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

MIGRATION LEGISLATION AMENDMENT BILL (No. 2) 2000

Second Reading

Debate resumed from 6 February, on motion by Mr Ruddock:

That the bill be now read a second time.

upon which Mr Emerson 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, at the beginning of the new millennium and during the Centenary of Federation:

(1) acknowledges the invaluable role of migrants in building a fairer and more prosperous Australian nation;

(2) urges the government, in its pursuit of cost reductions in migration administration, to look at migration issues in a comprehensive manner and not to lose sight of the need to provide migrant families with equality of opportunity, especially educational opportunity, so that they have the best chance of contributing to the achievement of a fair cohesive society”.

Mr DANBY (Melbourne Ports) (9.31 a.m.)—I rise today to continue to express the opposition’s disagreement with the Migration Legislation Amendment Bill (No. 2) 2000 and to support the amendment moved by the member for Rankin. The withdrawal of the opportunity for judicial review I believe should be seen in the context of the government’s wider attitudes towards immigration. Yesterday the use of the expression ‘criminal aliens’ by some members of the government as a way of discussing this matter is one of the delightful expressions that the opposition argued—that this was poll driven, particularly the hysteria that the minister seemed to be focusing on when he raised the prospect of tens of thousands of people arriving in Australia. With other responsible members of the opposition, I travelled up to the north of Australia and visited some of our Navy people who are doing great work picking up some of these people from Ashmore Reef. But I think we should look at the overall context of immigration and illegal immigration to this country in order to look at this problem. What is the overall situation? First of all, there are 1,700 illegal immigrants incarcerated in high security detention facilities in Curtin, Port Hedland and Woomera. We have had six million immigrants come to Australia since World War II, one million of them since 1989. In this last year, we have had only a very small number of illegal immigrants—not tens of thousands of people, not whole villages in the Middle East disporting themselves on boats to Australia. What are the real figures? This information comes from a DIMA fact sheet. In 1999-2000, 1,695 people were refused entry at Australia’s airports, which was down from 2,106 in 1998-99. The withdrawal of the opportunity for judicial review I believe should be seen in the context of the government’s wider attitudes towards this issue. In the two years since I have been here, we have had some other delightful expressions come out of this immigration debate. There has been talk of chemical restraint, of whole villages arriving in Australia and of tens of thousands of people arriving in Australia. I think the matters seriously addressed in this bill were spoken to very responsibly yesterday by members of the opposition, the members for Bowman and Denison, when they made it clear that, of course, Australia has to have immigration procedures and that of course we are not in favour of illegal immigrants flooding this country. But they also said that we do not believe that this or some of the other measures that the government have taken are the way to handle these issues. The hysteria, the atmosphere and the context surrounding this debate are the issues I wish to particularly focus my remarks on.

Last year, I was very disturbed when the Minister for Immigration and Multicultural Affairs kept getting up in question time and denigrating immigration from various points of view. It seemed—and this is what the opposition argued—that this was poll driven, particularly the hysteria that the minister seemed to be focusing on when he raised the prospect of tens of thousands of people arriving in Australia. With other responsible members of the opposition, I travelled up to the north of Australia and visited some of our Navy people who are doing great work picking up some of these people from Ashmore Reef. But I think we should look at the overall context of immigration and illegal immigration to this country in order to look at this problem. What is the overall situation? First of all, there are 1,700 illegal immigrants incarcerated in high security detention facilities in Curtin, Port Hedland and Woomera. We have had six million immigrants come to Australia since World War II, one million of them since 1989. In this last year, we have had only a very small number of illegal immigrants—not tens of thousands of people, not whole villages in the Middle East disporting themselves on boats to Australia. What are the real figures? This information comes from a DIMA fact sheet. In 1999-2000, 1,695 people were refused entry at Australia’s airports, which was down from 2,106 in 1998-99. In the same period, 4,174 people arrived without authority on 75 boats compared with 920 on 42 boats in 1998-99. We should also see this in the context of illegal immigration to other countries. In the United Kingdom, more than 150,000 people
arrived last year, in Germany some half a million, and in the United States the figures exceeded that—I believe they are close to one million. There is some talk in Britain about establishing harsher policies, but I think we are looking at Australia now as the model of a regime that practises the harshest programs possible. I notice that the minister for immigration went off to Sweden recently saying that perhaps he would learn something from the Swedish way of dealing with these problems. I believe, as the member for Calwell said, that he has prejudged some of these issues.

Who are some of these so-called criminal aliens who were spoken about so harshly yesterday by some of the more dogmatic members of the government in support of the minister? I would like to focus on one person about whom I asked a question of the Inspector-General of Security and Intelligence last year. The minister and the Attorney-General were kind enough to answer my question about this person recently. In answer to a question of mine regarding a man who was incarcerated in Woomera, in very close detention, for over two years on the basis of a dubious security assessment by an overseas country that has a very bad record on human rights, and whose assessment was passed on to our security agency, the minister now says:

However, I can confirm that as a result of an adverse security assessment provided by ASIO, an applicant was refused the grant of a visa. That person remained in detention until I intervened to allow a further application after ASIO reviewed the assessment following a complaint to the Inspector General of Intelligence and Security. He was in detention for slightly less than two years. I make no complaint about ASIO. Obviously, their systems are working for that review to have taken place. I make no complaint about the Department of Immigration and Multicultural Affairs and its officials who carry out government policy, but it is simply not correct to say that every decision made by bureaucracies is perfect and should not be subject to any review—in this case, we are talking about judicial review. The Attorney-General is telling me in another answer that he could not state the reasons why this person was not given a protection visa, whereas the Minister for Immigration and Multicultural Affairs says that he cannot reveal the reasons for the bad security assessment. So there is a contradiction between these two ministers in this case. It simply points to the fact that you cannot always rely on these assessments being absolutely correct. It is very interesting to speculate on how this particular illegal immigrant was wise enough to know that one could make complaints. As a member of this parliament, I did not know that one could make complaints to the Inspector-General of Intelligence and Security and get one’s assessment reviewed.

It is also interesting to speculate how much the Australian taxpayer will be up for in compensation in this matter. If one had good reason to come to Australia as a refugee and had officially been found, by the Australian Inspector-General of Security and Intelligence, to have been unfairly incarcerated for two years, I would have thought one had a fairly good case for compensation. I am particularly concerned about the government’s credit on this issue. That is why I and many members of the opposition oppose moves that would restrict an opportunity for people to undertake class actions in judicial review. I want to read something extraordinary that appeared in the **Asian Wall Street Journal** on 17 January about the person who is running our privatised detention centres and his views of the people in those centres. The article by Lincoln Wright states:

Critics also allege the illegal immigrants are being treated as criminals because that’s exactly how Australasian Correctional Management, the U.S. private firm that runs the government’s detention system, sees them. ACM is a subsidiary of Wackenhut Corrections Management, a billion-dollar global company owned by former Federal Bureau of Investigation Agent George Wackenhut. The head overseer of 40,000 prisoners worldwide, Mr. Wackenhut is blunt about his business interests Downunder— that is, in Australia. Mr Wackenhut is the man who is deputed to run our privatised detention centres. The article continues:
‘Australian operations are very important to us,’ Mr. Wackenhut said recently. ‘They’re really starting to punish people the way they should have done all along. The do-gooders say “no, punishment is not the answer.” But I can’t think of a better one.’

I do not think this parliament or the people of Australia have the same view as Mr Wackenhut about the people in detention centres. As far as we know, the children, women and other people in detention centres are not there to be punished. I do not think even this government has given a mandate to ACM to do that. No-one suggests that there should not be people kept in detention, but again this goes to the credit of the government’s policy in this area. I find it very strange that we have a privatised detention system which has at its head a person with this attitude. I was opposed—I am sure many people in the government and in the opposition were opposed—to the gulag system in the Soviet Union. Similarly, I oppose it in Australia, whether or not it is a privatised version.

The Migration Legislation Amendment Bill (No. 2) 2000 focuses on the issue of judicial review. The member for Denison and the member for Bowman have explained that issue very well. The bill restricts the right of people to take class actions. Apart from some minor technical amendments, the opposition is particularly concerned that this bill will introduce a 28-day absolute time limit on applications to the High Court for migration matters. It will prevent class actions in the Federal Court and in the High Court and will impose stricter standing requirements for proceedings in the Federal Court. Schedule 1 part 1 of this bill purports to clarify the Federal Court’s jurisdiction in relation to matters remitted to the High Court. It also introduces a new part 8A to the Migration Act to set a 28-day absolute time limit on applications to the High Court for judicial review. This will prevent the High Court from allowing an application to be made outside the 28-day period. In other words, there will be no power or discretion to extend the time limit.

The opposition believes that there are constitutional problems with this proposal because the right to apply for review of administrative decisions is conferred on the High Court by the Constitution. It cannot, therefore, be removed by legislation. Accordingly, the absolute time limit, when applied to the High Court, may constitute more than a procedural limitation—it will obstruct the judicial process. Notwithstanding the constitutional questions, in the attempt to capture those who are said to be intent on abusing the review system, the time limit provision will impose unfair disadvantages on the legitimate applicants for judicial review of migration decisions.

In the opposition’s view, it is unfair and impractical to propose that an individual be given 28 days to learn of an adverse decision, consult a lawyer and file in the High Court. There has been a series of restrictions placed on the role of the Federal Court in respect of migration matters. This latest imposition of a 28-day limit on applications to the High Court could force lawyers to automatically commence actions in the High Court as a first option, and that is an absurd proposition. The High Court is Australia’s final appeals court and arbiter of the Constitution, yet this bill will place a further burden on the justices of the High Court to perform the role of lower courts. This is not appropriate, and justices of the High Court have on many occasions expressed their objection to performing trial work which should have been performed by lower courts. With only seven justices of the High Court and no capacity to send these matters to the Federal Court, this legislation should be opposed.

I conclude by returning to that article in the Asian Wall Street Journal and read to you the conclusion, with which I wholeheartedly agree, of Mr Wright in his comment column in that august newspaper:

Immigration has always been a deeply sensitive topic in Australia, one intricately tied to domestic politics and longstanding nightmares of an overpopulated Asia that might one day seek some lebensraum and ‘swamp’ an underpopulated Australia. Cynically, the government has played on these fears. In an election year, it is worried about offending the one million Australians who enthusiastically gave their votes to the One Na-
tion Party. For Australians opposed to higher immigration intakes, mandatory detention—
And, I might add, the limitation of the opportunity for judicial review—
remains a popular policy.
True, Ms. Hanson was against even legal immigration. Yet pandering to prejudice does not make good foreign policy.
I might say it does not make good domestic policy either.
The trick for the Howard government will be to maintain its tough immigration policy without dragging public debate down any further to Ms Hanson’s level, and avoid causing anymore suffering to people who have fled repression or terror in their homelands.
The reason people flee to Australia is because we do have a democratic system and because we do have a legal system that makes us the envy of the world. I do not think that, in an effort to deal with what in the context of other countries is a minor problem, a problem that I believe our immigration security people and foreign affairs people can handle quite well by other measures, we ought to adopt policies of chemical sedation, withdrawal of judicial review and the Wackenhut privatised gulag system that Mr Wackenhut talked about when he said he wanted to punish all of those naughty children and pregnant women and others who are in Woomera, Port Hedland and so on.
I raised previously with the minister for immigration his very harsh and overstated views on some of the Kosovars from southern Serbia whom he forcibly returned to that part of the world. I was very pleased to see that some of those people recently returned to Australia, because they were entitled to under Australia’s system, because they were people who justified refugee status. It seems a shame that we have this overwrought debate in Australia and the government seems to be playing to the zealots and the ideologues who are opposed to immigration ‘in toto’ in Australia. I oppose this legislation, as does the opposition. The general credit of the government on this issue is not high. It may suit some people to play this very hard line for some voters in Queensland, but I believe that the good sense of the Australian people will make sure that this is one of the issues on which this government is removed later in the year.
Mr PRICE (Chifley) (9.49 a.m.)—I am pleased to speak in this debate on the Migration Legislation Amendment Bill (No. 2) 2000. As you would be aware, Mr Speaker, with this bill the government seeks to remove the opportunity for class actions which has existed in the High Court since 1953, something like 47 years, and in the Federal Court since 1991 or 1992. It has done so in the belief that this will expedite the processing of refugee applications for those who are in detention centres throughout Australia. Furthermore, it seeks to place a time limit on applicants appealing to the High Court. I do not profess to be a lawyer, and if I were I would not own up to that profession anyway, but I think that this proposal is of dubious constitutional benefit. Quite rightly, the High Court would, I think, wish to preserve its prerogative of being the highest court in the land and hearing those cases upon which it felt there was sufficient merit.
I guess the whole issue can be summed up in a couple of the contributions of coalition members. The member for Herbert, Mr Lindsay, for example, said in his opening remarks:
It comes as no surprise that the opposition will be opposing the bill. That clearly shows that, once again, the opposition are not listening to the people of Australia and that they are not listening to what the community thinks and feels about the issue that this bill addresses.
Mrs De-Anne Kelly, the member for Dawson, said:
The view in my electorate is very much: send them home. Labor being soft on illegal immigrants and non-citizens will not get them elected to any seat in North Queensland.
I think there is a degree of wedge politics in all this, but I would not want to dispute the fact that the Australian people have little tolerance for refugees who come here by boat.
I would like to put on the record that what makes it more difficult when you look at the
historical situation of refugees is that we have not witnessed the phenomenon of organised people-smuggling. If the wrath of the law and the minister should be brought down on anyone, I think it is the people smugglers. One might ask: how many people smugglers are rotting in Australian gaols today? I suspect the answer is zero. Both those contributions, I think, underestimate another quality that exists in North Queensland, as well as in other parts of Australia, and that is the essential Aussie quality of giving people a fair go. That is the test, I think, that we ought to apply to this detention policy. Australian people want refugees to be dealt with expeditiously and returned to their country of origin where appropriate—that is not argued. I notice that the member for Cook, Mr Baird, produced figures that suggested that the average processing time has come down from seven and a half months to 15 weeks in 80 per cent of cases. That is good but, having looked at detention centres, I would not like to stay there.

No-one can present figures to the House—because when the Human Rights Subcommittee that I am a member of went to detention centres, there were no figures, other than for the Perth detention centre—that give you a snapshot of who was actually in a detention centre at the time: who was there for one day, one week, one month, several months or several years. The Perth detention centre had about 32. We are obviously awaiting those figures. Although other committees have visited detention centres, the Human Rights Subcommittee is the first one to talk to detainees. I wish to pay a compliment to the chairman of the Human Rights Subcommittee, Mr Nugent, who insisted that at those meetings there would be no DIMA or ACM representatives. Indeed, at Villawood, it was moved to ensure that someone who was listening outside the window was removed. I have subsequently learned that this approach has, in fact, made a tremendous impression on all those detainees.

I need to sidetrack for a minute because, on ABC radio up at Karratha, the minister has attacked me. Whilst I did not hear his remarks first-hand, he suggested that the committee was at fault in only spending an hour at each detention centre. Clearly, that is patently false. For example, at Port Hedland we started at 9.15 a.m. and departed at 1.30 p.m. Perhaps it was the fact that we got a presentation at each centre by the ACM centre manager and a curiously titled person, the departmental business manager for the centre. I see the honourable member for Melbourne Ports shaking his head in puzzlement. I did not think that detention centres were profit centres and that you would need to have the departmental head of a detention centre called a business manager. But if the accusation is—and the department has a bit of chagrin about it—that we only spent no more than an hour listening to the centre manager and the business manager from the department, I accept that criticism because our primary purpose was not only to inspect the facilities as other committees had done but, for the first time, to talk to the detainees.

How fair is this policy? I noticed the honourable member for Melbourne Ports in his contribution talking about detainees wanting to talk to their lawyers and perhaps, if this legislation were passed, being forced to pre-emptually lodge an application in the High Court because of the time limits purported to be imposed. If you arrive at a detention centre with money, of course you can make a phone call—not in privacy, not away from DIMA, and you may have to make several requests to make a phone call; it will not automatically be granted. But if you arrive with no money, we have this curious points system operating. No doubt the departmental advisers sitting in the box are very enthusiastic about the points system. They seem to be, in my experience, enthusiastic about the detention policy. How does a points system work? It seems to me that you get one point for one hour’s work, and one point is equivalent to $1. At Port Hedland, if you want to make a phone call to a lawyer or a sympathetic organisation and you have no money—it does not matter if you are a woman, man or an unaccompanied child—you have to work. I apologise that I am not sure what the rates for calling from Port Hedland or Woomera are, but I would think
that there would be considerable work required.

The other thing that I wanted to apply this fairness test to was in regard to a Muslim woman in Port Hedland. After all, 80 per cent of the world’s refugees are Muslim, so it comes as no surprise that there are a lot of Muslim refugees seeking asylum in Australia. She was almost in tears—obviously one of the penniless refugees—saying that these were the only clothes that she had. As you would be aware, people of the Muslim faith in particular—like other faiths, too—are very modest. This woman was required to wash her clothes every night, hang them up and wear them the next morning. We discovered that there are many people in this boat. Many detainees claimed that what we saw on them was what they possessed. Mr Speaker, do you think this is fair? Do you think that people who want to exercise—and I think they should be able to do so—the right to speak to a lawyer to seek advice should have to work at a point an hour to get the money for a phone card? And tough luck if you have $5 and only $10 phone cards are available. Is that fair? I do not think it is fair.

A recurring issue at every detention centre was access to medical facilities. The most common complaint revolved around dentistry. People could not access dental facilities—or appropriate medical facilities, but dentistry came up a lot. I will be interested to meet with the department on Thursday of this week, and ACM for that matter, to find out what the contractual situation is. Is there a DIMA bottom line if people are sent to get a tooth extracted or an abscess seen to outside the detention centre? Is there an ACM bottom line? Is there any artificial restriction on seeking such help? I ask the same question in regard to referring people for psychiatric or any other outside assistance.

We were assured that there were no schedule 8 drugs available. So there are not on the premises—and I accept this—the medications required to chemically sedate people. You may recall, Mr Speaker, that the minister is running around saying to Australians, ‘We really need to chemically sedate these refugees.’ I wonder if DIMA are enthusiastically going to embrace that policy. But they did say about any drugs that are administered that, following standard Australian procedure, a doctor’s authorisation was required. Of itself, this probably gives no reason for concern. Let me give you an example that I am familiar with. We have many people in aged persons hostels and nursing homes. They have their own GPs looking after them. If a sister observes one of these residents in need of some medication it is quite routine that she will ring the particular GP, talk about the symptoms in evidence, suggest a possible treatment but most definitely get the doctor’s okay. The point that I am trying to make is that that GP is familiar with that patient.

The question I have for DIMA is this. All GP authorisations of medication are based on a familiarity with the patient—I am a pretty reasonable person—and that may not be possible in all cases. In the protocols operating in these detention centres, is the GP required to come and visit that patient or are we seeing in these detention centres another advance of the Americanisation of the Australian health system, where dentistry and medical facilities are just another profit centre and where, whether or not the patient really requires the service, it will just be managed by the profit centre? Is that why DIMA business managers are in charge of these centres? These will be interesting questions to elucidate with ACM and with DIMA.

Detainees raised a range of issues. They did not complain about all the ACM guards—that would be a gross exaggeration on my part—but they did say that there were guards who gave them a hard time and that they were concerned about the behaviour of some guards. They said that at each centre, if they wanted to talk to a DIMA officer, they would not automatically get that.

In my remaining time let me talk about the children. We know what finicky eaters children are. But the meals they get at meal time are what they get. There is no variation for the finicky needs of children. Pity the poor
mother who wants to give her child a glass of milk at night. She cannot do it. A glass of cold water at night—she cannot do it. You cannot give them anything. At Port Hedland, where there is a mosquito problem, you do not get anything to use against mosquitos unless you can get to the medical post. At Woomera, where there is no mosquito problem but a rat and fly problem, I do not know how they get fly spray. You can be critical of me, but I do not think they get fly spray at all. We might not think these are big things, but they affect human existence. They give us an idea of the condition they are in.

Let me finish by mentioning the famous Juliet block that an ACM manager could not tell us about. This would be condemned by any state administration, straight out. If you tried to operate anything like that in this building it would be condemned. I do not condone rioters or encourage hunger strikers, but I have always found that they genuinely riot about something or go on hunger strike about something. A hunger striker from Villawood was flown with his three-year-old son to this Juliet block. It is dim, it is dark and there are locks on every door. When we were there, there were three to a cell in two-room cells. The men were sitting on their bunks—they were double bunks—and the third person was in the available space on the mattress. The toilets were disgusting—filthy—as were the showers. They were unhygienic. If you wanted to go, it was one at a time only in those facilities. Good bladder control is obviously a quality that DIMA esteems. Were they let out? Yes, they were. They are kept locked up in these cells only 23 hours a day. They are let out for one hour a day.

By any test, what is happening in these detention centres is unfair. The very first thing you would do is open them to external scrutiny. If there has been any sin, any flaw, in this detention policy, which is costing more than $200 million a year—it is a gold plated policy—the first failure has been the lack of external scrutiny. I look forward to meeting DIMA and ACM on Thursday. I look forward with great anticipation to our Human Rights Subcommittee report.

Mr ADAMS (Lyons) (10.08 a.m.)—The Migration Legislation Amendment Bill (No. 2) 2000 amends the Migration Act 1958 to restrict access to judicial review of migration decisions. It amends it by introducing a 28-day absolute time limit on applications to the High Court for migration matters. It also prevents class actions in the Federal Court and High Court and imposes stricter standing requirements for proceedings in the Federal Court. There are also a few minor technical amendments.

This government has become quite paranoid about refugees. It seems very worried about boat people. The refugees who come here at great risk to themselves and their families are locked up for months—even years—while the government tries to sort out their credentials; yet the government cannot allow them to have full access to the review provisions.

Thousands of illegal immigrants come in by air or legitimate means; sometimes they are not touched by the migration people until they are picked up in the community for other reasons. The government does not seem to be too worried about them. I think there are about 50,000 a year. How many boat people do we have? About 2,500. The previous speaker, the member for Chifley, said we are spending $200 million on the 2,500 or 3,000 boat people. But we have 50,000 people each year who arrive by air and overstay their visas. This government does not seem to be too worried about that group of people. Maybe it is because most of those people come from Europe, America, Canada or other white, English-speaking countries.

The way this government treated the Kosovars was atrocious. The Kosovars were invited here and then unceremoniously bundled out when the government felt that they were getting too used to being here, that maybe they had got to like the place and wanted to stay. I believe that this legislation has a lot to do with the government’s embarrassment over the Kosovars. I do not really understand why they did not allow them to be processed here in Australia. All that trav-
elling to and fro must have cost thousands and thousands of dollars, to allow a small group of families back to Australia.

Now we are hearing the most appalling stories coming out of Port Hedland and Curtin, where people are being detained in subhuman conditions. And for what reason? My colleague the honourable member for Chifley just outlined some of those conditions and the way that people are held in those two areas. We are talking about people who are gullible, who are desperately frightened and who have taken whatever opportunity they could get to leave their own country and find a new home.

If those who were in charge of the people smuggling and reaping the profits could be found and incarcerated, I would probably be the first one to say, 'Throw away the key.' But no, we have the victims. We have the victims in a very unfortunate situation. If they are prepared to die in an attempt to avoid remaining in their own country, it must be pretty bad where they are coming from. If people want to come because it is so humiliating, so dangerous, that any alternative is better and worth the risk, there must be substance to why so many people are still risking these dreadful journeys.

The people who have attempted to help sort out some of this red tape and paranoia are being denied the opportunity to seek properly considered reviews. I do not know why this government is so inconsiderate of refugees. Other countries seem to manage quite well in allowing prospective migrants that enter illegally to be processed while being allowed access to the community, to undertake work, keep their children in schools, et cetera; if they misbehave, they go to the detention centres that are provided for local situations. That is what happens in other countries. Here at least there are proper facilities and opportunities for rehabilitation, and people have to be dealt with under the local law and the local constitution.

We throw our refugees into shocking conditions, miles away from anywhere, miles away from any help or hope. They are there for indeterminate times and we expect them to take it on the chin without protest. The message about conditions obviously does not pass back; it is not in the interests of the people smugglers to pass that sort of information back to their next load of people. People are still dying in the back of trucks; people are still drowning. This morning I heard on a news bulletin that somebody had tried to jump on a train between France and England and had died in the process. How many in these people's old countries know of these untimely ends? I do not think very many at all know.

