remarks and express regret for the interpretation that some people had placed on my remarks, and

(b) I do not consider a statement to Parliament necessary.

(4) I am confident that I can continue to represent the government’s positive message about reconciliation at every opportunity.
Snowy River: Environmental Flow
(Question No. 2090)

Mr Tanner asked the Minister representing the Minister for Industry, Science and Resources, upon notice, on 30 October 2000:

(1) What action will the Government take to assist the resumption of environmental flows in the Snowy River following the recent agreement between Victorian and NSW Governments.

(2) What funds will the Government commit to assisting in the restoration of the Snowy River.

Mr Moore—The Minister for Industry, Science and Resources has provided the following answer to the honourable member’s question:

(1) The Government welcomes the announcement by the NSW and Victorian Governments of a proposed environmental flow for the Snowy River and other rivers affected by the Snowy Mountains Scheme. It is another step towards the corporatisation of the Snowy Scheme, after which environmental flows for the Snowy River can be introduced.

The Commonwealth has recently completed an Environmental Impact Statement, which focuses on potential changes in water flows in the Snowy River and the Murray-Darling Basin as part of the corporatisation process. Now that the Minister for the Environment and Heritage, Senator the Hon Robert Hill, has provided his recommendations on the Environmental Impact Statement, I will be able to formally discuss the proposed environmental flow outcome with my colleagues.

(2) The issue of Commonwealth funding to restore environmental flows to the Snowy River is a matter I will progress in the context of these discussions.

Education: Schools Funding
(Question No. 2098)

Dr Martin asked the Minister for Education, Training and Youth Affairs, upon notice, on 1 November 2000:


Dr Kemp—The answer to the honourable member’s question is as follows:

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| **SCHOOLS**    |      |      |      |      |      |      |
| Capital Grants | $    | $    | $    | $    | $    | $    |
Electorate of Throsby
Summary of Identifiable Commonwealth Grants for the period 1995-2000

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Electorate of Throsby
Commonwealth Capital Funding to Non-government Schools

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Electorate of Throsby
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<td>596,085</td>
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* Annual Entitlement - final payment figures not yet available
# Includes $70,000 Short Term Emergency Assistance
### Electorate of Throsby

#### Commonwealth Capital Funding to Government Schools

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### Electorate of Cunningham

#### Summary of Identifiable Commonwealth Grants for the period 1995-2000

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<td>18,191,036</td>
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<td>14,444,098</td>
<td>15,388,879</td>
<td>17,155,926</td>
<td>18,579,681</td>
<td>18,916,876</td>
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### Electorate of Cunningham

#### Commonwealth Capital Funding to Non-government Schools

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<td>680,000</td>
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<td>21,000</td>
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<tr>
<td>St Joseph's School, Bulli</td>
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<td></td>
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<td>188,645</td>
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<tr>
<td>St Pius X School, Unanderra</td>
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<td></td>
<td>171,750</td>
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#### Commonwealth General Recurrent Funding to Non-government Schools

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<td>Edmund Rice College, Wollongong West</td>
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<td>2,436,589</td>
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<td>2,704,800</td>
<td>2,903,553</td>
<td>2,813,936</td>
<td>* 15,862,362</td>
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<td>50,400</td>
<td>65,448</td>
<td>81,600</td>
<td>101,625</td>
<td>133,966</td>
<td>* 484,034</td>
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<td>Holy Spirit College, Ballambi</td>
<td>2,105,059</td>
<td>2,183,925</td>
<td>2,376,776</td>
<td>2,822,415</td>
<td>2,799,830</td>
<td>2,884,813</td>
<td>* 15,172,818</td>
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<td>2003</td>
<td>2004</td>
<td>2005</td>
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<tr>
<td>Heights Illawarra School for Autistic Children, Corrimal</td>
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<td>72,927</td>
<td>88,903</td>
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<td>Heights Illawarra Seventh Day Adventist School, Corrimal</td>
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<td>39,498</td>
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<td>53,245</td>
<td>50,902</td>
<td>64,310</td>
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<td>St Brigid’s School, Gwynneville St</td>
<td>362,112</td>
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<td>455,884</td>
<td>473,620</td>
<td>473,460</td>
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<td>803,523</td>
<td>954,380</td>
<td>988,196</td>
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<td>646,370</td>
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<td>797,300</td>
<td>793,956</td>
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<td>351,569</td>
<td>351,655</td>
<td>400,685</td>
<td>445,801</td>
<td>437,920</td>
<td>480,744</td>
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<tr>
<td>St Mary Star of the Sea College, Wollongong</td>
<td>2,641,756</td>
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<td>3,701,423</td>
<td>3,845,240</td>
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<td>St Michael’s School, Thirroul</td>
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<td>394,227</td>
<td>466,825</td>
<td>464,100</td>
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<td>871,833</td>
<td>971,040</td>
<td>951,776</td>
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<td>St Therese’s School, West Wollongong</td>
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<td>668,686</td>
<td>736,065</td>
<td>851,974</td>
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<td>990,624</td>
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<td>The Illawarra Grammar School, West Wollongong</td>
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<td>625,003</td>
<td>649,696</td>
<td>767,443</td>
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<td>991,560</td>
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<tr>
<td>Total General Recurrent Grants</td>
<td>13,115,496</td>
<td>13,659,132</td>
<td>15,193,879</td>
<td>17,135,926</td>
<td>18,191,036</td>
<td>18,636,876</td>
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</tr>
</tbody>
</table>