These amendments do not save money or make the process any easier, nor are they fair. They are an inefficient use of the High Court. If this bill causes more work on migration to be channelled to the High Court, costs that would arise from delays and from indefinite extensions for unlawful stays in Australia will also increase. There has been some discussion about limiting class actions because a few groups, according to the minister, are running dubious actions and are placing newspaper advertisements vigorously encouraging applicants to join class actions. But then this is how a lot of class actions get the legs to get started. Who will remember the Vietnam vets or those who fought against the tobacco companies or about breast implants? Are these people vexatious litigants? Of course not. If there is a problem with lawyers or immigration agents advertising falsely, that should be dealt with. We need to tighten up in that area—not stop class actions.

The migration regulations structure is expressed in the language of classes of visas with common requirements and criteria which, of course, apply to classes of persons and would logically be more properly put in class actions. If these were prevented, a lawyer would need only to make relatively small changes to achieve a class action. If it included thousands of members, under the changed arrangements the court would be faced with either hearing thousands of individual but essentially similar cases, or running one as a test case and then applying the same decision to the remaining cases—basically, a de facto class action, only more
cumbersome and with greater red tape and costs and more delay.

So what is the gain in this bill? It seems ridiculous to use legislation to stop possible unethical conduct by some lawyers. If such a practice is common, it should be raised with the various disciplinary bodies that control how they operate. A smart lawyer would get around these changes anyway and manage to clog the system in some other way. I think the real purpose of this bill is to deny almost all access to judicial review in migration related matters. The government’s position is to say, ‘We are right and everyone else is wrong and no, you can’t get a second opinion. Tough luck.’

This bill has to be rejected. If the government must pursue its intent, let us go to the House of Representatives Legal and Constitutional Affairs Committee to have it reviewed. If not, I am sure a Senate committee will be interested in it when the bill reaches that chamber. We must see whether it achieves anything except prohibition. I believe there are some human rights at stake here and, in fact, this bill may even be in breach of the Constitution and should be considered by experts as well as by the ethnic communities to whom it is directed. It is also a direct attack on the courts of law in Australia. Although I am no lawyer, from what I have read in the explanation of the bill, it appears to be absolutely pointless and further turns molehills into mountains at a cost to government and to lawyers.

I am totally disgusted at the way that migration is being handled by this government. It does nothing to enhance the reputation of Australia being a humane place. The treatment of our Aboriginal community has pretty well ensured that we are a Third World country in that regard. We need a total review of how migrants are encouraged to come to this country and from where. We have a lot of land space, a lot of unused resources in our huge rural areas. There are places that need skills of all sorts that we do not have enough of locally. In auditing the skills of refugees, surely we could short-circuit some of the stupidities that go on now.

This government is great at blaming the victims. How about dealing with the perpetrators of inhumane actions? That can start with getting rid of legislation such as is being proposed. How about putting some resources into clearing up the refugee cases more quickly so that they can get on with their lives? If a few doubtfuls slip through the system, but lead exemplary lives here, let them get on with it. Our country has been built on convicts, refugees and outcasts. Why are we suddenly being so precious about it now? Australia was the lucky country. Now it is the miserly, miserable and manipulated country and we have to throw off that image. We managed to do it at the Olympics for a few brief days, despite this government. I believe it is about time we did it for good. Let us get rid of this bill. Let us get rid of this nonsense and the policy direction that this government is taking and start again.

Mr MOSSFIELD (Greenway) (10.21 a.m.)—The Migration Legislation Amendment Bill (No. 2) 2000 amends the Migration Act 1958 to restrict access to judicial review of migration decisions. Before making some comments along the lines of supporting other speakers on this side of the House, I would like to make some general comments about immigration, particularly as it affects my electorate. We have over 140 different nationalities, so immigration is a major issue. The question of people coming here to visit their relatives and people travelling overseas is a major issue, whether it is people coming from India to attend a religious festival in Australia or whether it is the case—which is one of the more heart rending that I have experienced—of a child of Korean parents who was born in Australia and went to school in Australia. She travelled home to see her sick and dying grandmother and, when she was about to return to Australia, was unable to get a visa because there was some difficulty with the misspelling of her name. I felt for this child, because she was clearly an Australian child caught up in a foreign country.
In making those comments, I want to compliment and thank those concerned for the assistance that we get from the parliamentary and ministerial office, particularly at Parramatta, and also from the office of the Minister for Immigration and Multicultural Affairs. They assist quite extensively in the many difficult cases that we have. They assist me personally and they also assist the people in my office.

Having made those remarks, I will get back to the legislation itself. The bill introduces a 28-day time limit on appellants to the High Court for migration matters. It prevents class action in the Federal Court and in the High Court and imposes stricter standing requirements for proceedings in the Federal Court. Schedule 1 of the bill contains the substantive proposed changes in two parts. This schedule purports to clarify the Federal Court’s jurisdiction in relation to matters remitted to it by the High Court. It provides in more detail than the Migration Act currently contains that matters remitted to the Federal Court can be reviewed only under those sections and emphasises the limitation and restrictive jurisdiction of the Federal Court under the relevant parts of the Migration Act. It introduces a new section clarifying that the Federal Court has no jurisdiction in non-judicial reviewable decisions contained in existing sections of the Migration Act.

This legislation is in response to a recent case where the Federal Court accepted that, when a matter is remitted to it by the High Court, it is free to consider all grounds for review. This legislation repeals that section of the act that the minister argues was misinterpreted by the court—a court which must, by definition, interpret the law. So the minister is in effect doing the court’s job for them. He does not like a ruling from the court so he changes the rules.

The amendments are said to clarify that the only grounds available to the Federal Court, including in cases remitted to it by the High Court, are these very narrow grounds allowed under the Migration Act. It does not matter that some—and I will not say all—cases throw up a lot more than what is narrowly defined in the Migration Act. All sorts of other issues can come up in migration cases that are not necessarily migration matters. Yet this minister would hamstring the courts and not allow them to examine anything but the strict interpretation of the Migration Act.

Schedule 1, part 2 of the bill seeks to prevent class action in the Federal Court and the High Court. This part proposes, with few exceptions, to bar representations, groups and class actions to the High Court and Federal Court proceedings relating to visas, including the non-granting or cancellation of visas, and decisions to deport and remove unlawful non-citizens. It seeks to apply the ban despite any other law unless a provision of a future act expressly states otherwise.

It imposes stricter standing requirements than those existing in relation to Federal Court matters and specifies the persons who may commence or continue a proceeding in the Federal Court. The proposed additional requirements are intended to confine challenges in the High Court to those persons who are the direct subject of a visa application or a deportation or removal decision, or to other specified persons such as a person who may be acting in the statutory function.

Briefly, the Labor Party’s concerns about this legislation can be summed up in several points. There is concern, as other speakers have clearly indicated, that the legislation may be unconstitutional. The right to apply for review of administrative decisions is conferred on the High Court by the Constitution and, as such, cannot be removed by legislation; therefore, the absolute time limit as applied to the High Court may constitute more than procedural limitations; and it may, by interference with the judicial process, effectively validate invalid decisions by the passing of time and, as such, the legislation could be seen as unconstitutional.

On this issue, the Bills Digest states in part:

The question that arises, therefore is: does the imposition of absolute time limits on applications to the High Court for judicial review impermissibly interfere with the exercise of federal judicial
power. While the Government clearly does not consider that the Bill interferes with the judicial power of the Commonwealth, this question is perhaps one over which constitutional lawyers may be divided.

Clearly, the possibility there is of quite extensive legal action if in fact this legislation is passed.

The legislation may also impose unfair disadvantage on many legitimate applicants for judicial review of migration decisions. The 28-day period allowed is quite clearly insufficient time to allow an individual to learn of an adverse decision, consult a lawyer and then file in the High Court. Imposing restrictions on the role of the Federal Court in respect of migration matters could force lawyers to commence action in the High Court as a first option, so achieving the opposite result to what the government claims it wants to achieve in this legislation. The High Court’s proper role in Australia is as a final appellate court and arbiter of the Constitution but, as a result of changes being considered in this legislation, it is being asked to perform the role of the lower court. Changes proposed in this legislation are likely to lead to many cases that could be heard by tribunals going to the High Court in the first instance. With insufficient time to make considered decisions or to gain access to information, lawyers may want to avoid risking actions against them for negligence. Therefore, lawyers may prefer to start in the High Court as matters can be remitted down the system but cannot move up the system if they miss the deadline. These are extremely serious issues and we do not believe that the government has adequately addressed them in this legislation.

The legislation itself could also lead to increased cost to the Commonwealth as an increase in the workload of the migration cases goes to the High Court. This legislation attempts to prevent class action in migration matters before the Federal and High Courts. A class action is one in which a proceeding is brought on behalf of a group of persons with claims which arise from similar, the same or related circumstances which raise substantially common questions of fact of law. If class actions are outlawed, a court would be faced with either hearing thousands of individual but similar cases or running one as a test case and then applying the same decision to the remaining cases. This could result in a de facto class action but would be more cumbersome, with greater red tape, cost and more delay. Why is this minister opposed to class actions, when a class action actually saves time and money as the same case does not have to be played out again and again? It is because this minister lost a class action in 1998 in the Federal Court, in the case of Faisal Din v. Minister for Immigration and Multicultural Affairs. The judge, Justice Wilcox, ruled in favour of all 16 people involved with that action. The minister has then packed up his bat and ball and gone home and is now rewriting the rules for next week.

My remarks in this debate are designed to ensure our immigration program contributes to a stronger, united Australia. Built within this program is the need for a larger Australian population—not an increase based on cramming more and more people into our major cities or suburbs but an increase that will populate our regions and country towns. Indeed, the member for Lyons, who spoke before me, emphasised this point. The Labor Party supports such a policy. The Leader of the Opposition, Kim Beazley, in an address to the Bob Hawke Institute in 1999, said:

A higher population helps us achieve a higher growth rate. A recent study argued that not only is immigration of benefit to the economy, but—if the balance of skilled migration is correct—it actually benefits the public purse in the longer term;

A larger population, which is from different countries, improves the quality of life for all Australians as we are exposed to different cultures, and their enriching effect on Australian life. It also improves our ties with the rest of the world, and strengthens our leadership role in the international community;

In his second reading speech, the minister said that the government’s stated policy was to ‘restrict access to judicial review’ in visa related matters—these are important words—or, to put it another way, to take
away the basic right of having your day in court and your case heard before an independent arbitrator. The government apparently no longer believe in the separation of powers, because this is yet another example where they wish to reduce the power and scope of the courts to review decisions by them. However, whatever their purpose, these provisions could backfire and create more delays, complexities and increased cost for those who can afford legal representation while leaving those with little financial backing with no safety net and no effective review rights, and so retard the overall migration program.

This is yet another bad piece of legislation that has not been thought through properly. This government rarely, it seems, thinks of the consequences of its action. It wants to save money spent on fighting legal battles so it tries to outlaw class actions. This is a leap of lateral thinking that Edward De Bono would be proud of—stop class actions so that, instead of one case and its costs, you have hundreds of cases and all their costs. Like so many of the government’s decisions, it does not make sense. The government wants to stop people going to the High Court as a last resort, so it imposes a restrictive and possibly unconstitutional time limit on the application period. This government may be correct: the High Court will no longer be a last resort. Unfortunately, it seems it will become a first resort. Again this is a leap of logic that simply is not there and shows a total ignorance by this government of the consequences of its action.

It is interesting that the High Court judges themselves have said that the type of legislative restriction on judicial functions that this bill represents is setting a dangerous precedent. On 17 November the Canberra Times ran a story entitled ‘Refugee appeals to swamp court’, which said in part:

All seven judges—of the High Court—upheld the court’s power to grant victims of unfair government treatment the right to seek and obtain a constitutional injunction. Justice Michael Kirby described the government’s argument against this proposition as a “tedious and largely unilluminating examination of 19th century case books.”

‘Tedious and largely unilluminating’—these are strong words from a High Court judge and something that this government should consider carefully before proceeding down this track. This legislation also gives one the opportunity of again reflecting, as I did when I commenced my speech, on our own electorates and the effect that immigration has. I suppose the culmination of our Australian migration program is, of course, when our new migrants become Australian citizens. I am sure all federal members take the opportunity of attending these citizenship ceremonies and congratulating our migrant communities on the contribution that they have made to this country—I certainly do so—and I particularly emphasise the contribution they have made in Western Sydney. Immigration has given Australia a larger, more skilled workforce, a diverse population and a new cultural mix as European migrants from the earlier postwar period blend with migrants from the Middle East, Africa and Asia today. This cultural mix brings many challenges as our new migrants pledge loyalty and allegiance to a new country and a new society. Those of us who have been in Australia for many years accept with tolerance new people, new ideas and new religions, but the bottom line is that, once migrants become Australian citizens, we are all governed by the same parliamentary system.

Before I conclude, I will relate one small story about how the migrant community blends in—if that is the correct word—in Western Sydney. In Riverstone in my electorate, I was pleased to attend the opening of a Kurdish community centre, which was situated in a converted bank. The minister was in attendance, and he made reference to the fact that at least something good came out of the closing of a bank—it certainly was a fine building. But what was pleasing about this function was that the Kurdish community invited quite a number of local people, so straightaway the local people were brought into their community. Out of respect for the culture of the original owners of the
site, they arranged a smoking ceremony to take place. Unfortunately, it did not take place because, I think, the person was ill. But the thought was there, and I think that ensured that the Kurdish community would be welcomed with open arms by that particular community.

I conclude my remarks by saying that this is a piece of legislation that will not achieve what it sets out to achieve; it may even be unconstitutional. Therefore, I would urge members to support the amendment moved by the member for Rankin and to oppose schedule 1 of the bill.

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs and Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs) (10.38 a.m.)—I notice that the Migration Legislation Amendment Bill (No. 2) 2000 had a very significant number of contributors, and I would like to thank them all and to note that no-one except the last speaker appears to be here to hear the response. But I thank the members for Bowman, Herbert, Rankin, Moreton, Grayndler, Dawson, Lowe, Cook, Fowler, Oxley, Denison and Calwell and the members for Melbourne Ports, Chifley, Lyons and Greenway for their contributions to this debate. There are a number of important points I wish to make, so I have a structured speech, but it will take up most of the points of contention that have been raised during this debate, because it has been a wide-ranging debate. I do not suppose that if we had been having a debate purely on class actions, rather than on a bill to which an amendment was moved that made it the subject of a wide-ranging debate, we would have been seeing a debate of the length that we have had.

The main reason for this bill is the increasing incidence and cost of migration litigation in the last five years. This is not a new issue. The honourable member for Greenway would perhaps recall the period when Labor were in office and they set about removing from the courts the opportunity to be involved in determining the merits of migration cases. Legislation was introduced to restrict access to largely all but errors of law. The courts have increasingly desired, for various reasons, to be involved in dealing with merits issues. When you were in office, you had the same view that we had; that is, merits issues ought to be dealt with by merits review tribunals that provide an opportunity for people to appear before an informal, less adversarial body to put their claims and to have them determined by way of independent consideration—that is, independent of the department—of the merits of the claims that they are making. There was much legislation designed to shore up that system. I looked at the system again when I became minister, and there were two options. One was to disband the merits review system, to hand the system back to the lawyers and to have it dealt with in an adversarial and more expensive way—in a far more profitable way for the profession of which I am a member. I came to the view that that was not the appropriate way to go. I left the merits review system in place, and I have sought, where abuse is clear and apparent, to deal with it.

This is the situation that we face: in 1994-95, there were 401 applications for judicial review; by 1999-2000, it had increased to 1,268 applications. The cost to the taxpayer of migration litigation in 1999-2000 was more than $11 million. Based on current trends, it is expected that applications for judicial review—and that is with class actions—will reach at least 1,800 for the current financial year. I am watching lists each day, and I am involved in a thousand pieces of litigation right now. The projected cost of migration litigation this year is more than $20 million, and that does not include the costs of operating the courts.

It is very clear why people use the courts. It is because when they have exhausted their proper appeal rights and they want to be able to remain in the community, often in employment, they can obtain that outcome by simply being a party to a case. That is how you do it. If you are a hungry lawyer, what better than to have a thousand people in the case all paying a fee and to spin the case out as long as you can? You can do that by all the procedures that have to be followed. You
then have people there on bridging visas who
would not otherwise have been entitled to a
bridging visa and would not be entitled to be
in the community either working, if that is
possible—in some cases, it is—or not work-
ing but in fact working, which is what hap-
pens in most cases. In the last five to six
years, we have seen an increase in the use of
class actions in migration legislation and an
increase in the number of people involved in
those actions. People with no lawful author-
ity to remain in Australia are using those
class actions to prolong their stay and to
frustrate the removal action. As has been
previously illustrated, newspaper advertise-
ments are being used to invite people to join
the actions in order to obtain a bridging visa
as the point for joining the class action. They
are not saying, ‘There is an important point
of law to be decided here in relation to your
case: would you like to join it?’ They are
saying, ‘If you want to be able to get a
bridging visa, join our class action,’ and that
is the selling point.

Mrs Irwin—There are some genuine
people that are in class actions.

Mr Ruddock—That may well be, but
there are not too many, let me tell you. You
have only got to look at the nature of the is-

sue that is being tested. If they have got
genuine claims—and I will come to this
later—there are other ways in which they can
be pursued. Some people have been critical
about the way in which I have responded to
those claims that are worthy of considera-
tion. But I have made the point, and I made it
very forcefully over time, that if you actually
look at the number of cases where the courts
have produced a different outcome—bear in
mind: 1,200 applications this year; you are
talking about 4,000 or 5,000 applications that
have been dealt with by people who may be
genuine—you find that only several hundred
have actually got their case up. Then, if you
go behind that and look at what happens
when they are sent back to the tribunal, as to
whether they have got different outcomes,
what you find is that the different outcomes
are in 10s. In other words, the courts have
discovered probably fewer than 100 cases of
people where it is believed a mistake has
been made. I make the point that any lawyer
worth his salt ought to be able to put forward
a case that is compelling enough to be able to
access the power under section 417, which
was the system that the parliament believed
ought to be in place when the migration re-
form provisions were introduced. Class ac-
tions are not necessary to resolve or deter-
mine the lawfulness of migration laws and
procedures. These issues can be tested ade-
quately in individual applications, and the
outcomes are generally applicable to all who
might be affected by them.

I note that the Joint Standing Committee
on Migration made a number of recommenda-
tions in relation to the bill, and I would
like to address some of those. The majority
report recommended that the proposed sec-
tion 486B in the bill be reviewed. The ma-

jority report wanted it clarified that test cases
are not precluded, and that multiple party
actions in other jurisdictions are not affected,
by the bill. I advise the House that individual
test cases are not precluded. The government
attempts to have important legal issues de-
termined wherever possible by the use of test
cases to which it is a party. This is under-
taken in cooperation with the other party and
the court. When the court has determined an
important legal principle it is applied in re-
spect of all other cases where the principle is
relevant. In situations where the principle is
not in the applicant’s favour it is for the ap-
plicant to decide whether to continue with
the pursuit of their application, even if it will
ultimately be unsuccessful. Proposed section
486B clearly limits the restriction on multi-
ple party actions to those which raise an is-

sue in connection with visas, deportation or
the removal of an unlawful non-citizen. It
does not preclude any person from being a
member of a class action in relation to any
other issue.

Opposition members drew extensively on
the views expressed in the dissenting report,
and I would like to deal with several aspects
of that. First, it has been suggested that alter-
natives to restricting class actions should be
considered—for example, that there should
be more effective monitoring of the legal
profession. The member for Denison sug-
gested that I should have been making complaints to MARA and the relevant law societies. I did inform the Law Society in New South Wales of my concern, and their response was that this behaviour did not breach existing rules and that, therefore, any further action should be undertaken in the legislative sphere. In other words, they said that, if the parliament lets people use class actions, we should not deny people the opportunity to bring them and pursue them, even if it is for spurious reasons, and they were not prepared to review it. I asked my department to seek independent legal advice on how supervising the profession could be done. Minter Ellison has advised that the Commonwealth cannot directly regulate the conduct of legal practitioners. This is because it is not within a constitutional head of power. In an effort to try to pursue these matters—in a cooperative way, I might say—with the opposition, I have provided a copy of the opinion to the member for Bowman, who is sitting opposite, who saw fit to make it more widely available and introduced it into the debate.

Mr Sciacca interjecting—

Mr RUDDOCK—I did not put a restriction on you. I am not suggesting it.

Mr Sciacca interjecting—

Mr RUDDOCK—No, I am not saying that. But I make the point that it was for the purposes of having reasonable discussion about a way of moving forward. But, with such limited options available, Mr Boucher’s conclusion was that this bill is an effective way to deal with the increasing use of class actions in migration legislation. Furthermore, he concluded that Minter Ellison are not aware of any other practical short-term solution to the problem. Along with Minter Ellison, I have not been made aware of any other practical solutions, including suggestions from the opposition. I listen very carefully to what the opposition says; I am not churlish. I make the point that, if you come up with ways of dealing with the problems—in other words, if you want to be part of the solution—I will pick them up, because I want to deal with the issues. They are very important questions. The other suggestion that has been made from time to time is that you could have leave procedures introduced. But all the advice I have had is that if you introduce leave procedures you just introduce another point at which there can be litigation. So, along with Minter Ellison, I am not aware of any other proposals that would enable us to deal with this matter.

Opposition members claim that the evidence before the committee only indicated a potential for exploitation of the class action process. Furthermore, they argued that the evidence does not prove that there is such a widespread abuse as to require the legislative action proposed in the bill. I disagree with that conclusion. There is ample evidence of the increasing cost of migration litigation; it was provided to the committee by my department. I would like to go over some of this evidence. Between 30 and 50 per cent of applicants withdraw from migration litigation prior to a hearing. I am successful in at least 85 per cent of the matters that proceed to a hearing. On 14 March 2000 I advised this chamber that 14 class actions involving thousands of people had been commenced since October, and since that time another six class actions have been commenced. These class actions are allowing more and more people to obtain bridging visas and to remain in Australia until the courts have determined the matter.

A pattern has also developed of people moving from one class action to another in order to further prolong their stay. For example, an analysis of half of the 700 members in the Macabenta class action showed that 40 per cent had been a member of at least two other class actions. Furthermore, many people are taking adjoining class actions because they are out of time to make an individual application to the Federal Court. An analysis of a recent Federal Court class action indicates that 75 per cent had joined the class action more than six months after the date of the decision that was being challenged. Forty-eight per cent had joined more than 12 months after the date of the decision that was being challenged. I believe this amounts to clear evidence of abuse of class actions in the migration jurisdiction.
As the member for Dawson has highlighted, advertisements enticing people to join one particular class action have been appearing in various community newspapers since mid-1998, and they were still being run last year. There have been claims that these measures will increase litigation. This is clearly incorrect. Very few people involved in class actions or making applications to the High Court have done so within the existing time limits to make individual applications to the Federal Court. In fact, applicants to the High Court are generally making applications over six months after receipt of a visa decision. It has been drawn to my attention recently that compliance actions have found people working who are members of class actions—a clear breach of their bridging visas. What would the opposition expect me to do? Should they be detained or removed?

Opposition members have imputed the motivation behind this bill—they have suggested that this was an appeal to redneck voters. I heard a reference to One Nation voters again. I can assure you that the democratic concerns of large numbers of the electorate need to be seriously considered. Far from fuelling One Nation, the government intends to deny that fuel by maintaining confidence in the integrity of our borders and the process.

The member for Calwell raised some concerns about my use of the ministerial intervention powers. I want to make some brief comments in relation to that. One of the reasons for the intervention powers was to enable situations to be dealt with which were clearly not intended in a comprehensive bill. Such legislation often requires amendments by statute which cannot be effected quickly. One of the major reasons for interventions—and if you have a look at the interventions you will find very few people are given refugee status—is in relation to people who are section 48 barred. Section 48 was introduced for a very special reason. The reason was to ensure that people could not lodge further applications when their first application had been considered and rejected. In other words, they should present all their arguments at the one time and have them considered at the one time and you should not allow the system to enable people to lodge a further application and, when that is rejected, to lodge a further application and so on. That is why it was introduced—for a good policy reason. You cannot repeal it—it is there for good reason. But the intervention power enables you to look at people whose circumstances have changed. It may be somebody who has married an Australian. Most of the cases I intervene in are of people who have married an Australian, have a child from the relationship and a range of other extenuating circumstances exists where it would be unreasonable to require the person to leave Australia and be expected to return, say, 12 months later. They would not have to do that if the relationship was assessed to be bona fide. That is the circumstance in which most of the interventions occur. It is not surprising that those numbers would be on the rise and it is not something that you can amend by way of legislation, because I do not think that you could sufficiently codify the individual circumstances that ought to be looked at.

Again, I emphasise that these amendments complement and do not replace the amendments which the government has before the Senate in the Migration Legislation Amendment (Judicial Review) Bill 1998 [2000]. I also foreshadow that the government will be moving amendments to the bill in the consideration in detail stage. The first part of these amendments will form part of the government’s response to the review of the bill by the Joint Standing Committee on Migration. These amendments are a direct response to the recommendations—amendment No. 7, in particular, in the majority report. This recommendation suggested that the time limit for making an application to the High Court for judicial review should be increased from 28 to 35 days. The second part of the government amendments will make technical corrections dealing with the renumbering of a provision in the act.

Finally, I would like the House to know that I am prepared to work with the opposition, the courts and any other interested parties to achieve a workable solution to the
increasing use of class actions in the migration litigation area. Indeed, since the committee inquiry into the bill, the government has received additional suggestions for further amendments to the bill, and these suggestions will be given due consideration and, if practicable, will be implemented by way of government amendments to the bill in the Senate. I do commend the bill to the House. The reason for this bill is very clear: if we are going to be able to have in place a migration system that has integrity, that has the balance that the honourable member for Greenway argued that the Leader of the Opposition supported—a reasonable skill mix, accommodating genuine family relationships to the extent that we can, a humanitarian element that is not going to be seen to be contrary to the public interest—then the legislative framework that ensures that the balance can be maintained needs to be supported. If you want to make immigration an issue, you do so by some of the advocacy that my friend the honourable member for Bowman has been involved in. You argue that you ought to unwind the risk factors so that you introduce people who are likely to be at high risk of overstaying. You resist changes such as this that enable people to stay in the Australian community, essentially with low levels of skill, taking the jobs that would otherwise be available to young Australians. That is really the bottom line on this issue. I am surprised that you would allow this matter, which is about protecting the job opportunities of the people that you say you represent, to be undermined by abuse which has been fuelled by people who have other motives in mind. (Time expired)

Amendment negatived.

Original question resolved in the affirmative.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Amendment (by Mr Sciacca) negatived:

(1) Schedule 1, page 3 (line 1) to page 9 (line 31), to be opposed.
that we have is so good that it deals with the vast majority of cases. If that is the case, why are so many cases going to the minister from people who feel that they have been unjustly dealt with by the system? If the system of merit review is so good, the minister would not be getting so many representations; nor would he have approved so many representations. Therefore the argument put that in fact the system as it is does not need appeals to the courts is very mistaken because the minister himself would not be receiving so many representations if people did not feel that they had been unjustly dealt with by the system. As was made perfectly clear yesterday and this morning by many speakers, it is part of our system that people be able to appeal to courts when they feel they have been unjustly treated by these review processes.

The minister also referred to the question of solutions. I see that he has extended the number of days from 28 to 35, which is marginally more helpful, I suppose. For people who often cannot speak English and who often do not know the nature of the legal system, etc., this is still far too short a process so far as I am concerned, even if it is 35 days. But, on the question of solutions, the minister and the member for Dawson made much of the idea that there are people who are repeat offenders in the sense that they go from one place to another. This is an example of what I was talking about yesterday. Why not deal with this specific problem? Why not have a provision which says that, if you have been part of one such class action and you seek to participate in another class action which is substantially similar— and I want to emphasise the words ‘substantially similar’—to the first class action, why not have a provision which disallows it? That would be a way to deal with some of the so-called rorters that the minister talks about. That is just one suggestion which I think has merit. This House would probably consider such a suggestion as a serious way of dealing with the problem of totally denying people the right to take class actions in general. If you are concerned that people are able to abuse this procedure by going from one to the other, why not simply say, ‘Okay, if the second one—or the third one—is in fact substantially the same, then it will not be accepted by the court’? I am sure it is possible to draft such a provision. That would deal with the issue. It would still allow people to participate in at least one class action, and possibly more if there were a different set of issues, but at least one class action should be allowed. Why should it be allowed? The minister said he has dealt with all the arguments, but I did not see him dealing with the arguments about—(Time expired)

Mr SCIACCA (Bowman) (11.05 a.m.)—In summing up the Migration Legislation Amendment Bill (No. 2) 2000, the Minister for Immigration and Multicultural Affairs talked of being prepared to be open and cooperative with the opposition in trying to find solutions to what can be a problem, although perhaps it is not as significant as he makes out. I want to assure the minister that we are there and are prepared to talk about possible solutions. We do not see this as being the solution. We say to the government that if they can come up with something which does not in fact throw the baby out with the bathwater and absolutely gets rid of class actions—and everybody is caught in that net—then we are more than happy to talk to the minister. I made the point yesterday—and I was quite rudely interrupted by his parliamentary secretary, I might mention—that the minister has a whole department with an army of advisers to come up with options. I am happy to look at options. It is all right for him to say, ‘You come up with the solutions and I will look at them.’ It is the minister’s responsibility and he has the resources with which to do that. The fact is that we are prepared to look at these issues. Also, I still think that the minister would do well to repair, if you like, his relationships with the legal fraternity throughout Australia who I do not think are really impressed with this minister. Even though he is ‘one of them’—and I am one, too—it would not hurt him to go to some of the law societies and law councils and to say, ‘Look, there is a problem here. A number of your members are out there advertising and making money out of situations like this. How can we fix it
rather than get them offside all the time?’ They are offside with him about many issues, but particularly this one. I do not think any jurist would like to think that a government minister would want to get rid of juridical review and would want to circumvent the law.

Mr Ruddock—I’m sure they don’t.

Mr SCIACCA—You never know: you might have to go back to practising law one day, Minister.

Mr DEPUTY SPEAKER (Mr Nehl)—The member will address his remarks through the chair.

Mr SCIACCA—Through you, Mr Deputy Speaker: we are as concerned as you about people who rort the system. You know that. The fact is that we are not prepared go as far as you are prepared to go, that is, to throw away every bit of decency in allowing people fundamental rights. We are not prepared to do that. We see all people who seek redress from courts as equal once they are in Australia, legally or illegally. We are not talking only about refugee claimants; we are talking about anyone in migration matters. This right of review is taken away from any- one who has a gripe concerning a migration matter. Again, I say to the minister that we are prepared to do whatever we can. Come up with some options. If those options are palatable and we can work through them, we will do what we do most times with this government in trying to stem illegal immigration and maintain the integrity of the immigration system. We just do not see that the heavy-handed sledgehammer approach is the way to go.

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs and Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs) (11.09 a.m.)—What I was looking for in this debate was the baby. I cannot see that by retaining class actions you are retaining any baby worth keeping.

Dr Theophanous—What about poor people?

Mr RUDDOCK—Let me go back over what I said before. We are not against individual test cases; they are not precluded.

Dr Theophanous—Oh!

Mr RUDDOCK—The honourable member for Calwell exclaims. The only substantial case of which I am aware which has tested a legal question—substantial case, and it was not a class action—was the Lay Kon Tji case, referred to yesterday by the member for Denison. It was a case by an individual. It pursued a substantial issue which arose under the former government, that is, the extent to which people had an entitlement to another citizenship which would preclude their entitlement to refugee status in Australia. While that case was pursued, all of the cases of a like character involving East Timorese were on hold and have remained on hold. All of those people have been supported, very generously, at the expense of Australian taxpayers on asylum seeker support, while those matters have been exhausted through every avenue of appeal available, as a test case. I am not arguing that individual test cases on a substantial question of law should be precluded. What I am saying is that, when you have test cases, so it is said, on a peripheral issue which does not affect most of the people who are a party to the action, the class action is being used for another purpose. We know the reason it is being used. That is why advertisements are in the newspapers. They invite people who would otherwise be unlawful to come forward and make themselves lawful by getting a bridging visa because they are a member of a class action.

Let me make it very clear: I am not about throwing out the baby. If the baby is to test a substantial issue, an individual test case is not precluded and it can be dealt with on a substantial question of law. If the concern is that the migration law, as the parliament has framed it, precludes an opportunity for me to get my case up and I think I have a worthwhile case, and I do not think the law accommodates me, and I do not think I have been treated justly, then the courts are not the way in which to get the outcome. Parliament determined a long time ago that we did not
want to have the judicial system determining the size and composition of the migration program. That is why the Migration Act is in its present form. Senator Robert Ray was your minister. The reason he implemented the changes that he did was very clear. He was faced with 14,000 humanitarian cases in the year in which he had to introduce those amendments, which, essentially, were destined for approval because the courts had expanded the meaning of what the parliament intended would be a test for compassionate circumstances. Everybody who wanted to stay in Australia and work—essentially without skills, not meeting any of our tests for skilled entry, not family because they did not meet the family reunion requirements, not refugees—put their claim in and said, ‘I’ve got compassionate circumstances. Let me stay.’ And this is your constituency.

Mr DEPUTY SPEAKER—It is not the chair’s constituency.

Mr RUDDOCK—Maybe not.

Mr DEPUTY SPEAKER—The chair has no constituency.

Mr RUDDOCK—I make the point that you have people who are concerned to be able to get jobs where very low levels of skill are required, which are in short supply. If you allow a lot of people into Australia who have low levels of skill, those opportunities will not be there. I get your unions coming to me, talking about these issues. They say I should punish employers for employing these people. You are seeking to allow them to stay here well beyond any legitimate visit which they may have undertaken, without addressing that problem. (Time expired)

Dr THEOPHANOUS (Calwell) (11.14 a.m.)—The minister is very good at bringing up issues which are not related to the question, whenever it suits him, in relation to immigration matters. With respect to the question he mentioned before about the parliament’s earlier actions, nobody disagrees with that. What are we talking about here? We are talking about people making applications within the current system—not with respect to determinations in 1990 by Senator Robert Ray. The minister thinks that he can somehow bamboozle people into getting rid of what is a very important right, the right to class action, by suggesting that everybody who makes an application is somehow somebody who is trying to rip off the system, or the vast majority are people who are trying to rip off the system. I make this point to you, Minister: a significant number of the people who have applied for class actions are in detention. Why would people in your detention centres, which have been described adequately by a large number of reporters in recent times, want to have an extension of their time for one or two years in a class action—remaining in the detention centre?

Then the minister talks about the others who are somehow ripping off the system. If they are in fact working, all he has to do is simply identify them and they lose their rights and go into a detention centre. He knows that. This is in fact an attempt to smear all of the people who are making an application on what they consider to be grounds that they want the courts to look at.

The minister says, ‘Look, there are such things as test cases.’ But if you are a person who does not have very much money, are you going to be able to take an individual test case to the High Court or to the Federal Court? Minister, are you aware of the costs involved in these matters? Tens of thousands of dollars—that is what is involved. What individual refugee claimant or other person who has been refused on some other migration matter is going to have the resources to go to the court? Only the very wealthy or those who are strongly supported by somebody. You completely fail to see this point. You say there is no baby to throw out with the bathwater. I put it to you...
that there is a baby to throw out, and the baby is all those people who feel they have a just cause who can only come together and bring it to the court on the basis of a class action because they cannot afford anything else. The way the government has increasingly cut out any access to legal aid in relation to immigration matters and in relation to refugee matters makes it virtually impossible for a person who is not wealthy to actually bring a case of this kind.

I just say this: there are other ways. The shadow minister has said that he is happy to look at other ways. There are other things that can be explored. What about this, Minister? I have mentioned one before, but what about this one? In regard to a person who has applied as an individual and been rejected—I think one case was referred to by the member for Dawson—and then applies in a class action on substantially similar grounds, you might have a look at ways of excluding something like that. I agree with the shadow minister’s description: to actually exclude everybody is throwing out the baby with the bathwater. It is in fact an attempt to deny justice to people who need at least the opportunity that the parliament and the Constitution provide.

Dr Theophanous—Why don’t you stop those false ads?

Mr RUDDOCK—If the honourable member had listened to the totality of the debate yesterday, he would understand that the advice I had was that I have not got the power to do that. I have been to the Law Society and raised these matters. What they said was, ‘If you, the parliament, leave class actions there, it is a lawful action that they are entitled to join. If you give people a bridging visa because they have joined those class actions, then really it is on your head. They are entitled to it, and a legal practitioner is entitled to advise that they are entitled to it.’ So what the Law Society was saying to us was, ‘If you really want to fix it, fix the underlying law that these people are exploiting. Fix the loophole.’ That is what they said.

You are saying there is some fundamental principle there that needs to be maintained. I am saying, that, if there is a fundamental issue that needs to be tested, test cases will still be possible. If the person is indigent without funds, and the issue is substantial, it will be tested, and it will be tested with legal aid because there is provision for legal aid in such circumstances. The point I made before is correct: there is no baby there for you to keep with the bathwater that ought to go.
Dr Theophanous interjecting—

Mr RUDDOCK—Well, it clearly is.

Mr DEPUTY SPEAKER (Mr Nehl)—The minister should ignore the interventions of the member for Calwell.

Mr RUDDOCK—That is the legal situation. That is why I seek this power. The honourable member for Calwell is no longer a member of the Labor Party; I understand that, and it may not be on his head in the same way that it will be on the opposition’s. But when people come to me complaining that their jobs have been taken, the ones they thought they might be able to get, by people who are unskilled, using the legal system to remain here—working lawfully or unlawfully—I will be quick to remind them how it has happened.

Mrs Irwin—They are human beings.

Mr RUDDOCK—They may be human beings but this is an issue—

Mrs Irwin interjecting—

Mr RUDDOCK—Look, there are tens of millions of people who would like to come to Australia and work and compete for the jobs that your constituents now seek in Australia. Immigration controls are about making some choices, and they have always been there. If you are saying that all of the poor human beings of the world should be able to come to Australia, that there should, in effect, be no border controls—

Ms Macklin—That is a straw man.

Mr RUDDOCK—It is not a straw man; it is the reality. People put these arguments to me. Your friends in the Socialist Democratic Alliance come along to me and say, ‘We don’t think there should be any border controls.’ They say that we should have a free trade in labour. These people are achieving that outcome by using the legal system, which we can fix. (Time expired)

Amendments agreed to.

Bill, as amended, agreed to.

Message from the Governor-General recommending appropriation for the bill and proposed amendments announced.
be another big step down the road to an American style health system, with two classes of treatment available, depending on your income and insurance coverage.

Allowing health insurance funds to cover medical expenses out of hospital would result in a dramatic inflationary effect which would, of course, be contrary to the interests of patients. We can already see that the fees charged by obstetric specialists have continued to rise, despite the introduction of a new rebate for complex pregnancies which was meant to cut the often large gap payments being asked for obstetric services.

The latest figures from the Private Health Insurance Administration Council show there has been a rapid rise in the number of services provided under contract. The doctors involved are now getting paid rebates well above the schedule fee. Unfortunately, there is still insufficient information available to determine whether these policies are covering cases where patients had previously been charged a large gap fee and now face no gaps or whether they simply reflect cases where the doctor previously charged the schedule fee and now is charging more than that and having the difference met by private health insurance. It is an important distinction, because the minister cannot show whether the number of people being charged a gap has decreased at the same pace that doctors have moved over to gap free products.

His claim in the House that there has been spectacular growth in gap fee coverage is not supported by comparable past statistics. He includes in his figures all those people who have been charged at the schedule fee and this has always been a substantial proportion of the total. It is therefore quite misleading for the minister to suggest that the number of situations where no gap has been paid has increased from zero to 60 per cent. The comparison should be to the proportion of people charging the schedule fee at that time.

Medicare statistics show that in 1996 no fewer than 57 per cent of specialist services in the public and private sectors were issued at or below the schedule fee. The main trend may have been an increase in fees as doctors shift from charging the schedule fee to charging the maximum permitted under no-gap policies. This has very important implications for the cost of medical treatment. The minister should ensure—and I would ask him to respond to this in his remarks at the end of this bill—that there is an urgent study into the inflationary impacts of these schemes before these higher prices get further embedded.

As I said, the opposition’s principal concern with this bill is to curb inflationary medical pressures. The government has indicated to the opposition that it does not intend this bill to change the boundary between hospital and medical care or to allow the health funds to cover medical expenses out of hospital. As that is the case, I certainly look forward to the support of the government for the three opposition amendments that I will move later on in the debate. Private insurance should not apply to out-of-hospital medical costs because the extension of health insurance to cover the cost of GPs, for example, attending a patient after a hospital admission would result in immediate inflation in GP fees, an increased burden on the public in gap charges and a resultant increase in the cost of private health insurance.

We do not oppose the extension of hospital health insurance to cover the cost of after-care paid for by the hospitals and provided by nurses or other allied health professionals. Health insurance funds already have the ability to cover ancillary costs for after hospital care services provided by any of these health professionals. However, at the moment this can occur only if the patient already has ancillary health cover. Labor believes that it is reasonable for funds to reduce their overall costs and, therefore, reduce pressure on premiums by substituting alternative health care support services for a continuing stay in hospital where—and this is an important proviso—that is in the patient’s health interests.

The bill will provide the option for patients to recuperate at home rather than in hospital, which for many people certainly
does have attractions. However, we certainly do not want to see people forced into home care options against their will or the funds pressuring people into programs purely for cost reasons. There have been three trials of early discharge and hospital-in-the-home type programs that have been subject to evaluation: a domiciliary palliative care service at the Cabrini Private Hospital in Melbourne, a non-admitted rehabilitation service at Cedar Court Rehabilitation Hospital in Melbourne and a psychiatric continuum of care trial at Ramsay Health Care in South Australia.

There are a further three ‘second round’ trials now under way and due to be evaluated, so we are looking forward to seeing those. These are two hospital-in-the-home type services, I understand—one in Adelaide and one in Melbourne—and another psychiatric continuum of care trial. Given the long delays that we have had in bringing this bill forward, it would certainly be useful to see the results of these further trials.

The consultants Healthcare Management Advisors have produced a national evaluation report entitled Evaluation of the private sector based early discharge and hospital-in-the-home trials which deals with the first three trials. This reports at some length on the effectiveness of the trials and reports on a range of issues that must be considered carefully for a scheme to be successful. Among other things, the report recommends that all services should include a 24-hour contact point, written protocols, safety inspection of all homes involved, and staff safety training programs. It recommends that the participants need to be selected carefully and that strong links be built between service providers and treating doctors. A lot of emphasis is given to the importance of involving the patients and ensuring that their feedback is acted upon so that the needs of patients and carers are accommodated. It is important to note that the conclusions of the first evaluation only relate to palliative care, rehabilitation and psychiatric services. The report explicitly states on page 9:

The national evaluation did not and could not examine whether this finding would apply equally to other clinical areas not covered by the trial (eg post-surgery hospital in the home services). It is, therefore, very important that we proceed with caution and continue to evaluate these projects as they are expanded to cover new categories of patients.

The minister in the bill to date has not made clear whether the extension of private health cover will be limited to well-designed and assessed programs that meet the recommended criteria or whether there will be an open slather approach where any scheme will be able to operate under these provisions. The bill as presented simply refers to the minister being able to make determinations to specify services for the purpose of the definition of ‘outreach service’. It is not clear whether the minister will be approving categories of services or specific services from particular hospitals. There is also no indication of the criteria to be used in approving such services and no clarity about the extent of the minister’s powers to revoke approvals.

Recommendation 15 of the evaluation report states that the hospital-in-the-home programs should only be permitted to operate for defined periods ‘provided they exhibit characteristics consistent with the desirable features identified in the national evaluation report’. Recommendation 16 proposes that there should be a formal review of the scheme after a defined period.

The opposition supports both of these recommendations and will be putting forward amendments that clarify the power of the minister to terminate the participation in a scheme that fails to accord with best practice. There should also be a review of the hospital-in-the home program after a period of two years and a report to the parliament to determine how the schemes are working in practice. I will be moving three amendments to the bill to incorporate these features and to clarify that the provision for private health insurance to cover after-care services is limited in this way. As I said, I understand that the government have indicated they will support those amendments, which I think will be much to the benefit of all patients.
There are a number of other issues dealt with in this bill. There are two amendments which relate to the rules for Lifetime Health Cover. The first amendment ensures that all people who enter Australia on a humanitarian or refugee visa after 1 January 2000 or who were granted a protection visa after entering Australia on or after 1 January 2000 have 12 months after the day on which they become eligible for Medicare in which to take out hospital cover without their contributions being increased under Lifetime Health Cover. This provision was originally inserted into the Lifetime Health Cover legislation by the opposition, but I understand it now needs to be reworded to pick up an accurate definition of refugee or humanitarian visa, because of subsequent changes to the definitions of these classes under migration legislation. The bill also clarifies the definition of adult beneficiary and hospital cover with respect to Lifetime Health Cover to make sure that spouses, including de facto spouses of contributors, are defined as adult beneficiaries and can have hospital cover.

Lastly, the bill remedies another flaw in the Lifetime Health Cover arrangements by amending the privacy rules to allow private health insurance funds to disclose information about a member to a hospital to allow a check to be made of eligibility for coverage. This is a very important issue, because consumers need hospitals to be able to check their level of cover so they can be correctly advised on the total bill that they can expect to pay for treatment.

This difficulty of checking membership status has been the cause of considerable problems in recent times, mainly because health fund products have grown so complex. Over recent years, there has been a rapid growth in the proportion of policies that include one or more of the following characteristics. There may be up-front deductibles, which are payments that patients have to make either every time they use a policy or the first time they use it each year. Premiums are lower but the cost to the patient is higher when they have to use their insurance. And there may be exclusions, which are expensive categories of treatment which particular health insurance products do not cover. These exclusionary products include procedures for cardiac treatment, hip replacement and obstetrics. There have been a lot of complaints by people who have not had these exclusions to their health insurance properly explained to them; the Private Health Insurance Ombudsman has questioned the morality of these products. Funds are adopting increasingly complex variations in their waiting periods and in the pre-existing ailment rules which have resulted in many new members being bitterly disappointed because they are not covered for treatment under the policies they have bought. Often this disappointment is heightened by misleading claims made by the funds in selling the policies, including such statements as 'waiting periods are waived'. The combined effect of these policies is that members of the public are more confused than ever about exactly what cover they have. Some of these misleading claims have been investigated by the ACCC and in at least one case a prosecution is under way.

This issue has been highlighted in the recent Private Health Insurance Ombudsman’s annual report, which contains the following comment:

The lack of information provided to a patient on which they can base an informed decision can come about for a myriad of reasons. It is incumbent on all segments of the industry to not only be aware of the factors that can lead to the problem, but also the difficulty faced by all participants if the patient does not make an informed decision.

Patients need to know a lot of things to be able to make an informed decision. They need to know their level of cover; any exclusions or benefit limitations applying to their particular product; whether the procedure falls within the provisions of the pre-existing ailment rules; whether or not the hospital and the particular health fund have an agreement; the level of cover provided for the particular procedure within the hospital/health fund agreement; whether the doctor and the health fund are covered by a scheme of arrangement; and whether or not their contributions are up to date. The ombudsman concluded with the following comment:
Given that the health fund advises members to always check with them prior to going to hospital, and the hospital fund agreement complies with section 73BD(2)(d) of the National Health Act requiring a hospital 'to inform eligible contributors ... of the amounts the eligible contributor will be liable to pay the hospital,' it is difficult to understand why we still receive so many complaints concerning lack of informed financial consent.

The reason is simple enough: the health fund policies are not clear; they should all have a key features statement that gives the consumer the information they need to make the right choices.

Another basic problem is that hospitals work around the clock and, not surprisingly, more and more people are seeking emergency treatment in private hospitals at all hours of the day and night. Yet health fund call centres are open only during selected hours. There needs to be a 24-hour method for hospitals to confirm the membership status of patients as they arrive for treatment and to quickly determine if there are any limitations on the policy which may impact on the treatment being considered.

A recent case I became aware of involved a man who had a heart attack in the street and was taken to a private hospital because he told the ambulance driver he was privately insured. The man was left with a substantial medical bill after his treatment, because his policy contained a cardiac exclusion clause about which he had no knowledge.