* Annual Entitlement - final payment figures not yet available
# Includes $15,845 Short Term Emergency Assistance
Electorate of Cunningham Commonwealth Capital Funding to Government Schools

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Unanderra Public School, Cordeaux Heights</td>
<td>3,320,000</td>
<td>1,350,000</td>
<td>4,670,000</td>
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<tr>
<td>Total Capital Funding</td>
<td>3,320,000</td>
<td>1,350,000</td>
<td>4,670,000</td>
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**Education: Schools Funding**

(Question No. 2134)

Mr Jenkins asked the Minister for Education, Training and Youth Affairs, upon notice, on 7 November 2000:

(1) What sums were provided to (a) government and (b) non-government schools in (i) 1998-99 and (ii) 1999-2000 in the postcode areas of (A) 3074, (B) 3075, (C) 3076, (D) 3082, (E) 3083, (F) 3087, (G) 3088, (H) 3089, (I) 3090 and (J) 3752 and what was the (I) expenditure on, (II) location of, and (III) purpose of, each grant.

(2) Using the criteria referred to in part (1), what are the allocations for 2000-2001

Dr Kemp—The answer to the honourable member’s question is as follows:

Electorate of Scullin Summary of Identifiable Commonwealth Grants for the period 1997-2000

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<tr>
<th></th>
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<tbody>
<tr>
<td>General Recurrent Grants</td>
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<tr>
<td>General Recurrent Basic per Capita Grants</td>
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<td>21,755,005</td>
<td>22,469,273</td>
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<td>Capital Grants</td>
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<td>General Element - BGA Projects</td>
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<td>TOTAL FUNDING COMMONWEALTH</td>
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### Commonwealth Capital Funding to Non-government Schools

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<td></td>
<td>$</td>
<td>$</td>
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<td>St Monica’s College, Epping</td>
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<td>688,510</td>
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<td>St John’s Primary School, Thomastown East</td>
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### Commonwealth General Recurrent Funding to Non-government Schools

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<th>2000</th>
<th>Total</th>
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<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
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<td>54,810</td>
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<td>565,692</td>
<td>507,966</td>
<td>536,134</td>
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<td>4,071,289</td>
<td>4,654,466</td>
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<td>161,414</td>
<td>154,470</td>
<td>122,940</td>
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<td>481,712</td>
<td>462,287</td>
<td>1,836,678</td>
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<td>774,765</td>
<td>863,108</td>
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<td>990,624</td>
<td>3,718,537</td>
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<td>1,422,252</td>
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<td>2,617,869</td>
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### Commonwealth General Recurrent Funding to Non-government Schools

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<tr>
<td>Total General Recurrent Grants</td>
<td>15,891,240</td>
<td>18,358,954</td>
<td>21,755,005</td>
<td>22,469,273</td>
<td>78,474,472</td>
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<tr>
<td><strong>Annual Entitlement - final payment figures not yet available</strong></td>
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</tbody>
</table>

### Commonwealth Capital Funding to Government Schools

<table>
<thead>
<tr>
<th>School Name</th>
<th>1997 $</th>
<th>1998 $</th>
<th>1999 $</th>
<th>2000 $</th>
<th>Total $</th>
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<tbody>
<tr>
<td>Greensborough</td>
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<tr>
<td>Electorate of Scullin</td>
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</tr>
<tr>
<td>Apollo Parkways Primary School, Greensborough</td>
<td>42,000</td>
<td></td>
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<tr>
<td>Epping Secondary College, Epping</td>
<td></td>
<td></td>
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<td>Lalor East Primary School, Lalor</td>
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<td>615,000</td>
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<td>Norris Bank Primary School, Bundoora</td>
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<td><strong>Total Capital Funding</strong></td>
<td>1,923,000</td>
<td>3,270,000</td>
<td>1,251,000</td>
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<td>6,444,000</td>
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