The ombudsman has also raised this issue with a similar case concerning a couple he calls Mr and Mrs Gold, both in their 80s. They were on a bus excursion in rural New South Wales when Mrs Gold suffered an injury to her hip when getting off a bus and sustained a broken hip. The patient and her husband were subsequently transported to a regional public hospital. Mr Gold was asked if they had private health insurance. The patient and her husband were subsequently transported to a regional public hospital. Mr Gold was asked if they had private health insurance. He said yes and Mrs Gold was then admitted to the local private hospital. Her significantly distressed 84-year-old husband was asked at the hospital if they had private health insurance; he produced his card and said his wife’s was the same. Mrs Gold remained a patient for 14 days, undergoing a hip replacement. At no stage during the whole of the 14 days did the hospital seek confirmation from the fund of her insurance status, instead relying on the initial word of her aged and distressed husband.

Six months prior to the incident, the couple had gone to the local fund office seeking ways to reduce the cost of their full cover family insurance. They were advised they could do this by taking out two single memberships with some exclusions. As it transpired, the benefit limitations were much more extensive than the maternity exclusion they laughingly spoke about and actually had restrictions on joint replacements, lens procedures, cardiac procedures, as well as obstetrics. The fund denied full benefits on the basis that the policy held by Mrs Gold did not cover joint replacement in a private hospital. The fund did pay $14,000 of the total $20,000 account and the hospital sought to recover the remaining $6,000. It took a considerable amount of persuasion by the ombudsman for the hospital to admit that, even though Mrs Gold had been a patient for 14 days, they had not fulfilled their obligations under the contract and the spirit of the legislation requiring hospitals to inform eligible contributors. The ombudsman went on to suggest that this incident and other similar complaints raised the question of whether such products met the test under section 72 of the Trade Practices Act of the product being ‘fit for purpose’.

The Private Health Insurance Ombudsman’s annual report also noted a number of other consumer problems. He has apparently experienced a rash of consumer complaints since the ‘run for cover’ advertising campaign saw many people make a last-minute decision to buy private health insurance. The ombudsman reports that his workload has increased by 23 per cent—and that was even before the deadline for joining had passed. His annual report criticises the funds’ level of commitment to consumers and highlights the mismatch between what was promised and what the funds provide. As I said before, he has even questioned the morality of some products, which are based on exclusion of
high cost treatments and which force privately insured people to use public hospitals for serious illness.

The key findings in the Private Health Insurance Ombudsman’s report include the need for mandatory procedures to provide ‘informed financial consent’—that is, to make sure that consumers know the cost of treatment in advance. According to the ombudsman, the government’s insistence on voluntary guidelines has ‘not produced any noticeable reduction in the difficulties faced by consumers’. The lack of comparability between health fund providers has generated problems with people trying to change between funds and being unfairly forced to serve new waiting periods.

Another matter raised was the long delay in the release of the report of the special committee established at the request of the Senate in May 1999 to examine the operation of the pre-existing ailment rule. This committee took an extraordinary length of time to do its work, but I am pleased to say that, once the ombudsman raised the matter, the minister did finally release the report. It is something of a disappointment because, although it recognises that there is a problem, it only suggests that some minor steps to clarify rather than reform the pre-existing ailment rule be taken.

Action by the private health insurance industry to clean up its act is long overdue. Significantly, the ACCC recently launched legal action against Medibank Private for false, misleading and deceptive advertising. The ACCC says that Medibank Private advertised that there would be no rate increases in the year 2000, yet it increased its prices on 1 July. It also says that Medibank Private advertised that it was waiving waiting periods when this only applied to some less important waiting periods. I understand that this is only one of six cases that the ACCC is pursuing. This situation highlights what a poor job the government did in informing the public about Lifetime Health Cover, despite spending $17 million of taxpayers’ money on what it called a ‘public education’ campaign. Unfortunately, the government did little to make sure that the health funds focused on accurately selling their products, resulting in a lot of advertising which created a very misleading impression for a large proportion of the public.

The ombudsman’s report certainly provides a very good overview of the wreckage left behind by the government’s campaign to promote private health insurance at any cost. It will be necessary for the industry to take very careful heed of the ombudsman’s report and to ensure that the products that come on the market as a result of the changes in this legislation, which will allow hospital-in-the-home products, avoid the pitfalls that we have found so far. Otherwise, it will only add to the problems that patients and fund members have been facing to date. I look forward to the government’s support for the amendments that the opposition will move. As I have made plain, there is absolutely no room for compromise on the part of the opposition about the extension of health insurance to out-of-hospital medical services. That would be the beginning of the end of Medicare and we would not support it—if the government were ever to put it forward.

Mr GEORGIOU (Kooyong) (11.51 a.m.)—Legislation which extends the range of health services has the potential to significantly benefit the Australian community. Australians should be able to access health services which are world class and which offer flexibility and choice. One way in which our health system can offer patients greater options is by providing hospital-in-the-home or outreach services. Traditionally, hospitals have supplied medical care within the highly regulated confines of their four walls. In many instances, treatment in this environment is an unavoidable necessity. But, where an alternative is possible, people may prefer to be treated at home where they can enjoy greater privacy and familiar surroundings. This is especially so in the case of elderly patients and children.

Many elderly patients find care within the precincts of the hospital disorienting and disconcerting. Recently, a study of public hospital care in New South Wales compared
elderly public patients receiving care in hospital with those receiving equivalent care at home. All the patients received services and care that usually can only be provided within hospitals. Those treated at home fared similarly to their hospital counterparts, except that the home patients suffered lower rates of confusion and delirium and they, as well as their carers and GPs, reported higher rates of satisfaction with their care. Outreach services can also potentially enhance the care received by children who often find hospital daunting and intimidating.

At present, the choice between hospital or home is a choice largely denied to Australians with private health insurance, and the main purpose of the Health Legislation Amendment Bill (No. 3) 2000 is to enable the private health insurance industry to fund outreach services as an alternative to care within the physical confines of a hospital. The range of medical services that can be provided to patients in their homes is extensive, and for some time public hospitals have provided their patients with medical care in their own homes. Programs run within the public sector and trialled by the private health sector cover a range of clinical specialties, including palliative care, psychiatric care, rehabilitation, general medical and surgical care, as well as care for elderly medical and surgical patients. Other forms of treatment that may be provided at home include intravenous antibiotic and anticoagulant therapies and chemotherapy. Currently, however, private patients must be physically within the confines of a hospital if they wish to access medical treatment under hospital cover. As a consequence, those Australians who have hospital cover may access health services only during hospital stay. Only those who have ancillary cover may access outreach or hospital-in-home services.

This bill will enable Australians with private health insurance to access equivalent programs through public hospitals under the coverage provided by the private health insurance hospital cover. The bill will do so by expanding the National Health Act’s definition of ‘hospital treatment’ to include outreach services provided by a private hospital or day care facility. This will also promote the private system’s efficiency and viability, providing private hospitals with an opportunity to reduce the time a patient stays in hospital, increasing throughput by freeing up beds. The measures will potentially ease the burden on the public hospital system. At present, privately insured patients who want to use outreach services cannot access these services through a private hospital and are required to be treated as public patients.

The government is committed to ensuring that health and medical standards are not compromised as outreach services are extended to the private health system. The proposed amendment requires that hospital and insurance funds seeking to provide outreach services to private patients gain ministerial approval. Further, the minister can determine which hospitals and day care facilities may provide outreach services and the duration of time that patients may be treated at home under these programs. There will be no open slather.

These approvals and determinations were made on the basis of a set of guidelines that are being developed to ensure the maintenance of clinical standards and quality outcomes. The guidelines will include criteria to determine which patients are suitable to receive care at home. Obviously, some patients cannot be adequately cared for at home. Other patients may feel that being in hospital provides them with an important sense of security. The guidelines cover standards to ensure that patients who choose to go home make that decision in a free and informed fashion. This bill is manifestly not about forcing people out of hospital against their wishes. The guidelines will ensure this. They will secure for patients a first-class standard of health care if they choose to be treated at home.

The guidelines will cover a range of standards. Medical practitioners, nurses, allied health professionals, patients and carers will be required to consult and develop a health care plan. Hospitals will be required to create effective communication channels between the patient, the carer and health care profes-
sionals while the patient is receiving care at home. There must be sound communication between hospitals and GPs at the time of admittance and in availing the patient of participation in an outreach program. Discharge planning must involve appropriate health care professionals, the patient and the carer. Quality management and clinical guidelines, including agreed minimum data set, program monitoring, accountability, evaluation, 24-hour coverage and emergency backup will mean that patients at home receive a standard of care as good as that provided in hospital.

This bill marks the latest chapter in the government’s wide ranging program to rejuvenate Australia’s health care system. Had it not been for this government’s actions, Australia’s system of health care would now be in desperate straits. Once Labor accepted that a strong private health care system was vital to Medicare. Then minister Neil Blewett, in his now often quoted statement, said:

Medicare’s continued success and high popularity is dependent upon the maintenance of a strong, viable private health care system.

Minister Blewett saw that the relationship between Medicare and the private health insurance system was mutually beneficial and involved a degree of balance. In 1984, when he was minister, 50 per cent of Australians had private health cover. Australia had first-class publicly funded hospitals; a public system supplemented by first-class private hospitals supported by a viable health insurance system. This was a system that was functional, practical, rational and workable.

Unfortunately, driven by an ideological antipathy to private health care, which the Labor Party keeps on manifesting, Labor progressively undermined the balance of the health system. The annual subsidy to the reinsurance pool was phased out, the private hospital bed day subsidy was removed and the proportion of the schedule fee paid by Medicare was reduced. I could go on with a series of measures that Labor actively pursued in order to undermine the private health care system, but the bottom line is that Labor policy threatened the viability of health funds and the continued existence of private hospitals. Labor’s policy injured around 700,000 low income Australians who continued with private health insurance despite the financial struggle involved. I think this is worth a little further elaboration.

The Productivity Commission, in looking at the socioeconomic profile of those entering and exiting the private health insurance system, found that the participation of the lowest 20 per cent of income earners remained virtually the same from 1983 to 1992. It was this group of lower income Australians that took the full brunt of Labor’s attack on private health insurance. It was the middle and upper income groups that left for the public system. The people who were left to carry the can of higher premiums forced on them by Labor’s policies were Australians on lower incomes. But the Labor Party did more than economic damage to private health insurance; they did something that was potentially long lasting and more destructive. What was involved was an undermining of the culture of private insurance in Australia. The Productivity Commission, in trying to explain some of the differences in the propensity to insure at different ages, observed that this might represent ‘generational rather than lifestyle events’ and it noted that ‘the group of people born in 1946 have a different predilection for insurance than those born in 1976’. This point should not be glossed over.

What is involved is the culture of private health insurance in the Australian social landscape. The Labor Party’s 13 years in office and its consistent attack on the culture did have a serious impact. The cycle of increased premiums and declining membership saw private health coverage progressively fall to 30 per cent. The strain on the public hospital system became manifest, and this was a situation that could not be allowed to continue. From New Year’s Day 1999 the government’s Private Health Insurance Incentives Act provided for everyone a 30 per cent rebate on whatever was spent on private health cover. It is worth while underscoring that lower income earners got the benefit even if they paid no tax. The rebate was followed by the Lifetime Health Cover scheme,
which commenced on 1 July 2000. This prompted Australians to join health insurance earlier in life. As a result of these measures, the tide did turn, and by November 2000 the Private Health Insurance Administration Council announced that private health insurance membership had grown to 45.8 per cent, nearly 8.8 million Australians, and that in 20 months an estimated three million more Australians had been covered by private health cover. These extra three million covered by private health insurance, the Minister for Health and Aged Care estimates, mean an additional 500,000 hospital admissions each year that the public system does not have to accommodate.

Most Australians who have taken out private cover will use the private hospital sector, thereby relieving the pressure on the public system over time. This has been a matter that the Labor Party has resolutely refused to face up to, and Labor’s responses to these changes has been true to form. Despite surveys showing that two-thirds of Australians supported the 30 per cent rebate, Labor opposed it vigorously. Labor opposed it despite the fact that there are literally tens of thousands of Australians in its own marginal seats that have private health insurance and benefit substantially from the government’s measures. Despite these facts, the Labor Party’s initial stance was to systematically and rigorously oppose the measures. The shadow minister, in this House in December 1998, described the private health insurance rebate legislation as ‘the worst example of public policy ever seen in this parliament’. That is a very large statement.

Mr Slipper—Appalling.

Mr GEORGIOU—It is a very sweeping statement. She did not say the legislation was flawed or imperfect; she said it was ‘the worst example of public policy ever seen in this parliament’. This assault was continued throughout 1999 and much of 2000. We were warned about the inevitable failure and that the health insurance industry was on life-support. The rebate was described as a dismal failure and unable to attract people to private insurance. But then in the middle of the Olympics, perhaps due to the contagiousness of the Olympic spirit, something of a remarkable transformation occurred within the Labor Party. On Tuesday, 26 September, the Sydney Morning Herald reported ‘Health rebate will stay for all: Labor’, the Courier-Mail announced ‘Labor to keep tax subsidy’ and the Age reported ‘Labor rules out health rebate shift’. It was enough to make any reader choke on their cornflakes but fortunately, as chance would have it, the headlines were stolen by the fact that Cathy Freeman won the 400-metres gold medal on the very same day as the Leader of the Opposition publicly embraced the coalition’s rebate—two marvels on the same day.

It is worth while noting that Alan Ramsey reported in early November that in Ballarat the Leader of the Opposition informed the caucus that the opposition had no option but to support the 30 per cent rebate ‘because it was too popular and too entrenched to oppose. The voters liked it’. Yes, they did and, yes, they do; but I am really not sure that at the end of the day, given the intensity and the vehemence with which the Labor Party opposed the private health insurance rebate, Australians will believe Labor’s protestations that they would not do something about it if they were to be elected.

The bill also includes two other amendments. The first is an amendment to the National Health Act to protect health funds from legal action if they disclose the details of a patient’s cover to a private hospital. This is a very important element in any hospital purchaser-provider agreement, and this amendment will enable private hospitals to determine the extent to which a particular patient is covered. This information is important if the hospitals are to inform patients of the likely charges that they will personally incur above the level of health insurance they hold when they submit to any medical treatment—and I have to say that the shadow minister for health actually gave a very lucid explanation of why this is so important.

The second amendment relates to definition under the Lifetime Health Cover rules, and it will ensure that all people with a refu-
gee, humanitarian or protection visa and entering Australia on or after 1 January 2000 will be included in the Lifetime Health Cover scheme if they join a health insurance fund within 12 months of being eligible for Medicare. This is a measure which takes into account the unique circumstances of one group within our community, and it demonstrates that public policy is, importantly, about getting details right.

Five and a half years ago, in making my first speech to this parliament, I described commonsense as an imperative of government. I acknowledged that governments are usually faced by complex problems but that there are cases where solutions are comparatively straightforward. In saying this, I was referring to actions that needed to be taken on Australia’s health system. The government has taken these actions, and they are proving successful. The government has worked to restore the equilibrium between the public and private health care systems for the benefit of both. It is important to emphasise that initiatives to enhance the private health sector have accompanied an unconditional commitment to Medicare, which has received substantial additional increases of funding under the Australian health care agreements. The government is putting an extra $1.3 billion into public hospitals over and above the funding level of 1997-98, which was the last year of Labor’s Medicare agreements. When the shadow minister says that something ‘is the beginning of the end for Medicare’, remember that this has been said by the Labor Party consistently since this government was elected, and they have been proved consistently wrong. The government’s commitment to Medicare is unconditional. Over a five-year period, funding to public hospitals in real terms will go up by around 25 per cent. This bill is another example of the government’s commitment to maintaining a world’s-best public health system, one which is effectively supported by a world-class private health system. I commend the bill to the House.

Mr MURPHY (Lowe) (12.09 p.m.)—I have been listening to the member for Kooyong and, whilst I am largely in agreement with the first half of his speech, I have to say something about his comments about Labor policies leading to fewer people taking out private health insurance when we were on the government benches. While, yes, he said in his wind-up that the government’s commitment to Medicare is unconditional, it is a fact that, since the Labor Party introduced Medicare, on his side of politics they have been trying to tear it down. I have no doubt that that has been brought about by pressure from the AMA and from certain doctors who do not like the idea of bulk-billing. But, on this side of the House, the ALP have always stood for a good public health system. We think it happens to be a right and not a privilege. Whilst, yes, we also support private health insurance because people want to have choice—we have no argument with that—we will be defending Medicare to the death. I am very fortified by the fact that the member for Kooyong has given yet more unconditional support for Medicare, because I think that is what we would all want. In election after election, Medicare is something that always gets debated very strongly on both sides of politics. I think it is a great credit to the Labor Party that we were the ones that introduced it, and it has been embraced by an overwhelming number of Australians. Unfortunately, there are probably some elements in the AMA and certain elements of certain industries within the health system who do not see that it favours their interests, but it is overwhelmingly accepted by all others.

To get back to where I started: I support the Health Legislation Amendment Bill (No. 3) 2000, and, largely speaking, the first half of what the member for Kooyong said was 100 per cent right. I also support the amendments that have been foreshadowed by the member for Jagajaga, Jenny Macklin, particularly those that call for a review of the hospital-in-the-home program and for a report to be put to parliament at a later date. The member for Jagajaga, Ms Macklin, is to be commended for her initiative in this regard. I am very pleased that the government have indicated that they are going to support those amendments. That is a very good thing
for those who are concerned about our health system.

As you know, Mr Deputy Speaker, the bill amends the National Health Act 1953, the National Health Amendment (Lifetime Health Cover) Act 1999 and the Health Insurance Act 1973. The purpose of the bill is to enable the private health insurance industry to fund services which will enable a patient to be cared for at home as an alternative to in-hospital care. Outreach services are already being provided by public hospitals, and this has been occurring for some years. According to the Bills Digest, outreach services may include chemotherapy, intravenous antibiotic therapy and anticoagulant therapy, as well as other services such as palliative care, psychiatric care, rehabilitation and post-operative care. In the bill, an outreach service is defined as ‘any service specified in a determination under section 5D’.

I support the amendment foreshadowed by Ms Macklin that this definition be amended to ‘any non-medical service specified in a determination pursuant to section 5D’, for reasons which I will now outline. At the moment, private health insurance funds are able to pay benefits from hospital cover tables only for patients who are admitted to hospital. Effectively, this means that the funds can extend outreach services only to those members who have both hospital and ancillary private health cover. However, to adjust this would create a precedent if the definition of post-hospital care were to extend to include medical services. This would mean that, for the first time since the introduction of Medicare, health insurance funds could fund medical costs in excess of the Medicare rebate outside hospitals. The end effect of allowing such a precedent would mean an enormous increase in doctors’ fees covered by health insurance and, much worse, that bulk-billing would be threatened. That would be disgraceful.

My constituents in Lowe voted for me at the last election—or, should I say, for the ALP candidate, to be more accurate—

Mr Slipper—Weren’t you the ALP candidate?

Mr MURPHY—I certainly was, but I have no illusions about my station in this House.

Mr Lindsay—You are a very fine member.

Mr MURPHY—Thank you, Member for Herbert. You are a fine member too, and so is the member for Fisher, who probably has one of the nicest electorates, which I have recently visited. I have taken my long-suffering wife on a holiday, and the Sunshine Coast—

Mr DEPUTY SPEAKER (Mr Hollis)—We might get back to the debate.

Mr MURPHY—is a great part of the world.

Mr Slipper—Well represented.

Mr MURPHY—Yes, and the electorate of Lowe is well represented too, as you have just acknowledged.

Mr Slipper—I didn’t say that.

Mr MURPHY—The member for Herbert was very gracious in acknowledging that—

Mr Lindsay—I meant it too.

Mr MURPHY—and I know he provides very good representation for his electorate too.

Mr Slipper—You’re a nice guy but wrong party.

Mr DEPUTY SPEAKER—We might get back to the debate now that we have been complimentary to each other.

Mr MURPHY—We are looking for people to do the job, and I think I am doing the job for my electorate. As I said, my electorate voted for the ALP candidate, and I was trying to point out to the member for Fisher and the member for Herbert that I have no illusions about my being elected to parliament. In the final analysis, when people go to the ballot boxes, as they will surely at the end of this year, they look to a party and they look to the leader, and in a very small percentage of cases their vote is influenced by their local member. So I am very grateful to the Labor Party for allowing me this great privilege to be here and to be speaking about an important bill today and, in the main,
agreeing with the government’s bill and also being fortified by the fact that the government have indicated that they are supporting our shadow minister’s amendments.

For my constituents in Lowe, Medicare is a very important element in the health of their families. As I said, Medicare was a very important element at the last election and certainly contributed to my election in terms of the Labor Party’s policy in relation to it and its defence of it. The electorate expect an Australian government to provide a health care system that is fair and equitable and not like the American system where only those who can afford to pay for private health insurance receive an adequate standard of health care. I am sure there is commonality of agreement that we never want to see in Australia a system like that which exists in America, where the more money you have the more likely you are to get a better health service.

My electorate demographically has a large proportion of senior Australians. In fact, I have one of the highest proportions of people who are 65 years of age and over. I also have in the order of 43 nursing homes and hostels for aged care. Every day many of my constituents visit my office as they are very concerned about health standards for those who cannot afford private health care. They know that their only option to receive a minimum standard of service is to have access to bulk-billing from medical practitioners. They worry about being prescribed medicines which are not listed on the pharmaceutical benefits schedule, because these medicines are costly. They are concerned about hospital waiting times and whether there will be a bed for them if an emergency were to occur.

I happen to believe that the best way to improve the Australian public health system is to properly fund it—we would all agree with that—rather than propping up the private health system with funding which could be used to improve the public system. It makes sense then to support the amendment which is a small but significant change to ensure that doctors’ fees do not increase and, more importantly, to ensure that the bulk-billing option remains in place. I call on all members to support that amendment in the interest of all Australians. There are some benefits in the Health Legislation Amendment Bill (No. 3) 2000. For example, private health insurance companies could enjoy some flexibility in some services, including patients being treated in everyday surroundings; reduced risk of getting an infection, as less time is spent in hospital; reduced costs to hospitals and private health insurance funds; and freeing up hospital beds for acutely ill patients.

According to the Bills Digest, the recent hospital in the home trials, which involve private health providers transferring selected patients to their homes for a part of the normal period of hospital stay while still being covered under private health insurance and providing outreach services such as postoperative care, rehabilitation and psychiatric care, are receiving positive feedback. It is altogether possible that by improving the system’s flexibility it may assist in reducing hospital waiting times by increasing the availability of hospital beds. However, there is a danger that some services which could be provided through such a system will not be unless they are cost effective. I also support the amendment to add a new section 5E, which calls for an independent review of the operation of the extension of this act and the Health Insurance Act 1973. I believe such a review is necessary to ensure that the precedent I discussed earlier does not occur. This will ensure that outreach services are not actually medical services.

This bill also corrects some flaws in the Lifetime Health Cover arrangements, including permitting private health funds to disclose information on its members’ eligibility for coverage to a hospital—this is a desirable change, as hospitals will not otherwise be able to disclose how much money the patient is liable to pay for hospital treatment—simplifying the definition of ‘adult beneficiary’ under the Lifetime Health Cover rules (at the moment a person cannot be an ‘adult beneficiary’ if he or she is under 31 years of age and dependent on a person who contributes to private health insurance) so
that a dependent spouse, including a de facto spouse, is able to be an ‘adult beneficiary’ in his or her own right; and allowing refugees on certain visa classes who enter Australia after 1 January 2000 to have up to 12 months after being eligible for Medicare to enter private health insurance without being liable for extra premiums under the Lifetime Health Cover rules. These changes are not particularly controversial, and I support them.

In summary, this bill benefits all Australians. There are greater options for health care, particularly in the avenue for treatment of people at home instead of at a hospital or institution. That is particularly good for the elderly and, as I said earlier, I have a very high proportion of people who fit that category in my electorate. The bill has obviously the potential to take further pressure off the public and private hospital system with its outreach program. We know all the demands, particularly on public health and our hospitals, and our desire on both sides of this House to do something about that to provide relief for people so that they do not have to wait too long to get a bed in hospital, particularly in respect of elective surgery. There are also savings available that can be achieved by measures that are contained within this bill. This is a good bill in the main. I am pleased that we have agreement on both sides of the House. As I said a moment ago, they are largely not controversial and I support them.

Mr LINDSAY (Herbert) (12.24 p.m.)—I thank the member for Lowe for his support this afternoon in the parliament for the government’s Health Legislation Amendment Bill (No. 3) 2000. I also pay tribute to the Minister for Health and Aged Care, Michael Wooldridge, whose strong leadership in the health portfolio is, I think, widely recognised. When a minister basically has all sections of the health industry and community unhappy, it probably means that he is just about positioned right in where he should be with policy. In that sense, Michael has bitten the bullet, taken the hard decisions and done what needs to be done. I think that health in Australia has certainly benefited from it, and this is another example.

Before I continue, I would like to take up the matter of private health insurance that the member for Lowe referred to. Something that puzzles me that does not seem to be reported or recognised are the benefits that the private health system brings to the public health system in freeing up beds in the public system. I know that in Townsville literally hundreds of beds a week have been freed up in the public system because of the take-up in private health insurance. Another thing that seems not to be recognised is that the private health system, by and large, is a not-for-profit system. There are claims made that the government is pumping a lot of money into the private health system for the benefit of the rich or whatever, but actually it does not go into anybody’s pocket. It causes people who are of reasonable means, and in fact people who are of not so reasonable means—there are a lot of pensioners in private health insurance—to contribute their own money towards the health care system. The government’s contribution of course goes into health care; it does not go into the profit of a fund. There are, I think, a few more than 40 private health funds in Australia and only four of them operate for profit, and they are very minor funds. All the major funds are not-for-profit and the money ends up in the health system. It is just a different way of delivering government dollars into the health system and, at the same time, it encourages more dollars on basically a matching basis. For every government dollar spent on the health system, you get a contribution of $2 or $3 from other sources. I think that is good value for the Commonwealth, but the key is that it frees up beds in the public hospital system. Certainly, that has worked in Townsville.

The main objective of this bill that we are speaking on this afternoon is to amend the definition of ‘hospital treatment’ in the Health Insurance Act 1973. This will have consequential amendments in the National Health Act 1953 to enable the private health industry to fund approved outreach services—that is, alternative models of health
representatives 24067
care delivery, such as hospital in the home, as a direct substitute to in-hospital care for admitted patients. I also think that it has been widely recognised in the community that if people can be comfortable in surroundings other than a hospital—and those of us who have been to hospital know that the first thing you want to do when you go into hospital is to get out again—to be able to have an alternative method of health care delivery is certainly in the interests of the community, and the community welcomes that. The bill will also protect registered health benefits organisations from any action for a breach of duty of confidence in relation to disclosure of membership eligibility information to hospitals or day hospital facilities with which the organisations have a hospital purchase provider agreement. It will clarify the definitions of ‘adult beneficiary’ and ‘hospital cover’ for the purposes of the Lifetime Health Cover rules and will provide that all refugees can take out hospital cover within 12 months after they become eligible for Medicare without incurring an LHC penalty.

The aim of these amendments is to enable private patients in both public and private hospitals to receive the same equitable care choices available to Medicare patients in public hospitals. Surely that is reasonable. Depending on the outcome and passage of the bill, administrative and clinical guidelines will be established to determine whether an outreach service should be specified under the amendment legislation. Importantly, the guidelines will be developed in consultation with all stakeholders to ensure high quality outcomes are maintained. The guidelines will cover issues such as: informed consent of patient and carer; criteria for suitability and admission to program—for example, the patient must not require 24-hour medical and nursing supervision in a hospital and must be sufficiently mobile and able to safely be cared for beyond a hospital—the patient and their GP or carer being informed of the patient’s admittance and discharge from an approved hospital in the home program; clearly establishing and indicating to the patient carer how and when they must contact the hospital if they have a question or concern over the patient’s condition and treatment; 24-hour coverage and emergency backup being provided by the approved outreach service; and the patient carer being aware that they must contact the hospital.

Just as an aside I might mention an interesting problem brought to me last week by a constituent in relation to her experience in hospital. The patient had to have an operation, surgery, at short notice. That was fine; everything went well, but, when the patient went to do the paperwork—and this is I guess in relation to informed consent—and took her claims to Medicare, they were knocked back. They were knocked back because the surgeon did not have a provider number. It went further than that. Because this person had private health cover, when the claims were submitted again they were knocked back. I think there should be an obligation on a surgeon to tell a patient whether or not they have a provider number. That did not happen in this case, and I think it is most unfortunate. I have asked the minister for health to look at the situation to see what might be done to protect patients in the future should this type of event occur again.

The reforms introduced by this bill are based on the 1997 inquiry into private health insurance conducted by the Industry Commission. There was extensive consultation with consumer and industry groups and three years of evaluated trials. Indeed, the industry commissioner’s report made several recommendations, including the amendment of legislation where it contains the development of innovative health insurance products. The commissioner also recommended that out of hospital care be considered for inclusion as part of the reinsurance arrangements.

In relation to whether hospital in the home is safe, a national evaluation report recently released by the Minister for Health and Aged Care has verified that the trials are indeed safe, that they provide acceptable levels of professionalism, that they are beneficial to patients, that they are supported by carers, that they are fundamentally cost effective and that they demonstrate sound clinical
practice. So it is with confidence that the government accepts these findings. Hospital-in-the-home models have increased rapidly around the world and in the Australian public health system. In June 1998 there were 77 public sector services in Australia. Four early discharge trials and two hospital-in-the-home trials are currently in progress under 4B of the National Health Regulations 1954, made under the National Health Act. Each trial involves an agreement between the participating health funds and the private hospitals to provide outreach services as a substitution for in hospital care for an agreed daily benefit. The six trials are currently taking place in Victoria and South Australia.

Hospital in the home can significantly benefit private health patients by increasing the attractiveness of the health insurance product in terms of greater value for money. To me, that sounds like a pretty decent outcome as well. It can also reduce the risk of infection, as there are links between stays in hospital and the increased risk of infection. I guess most hospitals in the Commonwealth suffer from such typical things as golden staph, which seems to lurk in most public hospitals these days, and indeed in private hospitals, but not necessarily in the home. The bill also benefits health funds, as there is an increased financial incentive for funds to provide high quality substitute care alternatives because benefits paid for this care will be considered part of the reinsurance arrangements.

The government is committed to ensuring the ongoing viability of the private sector, and this initiative is one of a number of private health structural reforms aimed at providing health insurers with opportunities to enhance their product range in line with consumer demands. The government is also committed to a balance between the private and public health systems that provides an equitable level of access to a world-class health system available to all Australians. Indeed, I might observe that Townsville and Thuringowa are part of the delivery of that world-class health system. The latest link in that chain has been the establishment of the medical school at James Cook University—

Mr Lee—You were against it in 1996.

Mr LINDSAY—I do not think that was so. In relation to the James Cook Medical School there have been some terrific follow-on benefits with such additions as a school of nursing, a school of pharmacy and the possibility of radiography and pathology and so on. There has been the establishment of the new Townsville General Hospital across the road from the medical school. It is becoming a centre that has very great momentum. Now I think James Cook is looking at exporting its expertise internationally—to the South Pacific—and also to the north of Australia. I give it every encouragement to do that. Later this year the brand-new level 6 Townsville General Hospital will be opened. We are looking forward to that. The only problem is that people of the Upper Ross in Townsville cannot get easy access to the hospital because the state government will not build a road and a bridge. We are having that battle at the moment.

Returning to this bill and the question of how this legislation will impact on the public system, privately insured patients in public hospitals will be able to be included in approved programs already operating for public patients in public hospitals. This will have the effect of freeing up beds for public patients—another decent outcome. This bill has the potential to significantly reduce pressure on the public hospital system, as private hospitals will be able to offer outreach services similar to those currently offered by public hospitals. I know the Mater Hospital in Townsville and the Wesley Park Haven will be very interested in taking up the opportunities available under the bill. This will make them more attractive to those patients who wish to avail themselves of hospital-in-the-home programs. Will it be compulsory for funds and hospitals to participate? The answer is no, it is optional. But guidelines, which I spoke about earlier, will be available for those funds and hospitals that wish to participate in developing hospital-in-the-home programs. Will it be compulsory for funds and hospitals to participate? The answer is no, it is optional. But guidelines, which I spoke about earlier, will be available for those funds and hospitals that wish to participate in developing hospital-in-the-home programs. It is anticipated by the government, though, that many health funds and hospitals will wish to offer hospital in the home to their clients, their patients, mainly
because of the many incentives and benefits for all concerned.

I reaffirm that the primary aim of this bill is to enable private patients to also enjoy the same high-quality care choices that public patients in the public hospital system have been able to receive for some time. This bill in no way changes government policy in relation to access to government funded primary care services by privately insured patients. I support this bill because it is yet another important health reform by this government. I am very pleased to see the opposition also supporting the bill today.

Dr THEOPHANOUS (Calwell) (12.37 p.m.)—As an Independent, I support the Health Legislation Amendment Bill (No. 3) 2000. I also support the amendments to be moved by the member for Jagajaga. Let me begin by making some positive remarks. This bill represents a creative way of dealing with a problem which has arisen. The health division of the Department of Health and Aged Care is to be commended for its creative thinking over the past few years and the way in which it tries to deal with specific problems by coming up with legislation, regulations and policies targeted towards those problems. It is an example which could be followed by a number of other government departments. On this occasion, the health division has again come up with a very important suggestion which will be helpful and will add to other recent initiatives which target specific problems. Another initiative which needs to be commended is the rural doctors training program, to which the minister recently referred, where doctors are to be encouraged to train up to university level in particular regional centres so that we can deal with the problem of doctors leaving rural areas. I have been interested in the provision of indigenous and Aboriginal services since I was Parliamentary Secretary to the Minister for Human Services and Health. Here we need to achieve more. I know that the department is trying to target programs in such a way that there are outcomes there.

One area which concerns me is the huge problem of lack of hearing in Aboriginal children. I tried to take this up when I was parliamentary secretary. The minister said that he was going to announce some new initiatives in this area. I would be interested to know whether he is going to do so. There was a pilot program carried out to see whether we could handle this problem. I remind the House that in some areas of Australia, especially in the Northern Territory and in parts of Western Australia, up to 50 per cent of Aboriginal children are suffering from insufficient hearing. In some cases they are virtually deaf. Apparently, this problem is mostly caused by infection in the first few months of life. Four or five years ago, we had a number of experimental programs trying to deal with this matter, perhaps by immunisation. I would like to know what is happening with this and whether we are going to proceed from the test programs to try to prevent this problem which is widespread in Aboriginal communities.

The Health Legislation Amendment Bill (No. 3) 2000 deals with the extension of private health cover to outreach services. It will have a positive effect because privately insured patients will be able to access those services through their private system and, as a number of members have mentioned, there will be less pressure on public hospitals. This issue does need to be addressed. While the minister has done a good job through targeting specific issues, there is one serious weakness in the provision of health services in this country, and that is the continuing problem of federal-state responsibilities. The member for Kooyong mentioned that there is going to be an increase of provision to the states for public hospitals. That is well and good, but in virtually every state we continue to have serious problems with waiting lists in public hospitals. I was interested to read in the newspaper and to see on the Internet that much of the election in Western Australia is going to be fought on health issues. One reason for that is that the current Western Australian Liberal government apparently has allowed hospitals to be starved of funds, even though they have been provided with additional funds by the federal government. What is going on in Western Australia?
notice that the Labor leader, Dr Gallop, is going to fight the campaign with this as the number one issue, and I think that is right. State leaders and health ministers ought to be held responsible, when the federal government is providing resources, for ensuring that hospital waiting lists are reduced.

One of the issues that was evident when I was parliamentary secretary for health was that whenever we had a meeting of the health ministers there was constant bickering between federal and state representatives. But the responsibility for hospitals—unfortunately, in my opinion—remains with the state governments, and they are meeting this responsibility insufficiently. Even in my own state, Victoria, we have a situation at the moment where there are still significant waiting lists in public hospitals. I have had a number of complaints from people coming to my office saying that they have been told, with regard to important surgery, ‘Come back in a year’s time and we will talk to you.’ I have such a letter from a hospital. That is just one example. I have people coming in saying they have been told they have to wait for a year or more even to go and see a doctor, never mind make the appointment for the actual surgery. This is not good enough, quite frankly. This buck-passing from one to another does need to be dealt with. I know the federal minister, Dr Wooldridge, has tried to talk to the states, but I think that the Commonwealth parliament ought to take a bigger role in ensuring that, when provisions are made to the states for such things as public hospitals, spending on public hospitals is done in the most efficient way and that it is done in such a way that these queues are reduced. Irrespective of whether the state government is Labor or conservative, the issue is still there. It is a human issue, which the federal parliament ought to be concerned to deal with. It does not matter who is in power federally either—we will have to confront this issue of the continuous provision of money to the states for public hospitals, with insufficient outcomes.

One of the things that the states are supposed to do is provide hospitals in areas where they are needed. Given that there is this expansion of money, why can’t we have increased numbers of beds in areas where there is a need for hospitals? Of course, I am a little bit biased in this, but in my electorate in the northern suburbs of Melbourne there was talk for years and years of building a hospital. In the key areas such as Broadmeadows and Roxburgh Park—

**Fran Bailey**—Who built it?

**Dr THEOPHANOUS**—You are talking about the hospital in Epping. That is far away from the main populations. There is a need for a hospital in Broadmeadows. We have a day hospital, a kind of extended community health care centre, and there is massive demand for this. Even getting appointments to see medical practitioners at the centre is difficult because of the massive demand. You would think that the government would say, ‘Given that there is this massive demand, we’d better have a look at building a hospital in this region.’ I use that as an example because I am sure there are other regions in the various states where hospitals need to be built. We had a period when hospitals were being closed all over the place. That has to be reviewed in light of the fact of the additional spending. I am not saying that we need to have a hospital, which is inefficient, but, where there is demand, surely we should be able to supply hospitals in those regions.

While I am talking about areas such as my electorate and especially the poorer sections of my electorate, I want to say something about bulk-billing. Bulk-billing has been a key part of the Medicare system for the people living in the poorer sections of my electorate and other surrounding electorates; indeed, poorer areas throughout Australia. Without bulk-billing, these people would not in effect have had reasonable medical services. Every now and then we find various protagonists, including the Australian Medical Association, wanting to get rid of bulk-billing. I say to the AMA or anybody else who wants to try and get rid of bulk-billing, ‘Come to the poor areas and have a look at what is happening in those areas before you
think about taking away what is a very important measure of equity in the health system, the capacity to bulk-bill.’ This is not merely a theoretical policy issue in the case of my electorate and surrounding electorates; it is a real matter. I can assure you that, even if bulk-billing were to cost only a few dollars, it would result in people not going to the doctor when they needed to. That would be a very sad thing indeed and would result in people becoming significantly more ill and therefore would increase costs in the future. I know that the AMA has been conducting a campaign to try to change the bulk-billing situation. I hope that the government will hold firm against this and will retain bulk-billing because of its tremendous importance in electorates such as mine.

There is another matter that I want to draw to the attention of the minister, especially in the light of this bill making further concessions to private health insurance companies. When the minister introduced the taxation concessions for private health insurance, he said that it would lead to an increase in membership. And it has led to a significant increase—perhaps not as much as he would have wanted, but a significant increase in membership of private health insurance funds. That is a good thing, especially since it means that there is less pressure on public hospitals. Nevertheless, a question arises. If there is significantly increased membership in private health insurance companies, why are the costs of private health insurance not going down? I repeat that: if we have got an increase in the numbers going into private health insurance, why are the costs not going down?

You may recall that there was a difficult period of time at the start of this minister’s regime in which there was a series of increases in private health insurance costs. We were told, ‘That’s because people are dropping out of the system, resulting in more people in the system who are really ill. There are, therefore, higher costs and insurance companies have to put up their premiums.’ So I ask the minister: if the problem of private health insurance is now being reversed—as he claims—and more people are joining, including more people who are relatively healthy, and more people are going into these other lifelong schemes as well, why are private health insurance costs not going down? Is it because the insurance companies are now saying, ‘Ha, ha! Thank you very much, government, for giving us this opportunity to pressure people into going into private health insurance’? I am not saying that that pressure was unjustified; what I am saying is this: if people are going into the scheme, why hasn’t it resulted in a situation where the total cost of private health insurance has not been reduced for all people? In other words, are the private health insurance companies making a windfall profit out of this new system? Is that what is happening?

I notice that the minister likes to answer a lot of questions in parliament, but I have not heard him—and I rarely miss question time—give an answer or even an explanation in relation to this issue. It is all very well for us to talk about improving the scheme in such a way that more people want to go into the scheme—and that is fine; I have always supported people going into the scheme—but one of the benefits of this was supposed to be reduced private health insurance costs, because the sorts of reasons that were given when costs went up have now been reversed. I think that it is very important that an explanation be given.

This is especially the case since we still have the problem of the gap. I am talking about the gap between what private health insurance pays and the actual cost to the patient. I know that the minister has been creative in trying to encourage some of the health insurers to find ways of reducing the gap by advertising programs that do not involve a gap or that involve a reduced gap. But I do not see that the number of programs offering a reduced gap is anything like what one would have expected, given the rise in profits of the health insurance companies from increased membership. The following two matters need to be pursued: firstly, the issue of why the costs have not gone down; and, secondly, if the costs have not gone down,
why, at the same cost, we have not been able
to do much better on the gap question.

Of course, a lot of people in private health
insurance have a reasonable income and they
can afford the gap—although they complain
about it, I might say. But I am concerned
about those people of middle level means
who take out private health insurance be-
lieving that their costs are going to be cov-
ered and then find themselves hit with a
bill—which can amount to thousands of
dollars in some cases—for the gap. The
promotion of no-gap programs needs to be
intensified dramatically by the govern-
ment—dramatically. Those insurance com-
panies that are making significant profits and
are not offering new and important programs
to reduce the gap should be called to account
and asked to explain themselves. The minis-
ter has significant powers in this area. In
particular, he has powers to use the parlia-
ment to expose those who are simply making
profits and not delivering back to the com-
unity what they ought to. (Time expired)

FRAN BAILEY (McEwen) (12.57
p.m.)—I rise in support of the Health Legis-
lation Amendment Bill (No. 3) 2000. The
health care industry is one of the biggest in-
dustries in Australia, accounting for 8.5 per
cent of our GDP. Indeed, the demand for
health services is increasing faster than sup-
ply. In Australia, governments pay approxi-
mately 70 per cent of all health costs, while
private health insurance covers another 13
per cent. Every Australian is entitled to have
access to the very best health care that is
available. The provision and maintenance of
a world-class public health system has been
strongly supported, and will continue to be
strongly supported, by this government.

An important sector of our health system
in providing choice for those needing health
care is the private health sector. In 1985, ap-
proximately half of the population had pri-
ivate health insurance. By the end of 1998,
the figure was around 30 per cent. After the
introduction of this government’s 30 per cent
private health insurance rebate, this figure is
now closer to 40 per cent. In my electorate of
McEwen, 35 per cent of all residents have
private health insurance. If the government
had not acted to encourage more private
health insurance and if those pre-incentive
levels had continued, it is estimated that only
23 per cent of the population would have
been insured by the end of the year 2000.
This would have placed unbearable pressure
on our public hospital system.

Public health expenditures have risen due
to a number of factors, including population
growth, an ageing population and the cost of
prescription medicines. Those people who
choose to have private health insurance
cover are in fact helping to defray the cost of
public health. This has taken the pressure off
the public health system and has allowed
greater access for those who are unable to
afford private insurance. In turn, this also
contributes to a reduction in waiting lists and
an improved provision of public health care
services. However, people who choose to
have private health cover must not be dis-
criminated against or penalised for doing so.
This particular legislation will enable private
patients in both public and private hospitals
to receive the same equitable care choices
available to Medicare patients in public hos-
pitals.

The government’s 30 per cent rebate on
private health insurance has been a resound-
ingsuccess, as demonstrated by the increase
in the participation rate, and has encouraged
so many more people back into the private
health insurance system. As I said, that has
relieved the pressure on the public system.

Importantly, under this legislation private
insurance funds will now be able to offer
cover for alternatives to in hospital care. This
in turn will provide greater benefits and
value for money. This legislation will enable
the private health industry to fund outreach
services. This will involve alternative models
of health care delivery as a direct substitute
to in hospital care for admitted patients.

As one of my constituents, Ms Jan Taylor,
commented, the introduction of hospital-in-
the-home care would be a welcome bonus
for those people who have been long-term
contributors to private health insurance. It
finally recognises that those people with pri-
vate health insurance should have the same access to services provided to people in the public health system.

Outreach care through hospital-in-the-home type schemes is becoming increasingly more popular. Under the hospital-in-the-home program, patients will receive part of their hospital care at home, whilst still being covered by their private health insurance. Patients will also have the opportunity to be transferred home for all or part of the normal period of a hospital stay, with all acute care services provided by specially trained nursing and support staff. This is the most important part of the legislation, because the hospital-in-the-home system of health care will enable private patients to receive that level of care and treatment in their own home.

In the regional areas of my electorate, this legislation is most welcomed, particularly by older residents who have, in many instances, subscribed to private health insurance for most of their adult life. It will allow these people to recover from medical treatment such as hip replacements and other less serious operations at home whilst still under the care of the hospital in which they initially received their treatment. The benefits of recuperating from an operation whilst in the confines of their own home and in familiar surroundings and being able to be surrounded by family and friends and supported by these people cannot be underestimated. In regional areas, people have to travel long distances in order to receive outpatient treatment. Access to hospital in the home type programs will make it considerably easier for people to recover and not to have to travel long distances incurring discomfort and financial difficulties in so doing.

Six health insurance funds participated in private sector trials of the hospital-in-the-home program in both Victoria and South Australia. These trials were able to attain whether outreach programs for privately insured patients were safe, sound in clinical practice and accepted by all levels of the medical profession. Private health care through health insurance has previously been restricted to in-hospital treatment. Health funds being able to provide access to a variety of treatments through ancillary tables for general conditions, including the provision of in-hospital treatment, have applied only for the payment of hospital table benefits. Now with the hospital-in-the-home initiative the government will make private health insurance more affordable and attractive for all Australians.

Importantly, the legislation provides that any outreach services to be provided by hospitals and insurance funds must obtain ministerial approval. This will ensure integrity and value and only those programs with proven clinical pathways and demonstrated benefits to patients will be approved. The same medico legal responsibilities will exist for approved outreach services as if the patient was accommodated within the physical confines of a hospital. In addition, 24-hour hospital coverage and emergency backup will be provided by the approved outreach service. This legislation allows private health insurers only to pay benefits for out-of-hospital care arrangements that are a genuine alternative for traditional in-patient services. Patients will remain admitted patients to the parent hospital while receiving care from outreach providers.

There are 44 private health insurance funds in Australia. Of these, there are 41 not-for-profit private health insurance funds and three for-profit private health insurance funds. Funds representing 70 per cent of all members in Australia have already advised the Minister for Health and Aged Care that they will not be applying for premium increases this year. This adds weight to this legislation because it will improve the attractiveness to consumers of private health insurance products by providing greater value for money for their medical coverage in respect of care received both in and outside of hospital. The follow-on effects will be to make private health insurance a more attractive and practical option for all Australians.

As a matter of some interest, my office contacted the Epworth Hospital in Mel-
bourne that has been running excellent hospital-in-the-home services. It has done a survey of the first 50 patients and home carers. The responses from those first 50 patients and home carers have expressed a high level of satisfaction with the nursing care received. In fact, they said it was an excellent level of care. They said that the medical care they received was excellent and, if needed, they all would use it again. That sort of response is very encouraging and underpins the reasons for this legislation before the House today. This legislation simply enables private patients to also enjoy the same high quality care choices that public patients in the public hospital system have been able to receive for some time. I commend the legislation to the House.

Ms HALL (Shortland) (1.09 p.m.)—The Health Legislation Amendment Bill (No. 3) 2000 may appear harmless and inoffensive at first glance, but in its current form it has the potential to dramatically undermine Medicare. This 1950s style government would like to take our health system back to the 1950s. It states that it supports Medicare. It pays lip-service to Medicare. But this is the same government that put $1.8 billion into private health insurance rather than into our public hospitals. It is a government that is not committed to Medicare. It pays lip-service to Medicare. But this is the same government that put $1.8 billion into private health insurance rather than into our public hospitals. It is a government that is there to support the private health insurance industry; it is not a government that actually cares about the quality of care that Australians receive in hospitals and about their access to Medicare and medical services. It is a government that has failed Australia in the area of health care. It is a government that I can see will continue to fail ordinary, average, everyday Australians—a government that is hell-bent on forcing Australians into private health insurance and away from Medicare. It is not committed to Medicare. It does not believe that all Australians should have access to health care through Medicare. Rather, it believes that Australians should be forced to take out private health insurance. This bill, I believe, is a step further down that track.

The member for McEwen spoke about private health insurance becoming more attractive and more affordable. I question: why is that? The government is really trying to convince Australians that their health care needs are best taken care of through private health insurance and when all Australians have been forced into having private health insurance this government will show its true colours in relation to Medicare. It is a government that does not have any real commitment to Medicare, and I will demonstrate that.

This legislation, as it stands, does not clearly define what is meant by post-hospital care. If the post-hospital care referred to in this legislation means that health insurance will be extended to include medical services, it will be a major attack on Medicare and a further Americanisation of our health system in Australia. Since the introduction of Medicare, the health insurance industry has not been able to fund medical costs in excess of Medicare rebates outside hospitals. To allow this to happen would be a very major attack on Medicare. The only guaranteed outcome would be that there would be a dramatic increase in doctors fees covered by private health insurance and that there would be a further erosion of bulk-billing. Already in the electorate that I represent—an electorate that includes part of the Central Coast of New South Wales, which the member for Dobell, who is in the chair, also represents, and the eastern part of Lake Macquarie—there has been a dramatic decline in GPs bulk-billing. I constantly hear, in addition to the decline in bulk-billing, that the amount of money paid by private health insurance companies does not cover the fees and the costs charged by doctors for services in private hospitals.

Simple procedures can leave patients hundreds and even thousands of dollars out of pocket. Recently, a constituent told me how she was required to pay up front before she could even go into the hospital. Part of that money would be refunded through Medicare and part through private health insurance, but there was still a substantial amount of money that that patient would be required to pay out of her own pocket.

This really does raise the question of whether or not the government is committed
to health care for all Australians, or only for some Australians. If we are pushed further into the government’s plan of forcing us to pay for our health care through private health insurance, there will be a large number of people who will not be able to afford health care. They will not be able to pay that money up front before they go into hospital. Even now there are many pensioners who have private health insurance who believe that they are covering themselves for unexpected illnesses or for the hip replacement that they may need. They are finding that if they go to a private hospital they have substantial bills, even after the costs covered by private health insurance have been paid. That is not good enough.

The government’s commitment to Medicare is, as I said, questionable. It pays lip-service to supporting it, yet its actions constantly undermine Medicare. In both the Hunter and the Central Coast of New South Wales there is a bulk-billing crisis, as I mentioned earlier, with GPs deciding to stop bulk-billing their patients. Even pensioners and unemployed people are having to pay to access services through GPs. This is a matter I have raised on two previous occasions. The government has failed to offer either assistance or leadership to the people of the Hunter and the Central Coast.

I have been contacted by constituents throughout the Shortland electorate. Some of the areas that GPs have stopped bulk-billing in are Swansea, Belmont, Charlestown, Gateshead, Windale, Redhead, Lake Munmorah, Budgewoi and Toukley. Some of these areas are very disadvantaged. People who need to see a doctor are being faced with deciding between being able to afford to see a doctor or putting food on the table.

There is a chronic shortage of doctors in both the Central Coast and the Hunter. But, unfortunately, the government does not recognise it. It has put in place plans to help rural and remote areas, but areas like the Hunter and the Central Coast are missing out. People have to wait between two and seven days for appointments with their local doctors. For instance, a survey was conducted recently in the North Wyong Shire that showed that 50 per cent of people could not be provided with an appointment—and these were regular patients—on the same day; 23 per cent of doctors in that area have actually closed their books to new patients; on the Central Coast 59 per cent do not offer universal bulk-billing; and 36 per cent of all GPs have no after-care cover except for the local hospital.

The government has not addressed the real issues of health care—the real issues that confront people in Australia when it comes to medical care, for example, the issue of making sure that each and every Australian has access to a doctor that bulk-bills, and that each and every Australian does not have to make the choice between whether they eat or access health care.

As I mentioned, those in the Hunter and on the Central Coast are funded in the same way as they are in Sydney and all other metropolitan areas, yet they do not have the same access to the services that people in that area have. The people of the Hunter and Central Coast are being treated as second-class citizens. The people of the eastern suburbs and the North Shore of Sydney actually get in excess of $40 million more in Medicare benefits than the people of our region. This could be changed if the government adopted a more regional approach to providing access to Medicare rebates to the people in our area by encouraging doctors to move to our area.

I have been very concerned about this issue and I have contacted the minister on a number of occasions. To date, the answers have been less than satisfactory. Senator Grant Tambling, Parliamentary Secretary to the Minister for Health and Aged Care, is the person who has been required to deliver the hard message to me on a number of occasions. He states that the government very strongly supports bulk-billing—bulk-billing that will be eroded by this piece of legislation if post-hospital care is allowed to be accessed through private health insurance. Senator Tambling states that the government strongly supports bulk-billing but that there
is not much he can do about doctors refusing to bulk-bill as doctors determine the fees they will charge and it is a matter for individual doctors to decide whether they will use the bulk-billing facility. I think that is a very strange statement to make. If the government does support bulk-billing, it should be offering leadership and encouraging doctors to bulk-bill. He goes on to recognise that the making of up-front payments prior to the claiming of benefits can cause problems for patients but he states that there are ways around it. That is, patients can talk to their doctor and he might let them get a ‘pay doctor’ cheque or even work out a special payment arrangement. This is disgraceful. This is putting health care into the realm of choice between what people can and cannot afford. The thing about Medicare is that it provides universal health care. It means that any Australian can go to the doctor if they are sick and receive the treatment and care they need.

This legislation relates to one section of the Australian population and provides access to services for just one sector—the section that this government constantly supports—and that is the private sector. It provides access to services for the private health insurance industry and the area this government has been directing funds to. Rather, it should ensure that it is Medicare that gets the money so that the people of the Hunter and the Central Coast can actually access health services. The shortage of GPs on the Central Coast area of the Shortland electorate—and, for that matter, throughout the Central Coast—is at a crisis level. This is in turn really restricting access to GP services for local residents, creating an environment wherein very few GPs are bulk-billing.

It became such an issue that a GP task force was formed on the Central Coast. It has representatives from the local council, consumers, the urban division of general practitioners and people from the Central Coast Area Health Service. It is such an enormous issue there that we have contacted the government, but once again the answers we have received have not been the answers that the people on the Central Coast are looking for. A little earlier I mentioned the difficulty in getting appointments because doctors have closed their books and the length of time spent waiting for an appointment. The demographics of this area are very different from those in other areas. The population in our area is ageing, so there is a very, very strong demand for services.

This group will be working very strongly to get more doctors in the area, but unfortunately the response that has been received to date from Senator Tambling does not show a great understanding of the needs of the area. He says that there is a maldistribution problem with doctors. We know there is a maldistribution problem. We know that the people of our area are not accessing Medicare benefits at the same rate as people in other areas are. He says that there are sufficient doctors being trained. In the next breath he says that overseas doctors are entering on both a temporary and permanent basis but then goes on to say that the areas they go to are primarily rural and remote areas. Whilst I agree that those areas also need assistance we, too, need assistance and it is not being recognised. The classification for the Wyong Shire Council area is only at level 1, but yet it needs to be from 4 to 7 to get any special assistance. It is most disappointing. Once again, it shows how this government is not committed to Medicare and is not committed to health care for all people.

It is no wonder the opposition constantly questions the government’s motivation and the government’s commitment to Medicare when it is presented with legislation like this. The government is still grappling with many issues relating to post-hospital care. Currently, the responsibility is being placed on HACC programs. They are not receiving the same level of funding they were receiving prior to this government coming to office and are being forced to pick up the responsibility for providing home care because of patients leaving hospital early. It is not good enough. On the back of this move, is the government thinking of taking money out of HACC funding and forcing private health insurance companies to provide for that service? Currently, HACC programs like the home care program are being forced to put
their resources into providing care for people who are leaving hospital early, that restricts access to those programs by people—old people and people who have a disability, who need assistance in the home or help with self-care. These people are now being denied access to this service because those resources are being directed to provide care for people released from hospital early.

Is this legislation going to be used to provide more money to private health insurance companies and allow the government to abrogate its responsibility in this area? Will it lead to a further decline in funds to HAC programs and further decline access to those people who will be disadvantaged by a further Americanisation of the health system? Medicare benefits all Australians, and this government has waged an unrelenting campaign to undermine it. This legislation cannot be supported if it means that post-hospital services will be extended to medical services, because Medicare will suffer. There will be a decline in bulk-billing and therefore there will be an increase in fees.

This government has shown that it has little or no commitment to Medicare—little or no commitment to the ordinary Australians, to the pensioners, to the unemployed people who rely on Medicare for their basic health care, and these are the people who will be disadvantaged—people like the people of Swansea, Toukley, Belmont and Windale, who currently are not getting access to bulk-billing, not getting access to the same amount of Medicare dollars as people in other areas in Australia. It is not good enough. I think the government stands condemned for its failure to address these issues, to make a real commitment to Medicare and to ensure that each and every Australian actually can access health care. **(Time expired)**

Madam DEPUTY SPEAKER (Mrs De-Anne Kelly)—I call the honourable member for Cunningham. Since it is my first time in the chair, I have learned in *The House Magazine* of your doctorate. Congratulations.

Dr MARTIN (Cunningham) (1.29 p.m.)—Thank you very much. At the outset, let me state that I am unabashedly and unashamedly a supporter of Medicare. I think it is important that we all recognise that, in any debate on health legislation, the position that individual members have in respect of that fundamental health initiative must be placed before the chamber. We well remember commitments given by the now Prime Minister, when Leader of the Opposition before 1996, saying that Medicare would certainly be protected. But of course what we have seen in that time is massive cuts in the fundamental approach by this government to the provision of adequate dollars for health care. What we have seen is the undermining through legislative changes such as the one that we are debating here today. What we have seen is a continued diminution and, indeed, cost shifting to state governments by this government of responsibilities, particularly for public health in this nation of ours.

I think that it is important and instructive that we just reflect on those issues. In my own area, in Wollongong, for example, successive New South Wales Labor governments have certainly come to the rescue of the public health system, whether that be in retaining Coledale Hospital, retaining Bulli Hospital and improving the facilities there, constructing magnificent new facilities on the Wollongong campus—which, of course, is the hub of the hospital system in the Illawarra Area Health Service—whether that be at Port Kembla, or whether that be at Shellharbour with the psychiatric unit that was constructed some years ago. It has been the New South Wales state government that has recognised, in the delivery of public health, that more and more responsibility is going to fall on their shoulders.

But it is not necessarily that particular issue that I want to dwell on in the course of this debate today. In fact, it is the question of psychiatric services that I would like to turn my attention to, because I think that is becoming more and more an issue for all Australians to address. The alarming statistic is that something like one in five Australians now will be affected by mental illness. That is an alarming statistic. If one looks behind the causes of that, one can see all sorts of things. It is dressed up as stress of modern
day life, but effectively it means that there are pressures on all of us, whether that be in our work environment, in our social environment or in our home environment. Some people can cope and others cannot.

Of course, there are other pressures that come as well, particularly for the young, and here what we find more and more is that people turn to some artificial support to try to get them through. That is a fancy way of saying that they take drugs. What we find more and more is that these young people are the ones who then become so dependent upon the psychiatric services provided by the public health system in this country because of those solutions that they see for themselves.

I find it interesting if I have a look at my own area. I have to say that I have a fairly deep and abiding interest in this, not least because my wife has worked in psychiatric nursing for over 30 years. She was the one who was commissioned to actually establish the psychiatric in-patient unit at Shellharbour Hospital, which is the only psychiatric unit in the Illawarra, and until recently she was the nurse unit manager for the acute psychiatric services unit, until being seconded to the University of Wollongong to do a project on psychiatry. The fact is that, through my exposure there and more recently through some other experiences, I have to say that we have to increasingly turn our attention to this most important and dramatic area of public health that I am afraid too many people simply are not prepared to address.

If I say to you that in Wollongong you will find any number of businesses or any number of individuals that are prepared to come out and raise money for kiddies, for the children’s ward, to put toys into the hospital and to put lifesaving machines into the hospital for children you will not be surprised. I am sure, Madam Deputy Speaker, in respect of hospitals in your area and those of many other members you will find that people are prepared to do that. But if you go into the community and ask those same people whether they would be prepared to support psychiatric services, they look at you and say, ‘No, we can’t really talk about that. Do people talk about psychiatric illnesses in the community any more?’ There is fright and terror in the eyes of those people when you try to talk to them. Yet if their lives are suddenly touched, suddenly you find there is a little bit of interest. As I say, the statistics are that one in five Australians suffer some form of mental illness. It is not going to take long before they will have their lives touched by it.

But try to convince them now that it would be nice to raise some funds and not necessarily direct them to the kiddies ward—not that I have got anything against that; I supported that at the Wollongong Hospital—but give some support to other areas. Instead of the nurses having to run lamington and pie drives so they can buy curtains to hang up or a bit of furniture to make life a little more pleasant for those patients in those psychiatric units, wouldn’t it be nice if the community decided to get behind it? Indeed, wouldn’t it be nice if governments also addressed this fundamental problem?

I will say one thing about Jeff Kennett: he recognised in Victoria that this was an important area. He is out of parliament now, but he still has an important role to play; he is championing the cause of psychiatric illness in this country and is looking at ways in which we can raise community awareness about it. I certainly commend Jeff Kennett for that. But I think it is incumbent upon us all, as legislators and as people who have a genuine interest in the welfare of our constituencies and constituents, to look at this issue in a little bit more detail.

Let me again take you to the Shellharbour Hospital and Eloura, the acute psychiatric services ward. It has a fabulous staff of dedicated individuals. They are absolutely brilliant. They will go the extra mile for their patients. And what of those patients? Who are we looking at? These are not just the downtrodden of the community. These are not the poor wretches that you might see on some television show who get charged by the New York Police Department with murder and are subsequently found to be insane. We
are talking about young people, middle aged people and elderly people who, for a variety of reasons, suffer some psychiatric illness and they happen to end up in an acute ward of a public hospital seeking help. And what do they get?

Regrettably, in an area like my own there are not enough psychiatrists to go around. What they have had to do is divide up the coast into areas where one psychiatrist who is attached to that hospital operates. If we take the northern ward as an example, which runs, I think, from about Fairy Meadow all the way to Helensburgh, there is one psychiatrist that is responsible there. So anyone who comes into Shellharbour Hospital in the psychiatric unit is eventually going to be seen by that one psychiatrist, because he is the visiting medical officer. He is the psychiatrist for that area.

If it is in central Wollongong there is another one. If it is in the southern suburbs, which also embrace Shellharbour and so on, it is another one. But I have to say that that is just not enough. These guys are snowed under. These people are working night and day and are under increasing pressure because the number of patients being referred to the public hospital system is causing incredible problems for them. Indeed, I am even told—that is one of the issues that has been taken up about orthopods in the past—that the exclusive nature of the club means that when some doctors who would like to be psychiatrists go and train, they are actually failed in their exams because those in the club want to keep the numbers down. If you reduce supply, what does that mean? They can put their prices up. Yet we are talking about an issue which is getting more and more prevalent in our community today and more and more people are being affected by it.

Yes, there are residents who work within that ward and report to the psychiatrist, but they are not trained psychiatrists yet. They are learning. They are very good, but they themselves will admit that they do not know everything. They have not seen everything. They do not know immediately what is wrong with somebody who is brought in with some drug induced psychosis. They are unable to put their finger on it straightaway. It is often going to take many months, if not years, for that particular person to have an opportunity to claim, through the application of appropriate medication, appropriate counselling and so on, that they really have got themselves back on the road to recovery.

I think it is appalling that in a nation such as this people for whatever reason are not prepared to face reality. They are quite happy to face the reality of children. They are quite prepared to face the reality of wanting helicopter rescue services that can pick up people at car accident scenes. They are quite happy to face the reality of people having broken bones or even of people being the victims of shark attacks and so on. But, when we ask people to confront the problems of psychiatric illness in this country and to do something about it, suddenly the silence is deafening.

There are a few things that worry me about this. The first is the costs associated with the people affected by mental illness in terms of education, lost time at work and personal and family relationships. The future is pretty ordinary. It is pretty bleak. Yet, if help were available—if appropriate resources were in place and appropriate funding for psychiatric services were provided to state governments in public hospitals, I would hope from the national government—perhaps we might be able to make some meaningful attacks to deal with these problems and find some solutions.

There is another thing that disturbs me greatly. Unfortunately, what sets many young people on the road to mental difficulties, ending up in psychiatric units of public hospitals in this country, is the drug problem. Young people today have the attitude that recreational drugs are okay—a bit of speed, a bit of ecstasy or a bit of marijuana every now and again. No problems at all! Honourable members should ask any of the doctors who work at Shellharbour Hospital’s acute psychiatric ward whether there are any problems
with young kids taking drugs and see what response they get.

The other day I was talking with one of the psychiatrists after some young kid had come in. The young kid went home, but the doctor knew that his mates were also into the drug scene. He said to me, ‘I tell this young kid: go and tell your mates that I’ll see them eventually; they’ll all be in here—no risk about that at all.’ Yet there is this belief out there in the community that recreational drugs are fine: it is okay, young people! No problem at all! I happen to believe in what the psychiatrist has to say. I do not believe recreational drugs are okay at all, particularly when we are starting to see hydroponically grown marijuana—this stuff is really strong and it has other chemicals mixed into it—and the effect it has on people.

An article I have here is quite fortuitous in terms of the debate that is taking place in the House today. The front-page article from the Age of a couple of days ago was about a Professor Patrick McGorry in Victoria. He has established Melbourne’s PACE clinic, the Personal Assistance and Crisis Evaluation clinic. Here he looks after young people who have psychiatric illnesses, particularly those who suffer from schizophrenia. He is looking at a prevention strategy whereby young people are identified as being at risk from drugs and a subsequent transference into psychiatric illness and he is looking at ways in which an opportunity is given, through education or whatever, to try to stop those kids from being at risk, to ensure that they can have a decent life. Some of the statistics that are quoted in this article are just incredible. It states that schizophrenia affects about 285,000 Australians, or more than one in 100, and that most people who develop it do so between the ages of 15 and 30. It goes on to say that more than half a million suffer other psychotic disorders and that about one in 10 schizophrenics commits suicide.

Are we so uncaring in this country that we can sit back and allow that sort of statistic to be turned into a death statistic? Are we so uncaring in this country, when we talk about trying to find money to put into health services in this country, that we are not prepared to face one of the most insidious and increasing and difficult areas in which to deal, that is psychiatric illness, and not do something about it? I have to say, having read this and having looked at a couple of the case studies in here that are reported in this particular article and reading, to the effect, that this particular approach to dealing with kids who are at risk has apparently been picked up by the United States and also some European countries as a trial and looks like going to be implemented, these are the sorts of programs that we as legislators in this country should be supporting.

These are the sorts of things out there in the broader community that every average Australian should be supporting because, at the end of the day, psychiatric illness does not distinguish between socioeconomic status. At some stage, people’s lives are going to be touched by this. This is not like the old Rolling Stones song, Mother’s Little Helper. This is not some poor, abandoned housewife who runs to the cupboard to take a blue pill every now and again because ‘things are different today, I hear every mother say’. It is not that at all. What we are talking about here is support for an area of health in public funding, in public education that sadly is being neglected, and it is something that needs to be addressed now.

What can we do? It is all well and good to paint the bleakness of the problem, but what sort of solutions are there? I have to say that those who talk about education are spot-on, but those education programs have to be geared at the young. They have to be geared to talking to the young people about the dangers of drugs. Recreational drugs are not fun. Recreational drugs, regrettably, are simply a tool on the path to greater misery and, in many cases, to a psychiatric unit at a public hospital somewhere in this country.

What we also have to do is ensure that there are appropriate numbers of trained doctors in psychiatry. We have to lift this veil off the old boys club. We have to say, ‘We need more psychiatrists trained. We need them examined and we have to allow them to
establish themselves in public hospital systems. We are talking here about acute services as well. What we are not talking about are those very nice, very fine and, I am sure, well staffed and I am sure well looked after sorts of institutions that exist in Sydney or in Melbourne where, if you are a voluntary patient, you pay a lot of money—$400, $2,000 a day—to go and get looked after well and have a bit of a rest because the stress is on you. No. They have a role to play, but what we are talking about is in the public health system. We are talking about adequate resourcing for public health, for psychiatric services so that those people who cannot afford to go to these clinics or to these institutions on the north shore of Sydney or in Melbourne know that when they come in, they are going to get help, they are going to get professional help, they are going to get it quickly and they are going to get it in an environment that is safe, is secure and, given their circumstances, God bless them, is reasonably okay in which to live and reside for a period of time until they are well.

I think what we also have to do is clearly increase community awareness of this problem. If we think back, as we often reflect in this place, about the costs to our nation of problems of people getting to work, or having to put in home care services, or having to put in family counselling services to look after marriage breakdowns or whatever it be, you always find that there are groups out in the community who will come along and say that it is the federal government’s responsibility to find money for those. Well it might be, but I have to tell members that it is also the federal government’s responsibility to ensure that we in this country, as legislators, have a caring concern for our constituents who, at some stage, may require the support of the psychiatric services of a public hospital somewhere in this nation.

Until such time as the public recognises it for what it is—that is, as equal status to those kiddies hospitals or whatever it might be—we are going to be faced with that same problem. I implore governments at all levels to look at this as an issue and to support it, to fund it adequately and to resource it appropriately so that at least we can make those poor buggers who go into these places enjoy their lives. (Time expired)

Mr MOSSFELD (Greenway) (1.49 p.m.)—I rise to speak in debate on the Health Legislation Amendment Bill (No. 3) 2000. The main purpose of the bill is to enable the private health insurance industry to fund outreach services as a substitution for in-hospital care for admitted patients. The bill also makes minor amendments to the National Health Act 1953, which protects health insurance funds from legal proceedings if they disclose information to a hospital or day hospital so that the facility may provide the patient with informed financial consent. It also clarifies certain definitions in the Lifetime Health Cover rules, and the range of services to be covered will be defined by the ministerial determination.

Every one of us speaking in this debate has a story about the lack of health services in our own particular area. In most cases we can say that services are good, but there are always examples of a breakdown. My little story relates to a gentleman who was not only a personal friend of mine but also the state member for Blacktown for some three or four terms. He was a fairly ill man for a long time. Unfortunately, when he became ill towards the end of his life, he was not able to get in at our local hospital. He was moved to another hospital and unfortunately died within a short time. That is just an example of the lack of services and services not always being available when they are needed.

Private insurance cover is already provided for non-medical services for people with ancillary insurance and it is in line with the trend towards shorter hospital stays and an increased emphasis on post-hospital care in the home. However, the ALP is concerned that a huge precedent will be created if the definition of ‘post-hospital care’ were to extend to include medical services. This would mean that, for the first time since the introduction of Medicare, health insurance would be able to fund medical costs in excess of the Medicare rebate outside of hospitals. This would result in a dramatic push for an in-
crease in doctors’ fees covered by private health insurance. We are concerned that bulk-billing would therefore be severely threatened.

To avoid adverse consequences of extended health cover to non-hospital medical costs, the opposition has foreshadowed an amendment to limit the categories of home services for which health fund benefits will be paid to exclude out-of-hospital medical expenses. Bulk-billing must remain an essential feature of our health system. The standard of health in our community will suffer if wage earners have to take into account economic considerations when a visit to a doctor is necessary to treat a child’s cold or an older person’s virus. Families in my electorate in the suburbs of Blacktown, Seven Hills, Marayong or Riverstone should not have to think twice if a member of their family is sick. They should go straight to a doctor. If they have to put that off because they do not have enough money, then not only will that be a dangerous situation but it will also be a shameful disgrace. Bulk-billing is the cornerstone of the Medicare system. Any move to abolish it or water it down is the first move to destroy the integrity of the whole Medicare system.

Medical issues continue to be a major concern to the Australian community. Hospital services and aged care facilities continue to not meet community expectations. The Leader of the ALP, Kim Beazley, announced at the annual conference of the ALP a fresh approach to health services when we assume government, with the establishment of a new Medicare alliance. This alliance will streamline the public use of public hospitals and community care. The alliance will bring state and federal governments into line to reduce overlap and provide the best quality care possible within a budgetary framework. As our shadow minister, the member for Jagajaga has said, Labor’s Medicare alliance will remove the artificial barriers that currently exist between federal and state funded programs. It will bring to an end the error of cost shifting and governments blaming each other. It will start a new era of cooperation and put the focus back on patient care.

A Labor government will inject funds into the health system to ease the pressure on after-hours emergency services in public hospitals. Medicare after hours will provide a 24-hour phone assistance service and will change the rules, allowing GPs to work in cooperation with hospital emergency departments to ease the load and reduce waiting times in the emergency wards.

The need for the Commonwealth to contribute more for health care has been highlighted by an independent report which shows that the states were underfunded by $1 billion under the Australian Health Care Agreement. In fact, the report shows that increased costs of meeting demands of an ageing population, improvements in medical technology and increases in the use of health services have all been met by the states. The Commonwealth government is shirking its responsibility in this area.

While the government boasts of its $1.6 billion input into public hospitals since it came to office, funding in this area still falls short of demand. In fact, public hospitals are in trouble in every state of Australia. The President of the AMA, Dr Kerryn Phelps, claimed during a National Press Club speech that there is a need for more money to be spent on capital improvements and technological upgrades as well as increasing needs for investment in high-technology equipment to diagnose and cure disease to prolong and improve quality of life. Dr Phelps has called for government spending on health to increase to 10 per cent of GDP. This would still place us only mid range in the industrial world in what we spend on health care.

According to OECD figures, in 1997 Australia ranked a reasonable eighth out of 29 countries when it came to total health expenditure. Measured as a percentage of GDP, this figure was 8.4 per cent. However, Australia dropped to a disappointing 19th out of 29 when the public health expenditure is represented as a percentage of GDP, at only 5.6 per cent. The gap between the two—the total expenditure and the public expenditure—is
2.8 per cent. So this is what the private sector makes up. This is what the mums and dads pay to support our health system through their premiums, their medication, and the gaps between what is covered by Medicare and private insurance and what they have to pay. This is the fifth largest amount in the OECD. Only the US, Greece, Korea and Portugal rely on their battling families more than we do. We have all seen how bad the American system is for those who do not have expensive private health insurance. Australia is increasingly being pushed down that path by this government.

Part of any lobby for health must be the continuation and strengthening of Medicare. Medicare can continue to meet the medical costs of the Australian community only if medical costs are continued to be shared by all Australians who are in a financial position to contribute. Medicare cannot survive if it is funded only by those who contribute voluntarily. Labor has always believed that private health insurance is an important sector, but not at the expense of Medicare, which must remain as the foundation of our whole system. We cannot allow people to opt out of their Medicare obligations. Medicare must remain universal or the American nightmare will soon become the Australian reality.

The present government continues to subsidise the private health sector with the expensive 30 per cent rebate for health insurance. A Monash University study published in a recent edition of the Australian Medical Journal highlighted the different standards of health care between private and public patients. The study showed that private patients are more likely than public patients to have a bypass or angioplasty after a heart attack. Another Monash University study from the same edition of the Australian Medical Journal shows that the cost of one form of treatment after a heart attack is twice as high in a private hospital as it is in a public hospital. The editorial from that particular issue raises a very pertinent question. If the public sector can provide investigations and procedures more cheaply, to what extent is it appropriate for public funds to be spent on supporting private medicine? It has also been suggested that the Monash study shows that the increase in the number of people with private health insurance may actually lead to increased private health costs. This point is made by Mark Ragg in the Sydney Morning Herald of 18 September. He stated:

Together the two papers show that rising numbers of people in private health insurance will lead to increased treatment being offered after a heart attack, which will lead to—

Mr SPEAKER—Order! In accordance with standing order 101A the debate is interrupted. The debate may be resumed at a later hour and the member for Greenway will of course have leave to continue his remarks.

QUESTIONS WITHOUT NOTICE
Goods and Services Tax: Business Activity Statement

Mr CREAN (2.00 p.m.)—My question is directed to the Treasurer. I ask: have you seen the statement by the Institute of Chartered Accountants that small businesses would save 16½ million hours of paperwork if annual BAS GST reporting were adopted? Have you also seen the statements supporting the annual reporting proposal from the Council of Small Business Organisations, CPA Australia, the Tax Institute of Australia and the National Tax and Accountants Association? Given the overwhelming support for Labor’s roll-back plan to simplify the BAS for small business, why are you still refusing to back it?

Mr COSTELLO—The roll-back policy of the Australian Labor Party is to change the GST treatment of various goods and services. The only problem is that they cannot tell you which ones, they cannot tell you how much it would cost, and they cannot tell you how they would pay for it. I have never seen a political party which has tantalised with so much and delivered so little. Even to this day they cannot tell you one single item which they would change the tax treatment of—either a good or a service. Now they attempt to define themselves out of roll-back, to run away from their own policy. They are yet to announce one single good or one single service whose taxation treatment they would change. Australia waits with bated
breath for the roll-back policy. We have been waiting for five years now, I think, for a decent policy in relation to taxation.

The government has said that it will take those steps which are required to simplify the BAS reporting. Those steps which can be done by the next quarterly payment, which is due in April, will be done by the next payment in April. Those steps which can be taken to dramatically simplify the system will be put in place. The government does not rule in or rule out particular proposals. It has commenced consultation in relation to this and will continue it next week. When the government announces that simplification it will announce it in a way which will give certainty—the government is not going to make piecemeal announcements in relation to this—to the small business community and dramatically simplify their requirements.

Israel: Election

Mr GEORGIOU (2.03 p.m.)—My question is addressed to the Prime Minister. Would the Prime Minister inform the House of the government’s reaction to the outcome of the Israeli election?

Mr HOWARD—I thank the member for Kooyong for that question. I know that many people on both sides of the House have followed with considerable hope—and at times, I think, a great deal of despair—the uncertain progress towards a peace settlement in the Middle East. In the context of that, the Israeli election was certainly a very crucial event. I would like to congratulate Mr Ariel Sharon on his victory. I understand that the former Prime Minister, Ehud Barak, has conceded defeat. It has to be said that Mr Sharon faces an enormous challenge in bringing peace to his country and to the Middle East. All Australians of good will wish him well, and also wish the leaders of the Palestinian movement well, in achieving a peace settlement.

I want to record my respect, that of the government and that of many Australians for the attempts Ehud Barak made to secure peace in the Middle East. I do not believe that any Israeli Prime Minister could have done more to advance the cause of peace in the Middle East. To me, and I know to many Australians, it is a matter of lasting regret that the leaders of the Palestinian movement did not seize the opportunity offered by the leadership that Barak displayed in the time that he was Prime Minister. The offers that he made in relation to the basis of a peace settlement marked him as a person of courage and statesmanship who was willing to take risks in order to secure peace.

I met both Mr Sharon and Mr Barak when I was in Israel last year. I can only say that, as a longstanding friend of Israel—and I know there are many in this House who would be happy to carry that label—I hope that for the future of that country, for the future of the Palestinian people and for the cause of peace there can be a coming together between Mr Arafat and the newly elected Prime Minister of Israel. In that context I certainly wish Mr Sharon the very best of good fortune. He has had a long experience in Middle East politics. I do hope that, as he takes over the very onerous task of the prime ministership of Israel, he takes pause to reflect upon the courage that was demonstrated by his predecessor.

Goods and Services Tax: Business Activity Statement

Mr FITZGIBBON (2.06 p.m.)—My question is to the Minister for Small Business. Minister, do you recall telling the Age newspaper on 30 January that, with respect to the proposal for an annual BAS GST reporting regime, ‘There is certainly a strong argument for that’? Minister, will you back Labor’s commitment to a once a year BAS GST reporting regime?

Mr IAN MACFARLANE—In terms of the Age article—

Mr Brereton—Sticking to the script this time?

Mr IAN MACFARLANE—On that basis, I will not bother.

Mr SPEAKER—The minister will not respond to interjections.

Mr IAN MACFARLANE—I recall that in the Age article what I actually said was that we were not ruling anything out or anything in. What I have seen from my coalition
partners in this week of parliament is that they are keen that we consider all options. Funnily enough, the shadow minister for small business might like to note that that is what small businesses are saying to me as well—that they want us to consider all options. Unlike the Labor Party, who make policy on the run and then have to change it—roll it back, roll it forward, or roll it back and then roll it back—we are taking our time, as the Treasurer said, to ensure that we put in place a set of guidelines that will stand the test of time.

Interest Rates: Levels

Mr BARTLETT—My question is addressed to the Treasurer. Would the Treasurer inform the House of the Reserve Bank’s decision this morning regarding interest rates.

Mr Fitzgibbon—Mr Speaker—

Mr SPEAKER—The honourable member for Macquarie has the call. The member for Hunter will understand why the member for Macquarie has the call—because I had naturally turned to the opposition, as is the custom. If the member for Hunter wishes to get the Speaker’s attention, I will recognise him at the conclusion of the answer to the question by the member for Macquarie.

Mr BARTLETT—Would the Treasurer inform the House of the Reserve Bank’s decision this morning regarding interest rates. What factors have contributed to a low interest rate environment and how will home owners and small businesses benefit from today’s decision?

Mr COSTELLO—I thank the honourable member for his question. I can inform the House that this morning official interest rates were cut by 0.5 per cent. This brings the official cash rate to 5.75 per cent.

An incident having occurred in the gallery—

Mr SPEAKER—I remind members of the gallery that their obligation to remain silent and not in any way to participate in the debate.
sition spent all last year saying that the GST would put up interest rates. On 11 August 2000 on AM he said the government had loose fiscal policy.

Mr Crean—Exactly.

Mr COSTELLO—Exactly, he says. On the one hand he wants to say that the economy is slowing and therefore—what?—you should have tighter fiscal policy?

Mr Howard—Do you want to send it into recession?

Mr SPEAKER—The Treasurer will not invite interjections.

Mr COSTELLO—The Deputy Leader of the Opposition is somebody who would say anything. He is determined on this economic path to try to make Whitlamism look responsible. Your great contribution will be to try to make Whitlamism look responsible. This is what he said on 11 August:

... you’ve got a Government with loose fiscal policy and introducing inflationary policies through the GST, Australians are going to pay through higher interest rates.

All last year the GST was going to jack up interest rates. Today the Deputy Leader of the Opposition says, ‘Oh, the GST has actually knocked them down.’ Those opposite must learn this in trade union training school. They say whatever it takes; it can be completely contradictory. If the sun comes up they say it is because of the GST; if the sun goes down it is because of the GST. They say the GST will put interest rates up; alternatively, they say the GST will take interest rates down. It all comes down to the GST. The Labor Party may be attacking a policy of lower interest rates, but on this side of the House we unashamedly recognise that as a good thing for home buyers, a good thing for small business and a good thing for farmers. It will put more money back in the pockets of individual Australians.

Mr Fitzgibbon—Mr Speaker, I seek leave to table the Age newspaper article I referred to in my earlier question, which bears little resemblance to the statement the minister has just made in the House.

Leave not granted.

Interest Rates: Levels

Mr CREAN (2.15 p.m.)—My question is to the Treasurer and it follows the answer to the last question, which actually asked what the Reserve Bank had to say today. Didn’t the Reserve Bank say in its statement this morning that the GST has in fact slowed the economy and that it will continue to slow? I refer to dot point 3, Treasurer. Isn’t that what the Reserve Bank said—the GST has slowed the economy?

Mr COSTELLO—No. That is absolutely false. The Reserve Bank said that its decision taken today was a consequence of recent data showing that consumer price inflation remains low. The principal reason is that the arrangements which I—

Mr Crean interjecting—

Mr COSTELLO—So he concedes that it is low inflation. Okay.

Mr Crean interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition has asked his question.

Mr COSTELLO—You ask a question—

Mr Crean interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition is as aware as everyone in this House of the responsibilities he has in his current role as Acting Leader of the Opposition. I would not tolerate from the Prime Minister, nor will I tolerate from him, that sort of interjection.

Mr COSTELLO—Interest rates come down and the Labor Party has a bad day: that is what is happening. As the Deputy Leader of the Opposition now concedes, the Reserve Bank said that consumer price inflation remains low. The principal reason is that the arrangements which this government put in place when we came to office were that we would target a two to three per cent underlying inflation rate and, after allowing for one-off factors, the rate of inflation coming out in the December quarter at 0.3 per cent was an indication that inflation was low and at the bottom of the band.

The Reserve Bank also noted that there was a temporary effect in relation to a
bringing forward of spending prior to 1 July, and it looked through that one-off transitional effect. There it is. It says, ‘This is a temporary effect due to the transitional response’. Then it says, ‘We looked through the temporary effects’. It is absolutely false for the Deputy Leader of the Opposition—

Mr Crean—And?

Mr SPEAKER—The Deputy Leader of the Opposition is defying the chair. The Treasurer has the call.

Mr COSTELLO—As the Reserve Bank said, it looked through temporary and transitional matters. Why would you base monetary policy, which will work in a year, or two, or three, on a past event with a one-off transitional effect? The truth of the matter is that the Labor Party was wrong, wrong, wrong. The Labor Party said that this government had underestimated the consumer price index impact of tax reform. If we were wrong on the impact on the CPI of tax reform it was not because we had understated it; it was because we had overstated it. It actually came in lower than we were expecting. All through the course of tax reform the Australian Labor Party tried to maintain that the CPI would be much much higher. It was wrong, wrong, wrong—false, false, false.

It is good news for Australians that the CPI is low. It is good news for Australians that interest rates have come down. Leaving aside the period when the government has been in office, in the last year or two, at 7.55 per cent this is the lowest interest rate since the 1970s—a lower home mortgage interest rate than Labor ever had in a period of 13 years in government, including when the Labor Party had the Australian economy in its worst recession in 60 years. We on this side of the House think that is good news. It is good news for home buyers. They will have more money in their pockets. That is good news for small business. It is good news for farmers. The Labor Party may be disappointed, but what is in Australia’s interests is much more important.

Mr Crean—I seek leave to table the statement by the Reserve Bank governor which completes what the Treasurer would not complete.

Leave granted.

Living Standards

Dr WASHER (2.20 p.m.)—My question is addressed to the Prime Minister. Has the Prime Minister’s attention been drawn to the recent statistics covering improvements in Australian living standards? How have the government’s policies contributed to the improvement in living standards? Is the Prime Minister aware of any alternative policies?

Mr HOWARD—I thank the member for Moore for a question that really goes to the heart of political, economic and social debate in this country, and that is the question of living standards of average Australians. My attention has been drawn to some statistics. My attention has also been drawn to a document that lists the priorities of the member for Brand, the leader of the Australian Labor Party, for Australia. One of those priorities—is No. 3 in the document he released at the beginning of the year—is this:

... better living standards for everyone, whether they live in the country or the city.

All I can say on the basis of the statistics I have seen, and on the figures released today in relation to interest rates, is that if you want better living standards for everyone, whether you live in the country or the city, do not vote Labor; vote Liberal or National. If you really want to give effect to that third aspiration in this document, the last party you would vote for is the Australian Labor Party.

What today’s reduction in interest rates has done has been to remind the Australian people, and particularly wage and salary earners, of the improvements in living standards that have occurred over the last five years. As the Treasurer has said, we have a situation where, in paying off the average mortgage, a borrower is about $250 a month better off than he or she would have been had the interest rate policies of the Keating-Beazley government continued. We all remember very painfully that interest rates went to 17 per cent in 1990. It is almost unbelievable that in 1990, when the Leader of the Opposition, the Deputy Leader of the
Opposition and the two former prime ministers who led the Australian Labor Party were in office, you had to pay $1,400 a month in interest for the average loan.

Now, the average monthly mortgage bill on a $100,000 loan is not $1,400 but $630 a month. That is a measure of how living standards have improved under this government. But of course it does not end there. I believe one of the really proud boasts of this government is the way in which we have been able to lift the real wages of Australian workers. One of the great ironies of the last 20 years in Australian politics is that we have looked after the real wages of workers and the Labor Party decimated the real wages of workers. If you go back and look at the figures, real wages have risen by nine per cent over the last four years, compared with a rise of just 3.6 per cent over 13 years of Labor. But, very importantly and very crucially, when you analyse the rhetoric of the Leader of the Opposition, the rise in real wages under the coalition is extended to the lowest paid award workers, who are significantly better off now than they were under Labor. Labor cannot say that these average increases are as a result of a complete bunching at the top, because when you actually go to the bottom area of wage comparisons you find that these workers are better off under the coalition than they were under Labor.

Under the coalition, workers on the federal minimum wage, set at $C14 in the metals award, have seen their real wages go up by nine per cent. In contrast, under Labor’s accord, the equivalent wage is estimated to have fallen by five per cent. If you look at the wages of the lowest paid workers, they have gone up nine per cent under us and they fell four per cent under Labor. If you look at other measures of living standards—GDP per capita has increased at an annual rate of 3.2 per cent under the coalition as against 2.4 under Labor; real household disposable income has grown by 3.9 per cent under the coalition, compared with 2.6 per cent under Labor—the real wealth of Australians has grown by an average of eight per cent a year under the coalition compared with five per cent under Labor.

I will return to my source document—to the references to ‘Kim Beazley’s priorities for Australia’ and ‘Better living standards for everyone’ whether they live in the country or the city. All I can say is that, if you really want that, vote Liberal and National and not Labor.

DISTINGUISHED VISITORS
Mr SPEAKER—It has been drawn to my attention that we have present in the gallery this afternoon the New South Wales Minister for Juvenile Justice, the Hon. Carmel Tebbutt, and her family. On behalf of all members of the House, particularly the member for Grayndler, I extend to them a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE
Goods and Services Tax: Business Activity Statement
Ms LIVERMORE (2.25 p.m.)—My question is to the Minister for Transport and Regional Services. Minister, have you seen the views of National Farmers Federation president, Ian Donges, that:
Many farmers are spending twice the amount of time on tax paperwork than they did before the new tax system was introduced.
Do you agree with Mr Donges that red tape for farmers has doubled? If so, why did you refuse this morning to back Labor’s commitment to annual BAS GST reporting, and why won’t you relieve struggling farmers and small businesses from your red tape nightmare?

Mr ANDERSON—I thank the honourable member for her question. The first thing I will do is to pay the NFF a compliment. It was the NFF, about 10 or 11 years ago, that converted me to the cause of tax reform—to the abolition of the wholesales sales tax, to the winding back of the level of fuel excise in this country and to the replacement of our indirect tax system with a broad based consumption tax. I think they lobbied long and hard and very successfully for that outcome.
I certainly supported them in it, and I continue to do so.

In relation to the issue of the BAS form, the NFF have made their views known and they have sent a constructive and thoughtful paper to me, which I have read with very great interest. The Treasurer, I believe, has it as well and, as the Treasurer has made plain—and indeed, as I made plain this morning—we have heard of a range of views. Certainly, in my electorate, which is a rural electorate, I have heard from farmers who have had no difficulty with it at all and from others who have said that they would like to see some simplification and can see some opportunities for streamlining. We have said quite plainly that we are prepared to look at all of those options and to take those issues seriously. We are on the side of the Australian farmers. We certainly have not inflicted on them the sort of economic mismanagement that they saw under you.

Mr Howard—Seventeen per cent interest rates.

Mr ANDERSON—Seventeen per cent, the Prime Minister says. I remember revealing in this place—and it was never challenged—that some farmers with various penalties and so forth were paying up to 25 per cent when the ALP was in power. That is why the ALP ought to recognise that the sort of question just asked would receive no credibility whatsoever amongst farmers in rural and regional Australia. If there is one group that farmers do not believe has any answers to the challenges they face, it is that opposite.

**Innovation Statement: Backing Australia’s Ability**

Mr PROSSER (2.28 p.m.)—My question is to the Minister for Education, Training and Youth Affairs. Would the minister inform the House about the reaction from the education sector to the government’s innovation action plan? Is the minister aware of any alternative approaches in this area?

Dr KEMP—I thank the honourable member for Forrest for his question. The Prime Minister’s innovation statement, Backing Australia’s Ability, is a comprehensive plan to turn Australian talent into jobs. It is a plan worth some $3 billion over five years. Under this plan, the salaries of top scientists and researchers will be lifted to international levels through 25 federation scholarships a year, worth $225,000 per annum. The number of postdoctoral fellowships will be doubled, the world-class centres of excellence in ICT and biotechnology will be funded, libraries and laboratories will be upgraded and more university places will be made available to young Australians seeking to lift their skills.

This is a fully costed and funded plan which has been developed by hard work over 18 months. Someone was kind enough to hand to me a copy of the alternative from the opposition, Kim Beazley’s alternative plan for Australia—‘My plan’. Five years of policy laziness have produced a plan for Australia that is barely larger than a postage stamp! With apologies to Crocodile Dundee, this is not a plan. This one is a plan. This is a plan endorsed by all Australia’s leading scientists and researchers. The head of the Australian Research Council, Vicki Sara, said that this plan—the government’s plan—sets out a vision and pathway for Australia’s best researchers and most promising young minds to deliver and develop their ideas in Australia. The government have put in the work. We put in the months of work to produce a plan which will make sure that Australia’s talent and ideas come to fruition. As for the Labor Party, all it has to show after five years of policy laziness is this oversized postage stamp—and this is the large print edition! There is nothing to show. When the people of this country want to turn to a government which has a plan for Australia, they will be turning to the Liberal and National coalition.

**Petrol Prices**

Mr ZAHRA (2.32 p.m.)—My question is to the Deputy Prime Minister. Deputy Prime Minister, I refer to your claim yesterday that the National Farmers Federation was wrong to claim that you have a substantial fuel tax windfall. If you say the farmers’ windfall
estimate is wrong, what do you say is the correct figure?

Mr ANDERSON—I thank the honourable member for his question. Actually, if you look at Hansard, I think you will find that there were wild claims in general being made about windfalls, which is entirely true. There are all sorts of misleading statements about $1½ billion to $2 billion, and all of this sort of stuff you see from a number of people pushing particular barrows here which have simply no grounding in truth or in fact. In very round terms, the last excise increase amounts to some $500 million or so. But it is interesting to note that in the previous estimate, when I think the excise increase was around 0.6c of a litre, in fact the receipts fell well short of estimates. These numbers do bounce around quite a bit. In terms of what the final outcome will be, I think the only comment that can be made is that we will know in due course, but we do not know at this point in time.

The other point that I would make is that quite plainly we have made a very substantial investment in infrastructure, which is of great value to motorists and the people who use transport in this country, in terms of what we have put into roads—local roads, RONIs and the national highway grid—which investment is, apparently, on the ALP side, variously described, according to where you live and the time of day and whether you have a headache or not, as a pork barrel or a boondoggle or a waste of time or trivial or unnecessary.

Rural and Regional Australia: Government Policy

Mr NAIRN (2.34 p.m.)—My question is also addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister advise the House of the public response to and benefits of government initiatives such as the Regional Solutions program? Is the Deputy Prime Minister aware of any alternative policies?

Mr ANDERSON—I thank the honourable member for his question. The Regional Solutions program is proving enormously popular in rural and regional Australia. Indeed, it is fair to say that the demand has been quite overwhelming. We have received almost 600 applications to date and the independent community advisory committee has been working through those. There have been some really fantastic ideas put up, and a number have already been made a reality thanks to the backing of the federal government with this $90 million program designed to give local communities the tools which they can then use to better fashion their future at a time of undoubted and—on this side of the House—recognised challenge.

Some examples include $500,000 for the Back of Bourke Exhibition Centre. Bourke is a very innovative and forward looking community which is tackling its challenges and which is aggressively seeking to increase employment to improve opportunities for indigenous people in particular. This particular exhibition centre will help draw many more tourists to that very interesting part of the country. It will showcase Australia’s outback history, literature and folklore and it is particularly relevant with the Year of the Outback coming up next year. We have seen another example—the $200,000 grant to the Lake Eyre Basin Coordinating Group, which is based at Longreach in the member for Maranoa’s seat, where they are seeking to develop a heritage tourism strategy for the Lake Eyre Basin. There are any number of very useful examples which are going to make a very real difference.

Those opposite would have regional Australia believe, through their rhetoric, that we have been inactive on regional policy. That is the great lie that the ALP try to perpetrate in the bush. The reality is that they have done nothing. They have been unbelievably policy lazy in this area; there has been nothing of any value at all. While we have been implementing a whole raft of valuable programs—from the Roads to Recovery program right through to salinity, the NHT and real reforms in education and health in rural and regional areas—we have the Leader of the Opposition returning from his summer break to unveil his themes for this year
making the absurd claim that the ALP had a lot of policy out there. He said:
We’ve been releasing policy in the areas of education, living standards, regional affairs and the like.
It gets a bit vague—and the like’. That is what he said on 22 January. Nobody knows about this regional affairs policy, not even the shadow minister. The only policy they have got is to have a policy to have a policy. After five years, that is all they have got. It is nothing short of a policy fraud. The reality is that every decent policy initiative we have taken for rural and regional Australia has been opposed by them. Whether it has been roads or whatever, it has been a ‘rort’ or a ‘pork-barrel’ or a ‘boondoggle’. The reality needs to be clearly pointed out to people: there is no commitment on the other side to improving the lot of country people, despite the postage stamp policy. There is no commitment there at all whereas, by contrast, we have any amount of good, sound policy for rural and regional Australia.

Pharmaceutical Benefits Advisory Committee

Ms MACKLIN (2.38 p.m.)—My question is to the Minister for Health and Aged Care. Minister, do you recall saying yesterday in this House that Mr Pat Clear is ‘no longer involved in the industry, has no conflict of interest and has divested himself of all interests’? Are you aware that Mr Pat Clear remains a director of FuCell Pty Ltd, an Australian biopharmaceutical company, a fact independently confirmed this morning by FuCell? Minister, didn’t you mislead the parliament yesterday?

Dr WOOLDRIDGE—Prior to being appointed to a body like this, people have to sign disclosures. I was advised by my department that Mr Clear had no conflict of interest, and has divested himself of all interests? Are you aware that Mr Pat Clear remains a director of FuCell Pty Ltd, an Australian biopharmaceutical company, a fact independently confirmed this morning by FuCell? Minister, didn’t you mislead the parliament yesterday?

Private Health Insurance: Rebate

Mr SOMILYAY (2.39 p.m.)—My question is also addressed to the Minister for Health and Aged Care. Is the minister aware of any recent statements concerning the government’s 30 per cent private health insurance rebate?

Dr WOOLDRIDGE—I thank the honourable member for his question. I had been waiting for some statements regarding the 30 per cent rebate, because there are some very important answers that holders of private health insurance would like to know. It is now 136 days since Cathy Freeman won a gold medal in the 400 metres, and that same day, in the afternoon, Labor announced a $2 billion health policy without a press release, without putting it on their web site and without any follow-up. What Labor have not answered is some very simple questions. Are they going to exclude ancillaries from the rebate? Are they going to exclude high front-end deductibles? Are they going to be making eligible those products with exclusions? Are they going to restrict the rebate to current policy holders? Are they going to pay the rebate only on base-rate premiums? All of these things could be done within the weasel words put out by the opposition 136 days ago. These questions need to be asked because, between November 1998 and April 2000, we had 31 media releases from the shadow minister for health that were critical of the rebate. It is interesting to note that the only follow-up comment the Leader of the Opposition has made was in November, when he said the following:

My shadow minister, Jenny Macklin, and I have made it clear that Labor will retain the 30 per cent private health insurance rebate.

We have checked the Labor Party’s web site. We have checked the web site of the member for Jagajaga. We have checked every press release. We have checked every transcript we can find. We do not know whether the shadow minister for health has ever raised this issue once. I am sure every holder of private health insurance in Australia would like to know when and where the opposition spokesperson on health has actually made this clear.

I have had correspondence from the Labor Party. Honourable members will be interested to know that the president of the Koori branch of the Australian Labor Party
has written to me. At their December meeting, they discussed the 30 per cent rebate, and they decided to condemn government policy and to request an explanation from me. For the interest of honourable members, I table the letter from the Kurilpa branch. Honourable members, I am sure, will be pleased to know that I have written back to Ms Finnimore and pointed out that, in fact, she is also criticising Labor Party health policy and that she might like to take this up directly with Mr Beazley. I am happy to table my reply.

It is very simple: Labor do not have a clue what they are doing on this. They are taking a simple, populist view. They are not putting out the difficult health policy work. It is a lazy health policy. In the end, you cannot fix or do anything about health if you do not understand it, and Labor have not put the work in to understand it.

Pharmaceutical Benefits: Celebrex

Ms MACKLIN (2.42 p.m.)—My question is to the Minister for Health and Aged Care. Minister, why did you ignore the pricing conditions recommended by the PBAC for the Pfizer drug Celebrex of $1 a day with a price volume agreement and instead set the price at $1.20 a day with no cap on the number of scripts issued at the higher price? Minister, is this the first time the pricing authority has not agreed with the PBAC price recommendations, and is it also the first time a minister for health has approved a drug for listing on the PBS at a higher price with less stringent conditions than those recommended by the PBAC?

Dr WOOLDRIDGE—I thank the honourable member for the question because it is a chance to clear up a completely incorrect article on this matter that appeared in one newspaper. It is a small point but it is actually cabinet, not me, that makes these decisions when they are over $20 million a year. In doing that, cabinet has the chance to take advice from all departments. It is quite strange—and I guess I can understand it, because it is a complex area and in opposition it is hard to understand—but the PBAC has no role in pricing whatsoever. The pricing body is the Pharmaceutical Benefits Pricing Authority. So, if the PBAC is actually recommending a price, it is going way beyond its brief. The Pharmaceutical Benefits Pricing Authority, also an independent body, recommended that government list this, and it came to agreement with the company at $1.17 a day. So we took the Pharmaceutical Benefits Pricing Authority’s advice, as we should and as is absolutely proper.

In the submission I put to cabinet was normal proper advice that had come up through the committees. I had not sought to influence that myself directly or indirectly in any way whatsoever. We now have some disaffected former members of the PBAC trying to say the government somehow did not take their advice. Why would we take their advice when they are not the body that advises us on pricing? It would be patently absurd to do so. I should say that the price we listed—$1.17 per day—is, I am advised, the cheapest price paid by a government anywhere in the world. We have achieved a price that no other country has been able to achieve. That a body with no power or expertise to list on pricing should recommend $1 a day is completely meaningless. It should have stuck to its area of brief and not tried to take over another committee’s work. Finally, had we attempted to go ahead with the PBAC recommendation—which I think would have been quite improper, given it is not their responsibility—we would never have got the drug listed in the first place. So we have achieved a world best price, absolutely in keeping with proper practice and, I tell you what, people on Celebrex are pretty happy about it.

Unemployment: Queensland

Mr HARDGRAVE (2.45 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Would the minister advise the House of recent trends in unemployment in my state of Queensland? How can these trends be explained? What is the prospect for lower unemployment in my own electorate of Moreton, and indeed in the entire state of Queensland?
Mr ABBOTT—I thank the member for Moreton for his question. I can inform the House that unemployment in Queensland peaked at 11.1 per cent in 1992, when the Leader of the Opposition was minister for employment. I can also tell the House that state Labor has been just as bad as federal Labor at getting unemployment down. Unemployment in Queensland was over eight per cent in June 1998. It is still over eight per cent, despite Premier Beattie’s promise to get it down to five per cent in just one term and despite national unemployment falling by 1.6 per cent in that time. Since June 1998 unemployment numbers in Western Australia under a coalition government have gone down five times faster than unemployment numbers in Queensland under a Labor government, in part because one of the first significant acts of the Beattie government was—

Mr Bevis—I thought Peter Reith did that.

Mr SPEAKER—The member for Brisbane!

Mr Bevis—He said he did.

Mr SPEAKER—The minister will resume his seat. The member for Brisbane knows he was defying the chair in that action. I had already drawn his attention to the need for civility in the House.

Mr ABBOTT—The employment prospects of Queenslanders were harmed when one of the first acts of the Beattie government was to accept union dictation and to virtually remove the right of Queensland workers to enter into individual agreements. The latest example of union arrogance in Queensland is the CEPU’s—_the communication union’s_—decision to send Telstra workers who are not union members a bill for $400 for services which they never requested and do not necessarily need. If a company did something like this it would be guilty of an illegal act under the trade practices legislation. But this is what is going on in Queensland under the Beattie government. The one million non-union workers in Queensland all face receiving a bill of $400 each if the Beattie government is returned.

The Leader of the Opposition is absent today campaigning in Queensland. I ask him: does the Leader of the Opposition endorse this kind of union extortion? And, while we are on the subject, does the Leader of the Opposition have full confidence in the Al Capone of Queensland vote rorting, who also happens to be the national vice-president of the ALP?

**Pharmaceutical Benefits: Celebrex**

Mr Griffin—My question is to the Minister for Health and Aged Care. Minister, is it not the case that the pricing authority itself says that the main mechanism to determine initial prices for newly listed drugs on the PBS is the advice of the PBAC? Is the minister aware that the most recent annual report of the Pharmaceutical Benefits Pricing Authority states:

> ... the Authority has increasingly recommended the use of price/volume agreements.

Why in the case of the Pfizer drug Celebrex was the PBAC’s advice ignored and a higher price, without a price-volume agreement, approved?

Dr Woolridge—I can only reiterate and expand on the issue of what the PBAC does. It advises on cost effectiveness. But the issue of negotiating price is an issue for the Pharmaceutical Benefits Pricing Authority. Had they gone ahead with what the PBAC had suggested, you would not have got the drug listed. It simply would not have happened. We already listed it at the world’s lowest price, which is not a bad effort. What I did was rely on the advice of my independent committees. I had not sought to influence them in any way whatsoever on price. I put that to cabinet, cabinet agreed and we ended up making a very substantial announcement that has helped an enormous number of Australians. So it was a perfectly normal process.

Mr Griffin—to assist the minister with understanding the system, I seek leave to table the report from the pricing authority.

Leave not granted.

**Interest Rates: Levels**

Mr Forrest—My question is addressed to the Minister for Financial Services and Regulation, following today’s
cut in interest rates. Would the minister inform the House of how consumers of financial services have benefited under the Howard-Anderson government?

Mr HOCKEY—I thank the member for Mallee for his question. With the reduction of one half of a per cent in interest rates today, it is important that the benefits flow through to consumers as quickly as possible. In the past, the banks have been quick to pass on interest rate increases and slow to pass on interest rate falls. The government’s view is that banks should move as quickly as possible to deliver to Australians the full benefits of a one half per cent cut in interest rates. This should extend right across the board—not just home loans but also credit cards, small business lending and other business lending. As the Treasurer said earlier, it is pleasing that the banks, including National Australia Bank—Australia’s largest bank—Westpac, ANZ, Suncorp Metway, CBA, and the mortgage providers, Wizard and Aussie Home Loans, have committed to deliver the interest rate cut in full and early. This is competition at its best. This is a direct benefit of the banking reforms that we undertook in 1997.

Under the banking system we inherited from the Labor Party in 1996—this is very interesting and very revealing about the Labor Party—it took 51 days for the banks to pass interest rate cuts through to home borrowers. Today it has taken four days—so, 51 days under the Labor Party and four days under the coalition. Under the Labor Party, it took 35 days for banks to pass through interest rate cuts to small business. Today, under the coalition, it has taken just seven days from Westpac. Even in the dark days of the 1990s, as the member for Parramatta would say, when home loan borrowers were carrying the weight of the world on their shoulders—like Atlas—when interest rates were 17 per cent, under the Labor Party’s banking laws, it took more than a month for interest rate cuts to flow through to home borrowers.

This is the stark difference between a government that is committed to reform, a government that has a commitment to good policy, and a policy lazy Labor Party. The Labor Party did not even bother to put in a submission to the current review of banking. It is too lazy to bother to put in a submission on something that is important to Australian consumers and to Australian small business. If the Labor Party—should it ever be elected to government—is policy lazy in opposition, it will be policy lazy in government.

Pharmaceutical Benefits: Celebrex

Ms MACKLIN (2.55 p.m.)—My question is to the Minister for Health and Aged Care. Minister, isn’t it correct that in the five-months following the listing of the Pfizer drug Celebrex on the PBS it has cost Australians a staggering $92 million? Is it the case that the budget for Celebrex over four years was $217 million? Given this blow-out, is it the case that the cost of Celebrex over four years will be $800 million, a $600 million blow-out? Why did you ignore the advice of the PBAC which would have limited this cost blow-out?

Dr WOOLDRIDGE—This is being put around by one particular former member of the PBAC. I can understand why they are trying to blame someone else—they got their numbers wrong. We rely on the data from the company, which seriously underestimated the volume of Celebrex and the strength. The PBAC made their own estimates on which they advised the PBPA and the government, and they got it seriously wrong. They got it wrong in two areas. They got it wrong in the volume of prescriptions that would be made and they got it wrong in the strength of the prescription that doctors were going to prescribe. They advised us that there would be a higher volume of lower strength prescriptions and that has not turned out to be true.

Ms Macklin interjecting—

Mr SPEAKER—The member for Jagajaga has asked her question.

Dr WOOLDRIDGE—I have commented several times on price and I will just say—

Ms Macklin interjecting—

Mr SPEAKER—The member for Jagajaga is warned.
Dr WOOLDRIDGE—We took the price of the Pharmaceutical Benefits Pricing Authority. Had we taken the price of the PBAC—they were not charged to give us advice on price but rather on cost-effectiveness—the drug would never have been listed. The fact that it is costing money means that many more consumers are benefiting from the drug. In my entire time as health minister this is the only pharmaceutical where I have been stopped in the streets and had people say thank you. It is a widely used drug. We hope to get the price down. When we list a new drug, we have to take some guesses about volume. People on the PBAC are going around maliciously briefing that we have somehow ignored their advice—if we had taken their advice, we still would have consumers paying $60 a month because it never would have got listed. We got the best price in the world. We have had discussions with the company—the principal company, I might say, is Pharmacia and not Pfizer—and we are looking at ways that we can get smaller start-up packs and encourage a greater volume of lower strength prescriptions straight up.

Refugee Convention

Mr PYNE (2.58 p.m.)—My question is addressed to the Minister for Immigration and Multicultural Affairs. Will the minister inform the House of progress towards securing international support for reform of the Refugee Convention? Will the minister also advise whether other countries share Australia’s concerns in the growth of the illegal movement of people?

Mr RUDDOCK—I thank the honourable member for Sturt for his question. This is a very important issue. Over a long period, Australia has been at the forefront of those who have generously accepted responsibility for refugee resettlement. It continues to lead in the context of the very significant challenge that the world is facing in relation to the refugee convention, particularly for those who require support. At the moment we are second only behind Canada in the number of people we resettle each year on a per capita basis. Over the 50 years since the end of the Great War, Australia has settled something in the order of 600,000 people as refugees and on a humanitarian basis.

We were one of the first signatories to the UN Convention on Refugees, but the fact is that today that convention is no longer able to work in the way in which it was originally intended. It has lost its focus and is not assisting those in greatest need. I have mentioned to the House and I will remind members again that I think one of the most graphic comparisons about the tremendous inequality of outcome results from the way in which the convention is applied to developed countries and the capacity of the UN to assist those in countries of first asylum where resources are not available. The UNHCR have a budget of $1 billion and they receive payments of about $800 million to look after the needs of 22½ million refugees and people of concern. Yet developed countries spend at least $10 billion assessing the claims of half a million asylum seekers, of which around 50,000 will be found to be refugees.

The UN is left with cents a day to look after people in Africa while we are spending the equivalent of an Australian age pension on each person who makes an asylum claim successfully in Australia. Those comparisons can be seen right around the world. I have called for reform to that system. Australia does not want to walk away from its obligations—it has been a leader in these matters—but I am pleased to see that overnight the British Home Secretary, Jack Straw, has echoed my comments. He had this to say—

Mr Crean—A year after.

Mr RUDDOCK—It is a year after those comments I made. Nevertheless I appreciate the efforts that he is now putting into these matters, because I think there are some important lessons for us all in what he has had to say. In his speech yesterday Mr Straw said:

... the current system is failing many refugees, while at the same time putting huge pressure on receiving nations—not just Western states, but also developing countries which host large numbers of the world’s displaced persons.
Of course the illegal movement of people is hampering our ability to help those in greatest need. The coalition domestically has raised the same issue that Jack Straw raises. I will just take members through it. He says:

"Taken together, these two trends—that is, of the convention placing no obligation on states to access their territory for those in need of protection, coupled with the obligations that first asylum seeking countries are faced with—of increasing economic migration, and increasing numbers of displaced persons—mean that we are faced with a situation where too much effort and resources are being expended on dealing with unfounded claims for asylum, and not enough on helping those in need of protection."

He goes on to say:

"But refugees and the public also have a right to expect that there will be a quick and effective process in place for identifying those who make unfounded claims ..."

He then says:

"... we must ensure that those who are not refugees are dissuaded from seeking to benefit unjustly from the terms of the 1951 Convention."

Interestingly, he goes on to say the EU should now look at a resettlement program. I might say that it has never had one in place—a resettlement program like the one Australia has had. He does not say that, but that is by implication—

**Opposition members interjecting—**

**Mr RUDDOCK**—We have had it—we had it under your government—and it remains very much in place, even though some people would often think that it no longer exists. He goes on to say:

"There are two main ways of deterring misuse of this kind. The first is to process claims quickly. There is a range of measures which states can implement to domestically address this."

He continues:

"Everyone who is concerned about the need for international protection should be in favour of an effective system for returning those who do not have such a need."

These are positive comments. They would reflect, I think, the concerns that this government has about people who have no bona fide claims but who access judicial review and class action provisions in order to delay being removed from Australia. If Jack Straw were here today sitting on the other side of the House, I think we would have heard a far more positive contribution from him. In fact, we would not have heard some of the debate today about people being a policy-free zone:

The shadow minister for immigration said:

"The minister’s response, of course, is, “Well, what’s your solution?” Well, I am not the minister. The opposition is not in government. You are the minister. You come up with the solutions and we will have a look at them."

That is the extent to which they are interested in policy. They ought to take a leaf out of the book of Jack Straw and find their way through these issues in a comprehensive way, and look at solutions and being part of the solution rather than being part of the problem.

**Minister for Health and Aged Care: Staff**

**Mr CREAN** (3.06 p.m.)—My question is to the Minister for Health and Aged Care. Minister, are you aware of the allegation made by Martin Goddard, who campaigned for you in the 1996 election, that three of your staff have worked for Pfizer? Is it the case that Dr Rachel David worked directly for Pfizer after leaving your personal staff and that Ken Smith, your previous chief of staff and personal friend, also left your office—

**Government members interjecting—**

**Mr SPEAKER**—Order! The Deputy Leader of the Opposition will be aware of the standing orders, particularly standing order 144 as it applies to imputation, and the comments I made on 8 December about the need to ensure that the reputations of people are not unfairly imputed in any question asked.

**Mr Abbott**—Just call him Al Capone!

**Mr SPEAKER**—I believe the question ought to be rephrased so as not to impugn the reputations of the people who have been so named.
Mr CREAN—I am simply asking whether it is the case that three members of staff—

Mr SPEAKER—I am extending to the Deputy Leader of the Opposition the opportunity to ask the question but not to impugn the reputation of the people so named.

Mr CREAN—Is it the case that Dr Rachel David worked directly for Pfizer, that Mr Ken Smith went to work as a consultant for Pfizer and that Mr Bill Royce, your previous press secretary, went to work in a consultancy that represents drug companies? Minister, the question to you is: why should Australians have any confidence that our internationally respected drug approval process can maintain its independence and the low cost of medicines in Australia now that you have demonstrated that you are prepared to override its recommendations, resulting in million dollar windfalls for a drug company closely associated with you?

Mr SPEAKER—I invite the Deputy Leader of the Opposition to place that question on notice.

Mr McMullan—By what standard, Mr Speaker, is anything in that question not appropriate to be asked, when the Minister for Employment, Workplace Relations and Small Business can call people ‘Al Capone’ in this House with your doing nothing about it?

Mr SPEAKER—The Manager of Opposition Business makes a valid point of order concerning the reference made earlier by the minister. It was, in fact, one of those issues which I debated acting on—

Mr Leo McLeay interjecting—

Mr SPEAKER—as the member for Watson will know, better than most, is frequently the lot of occupiers of the chair.

Mr Leo McLeay interjecting—

Mr SPEAKER—The member for Watson is warned.

Mr Leo McLeay interjecting—

Mr SPEAKER—The member for Watson will excuse himself from the House under the provisions of standing order 304A.

Motion (by Mr Reith) put:
That the member for Watson be suspended from the service of the House.

The House divided. [3.15 p.m.]

(AYES)

Mr Reith

Ayes………… 76

Noes………… 62

Majority……… 14

AYES

Abbott, A.J.
Andrews, K.J.
Bailey, F.E.
Barresi, P.A.
Bills, B.F.
Draper, P.
Entsch, W.G.
Forrest, J.A. *
Gambaro, T.
Hardgrave, G.D.
Hockey, J.B.
Hull, K.E.
Katter, R.C.
Kelly, J.M.
Lieberman, L.S.
Lloyd, J.E.
May, M.A.
McGauran, P.J.
Nairn, G. R.
Nelson, B.J.
Nugent, P.E.
Pyne, C.
Ronaldson, M.J.C.
Schultz, A.
Secker, P.D.
Somlyay, A.M.
St Clair, S.R.
Sullivan, K.J.M.
Thomson, A.P.
Tuckey, C.W.
Vale, D.S.
Washer, M.J.
Wooldridge, M.R.L.

Anderson, J.D.
Anthony, L.J.
Baird, B.G.
Bartlett, K.J.
Bishop, B.K.
Brough, M.T.
Cameron, R.A.
Charles, R.E.
Downer, A.J.G.
Elson, K.S.
Fischer, T.A.
Gallus, C.A.
Gash, J.
Haase, B.W.
Hawker, D.P.M.
Howard, J.W.
Jull, D.F.
Kelly, D.M.
Kemp, D.A.
Macfarlane, I.E.
McArthur, S *
Moylan, J. E.
Nehl, G. B.
Neville, P.C.
Prosser, G.D.
Reith, P.K.
Ruddock, P.M.
Scott, B.C.
Slipper, P.N.
Southcott, A.J.
Stone, S.N.
Thompson, C.P.
Truss, W.E.
Vaile, M.A.J.
Wakelin, B.H.
Williams, D.R.
Worth, P.M.

NOES

Adams, D.G.H.
Bevis, A.R.
Burke, A.E.
Corcoran, A.K.
Crean, S.F.

Albanese, A.N.
Brereton, L.J.
Byrne, A.M.
Cox, D.A.
Crosio, J.A.
Mr SPEAKER—I am ruling the question out of order and inviting the Deputy Leader of the Opposition to place the question on notice.

Mr Crean—Then I move dissent from your ruling.

Government members interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition is entitled to be heard in silence, and that courtesy will be extended to him.

DISSENT FROM RULING

Mr CREAN (Hotham) (3.21 p.m.)—I move:

That the Speaker’s ruling be dissented from.

I move dissent from your ruling, Mr Speaker, because there is no more important entitlement for this opposition than to hold the government accountable. We have put a series of questions today to the Minister for Health and Aged Care on matters where we believe there is either conflict of interest or where he is ignoring advice coming to him, and we want to know why he is so ignoring that advice. Yesterday we were told, in relation to the position that he is having so much trouble filling, that the person he appointed, Mr Clear, was no longer involved in any way with the pharmaceutical industry. That is what he said in the parliament. The member for Jagajaga today reminded him of that statement. Today he tells us that is what he was advised. We still have not heard from him today as to whether or not that advice was correct. But if in fact the basis upon which he appointed Mr Clear was, whatever other justification he was using, that there was no longer any contact with the pharmaceutical industry, where does he stand on Mr Clear’s appointment now? Does he sack him if this person is now found to have retained an association, a directorship, with a pharmaceutical company when he had told the minister that he did not? When does the buck stop with this minister? We have just seen him scurry out of the chamber when he knows this dissent from your ruling is all about his failure to respond—
Mr Reith—Mr Speaker, I raise a point of order. This is a dissent motion. The Deputy Leader of the Opposition is not entitled to disguise within a dissent motion whatever it is that he wants to say about the Minister for Health and Aged Care.

Opposition members interjecting—

Mr SPEAKER—The same courtesy that I expect to be extended to the Deputy Leader of the Opposition will be extended to the Leader of the House.

Mr Reith—It has always been the practice, and it is clearly spelled out in the standing orders, that on a dissent motion you have to stick to the basis of dissent. The fact that there is no basis for his dissent is his problem and it gives him absolutely no justification for wandering on to any other matter.

Mr SPEAKER—The Leader of the House has raised his point of order. I was reluctant to interrupt the Deputy Leader of the Opposition because a motion of dissent is not something in which the chair, of course, ought to participate, but it is fair that I have had some difficulty tying his remarks to a dissent from my ruling. I invite him to return to the point at which my ruling in any way failed to meet the obligations of the standing orders or House of Representatives practice.

Mr CREAN—Your ruling, Mr Speaker, is that the question is out of order. The justification may well be standing order 153 but your ruling is actually that the question is out of order. I ask you—and we tried to get it—why is the question out of order when, in the question I asked the minister that you invited me to put on notice, I made no imputation against the staff members except to ask whether it was a fact that they had worked for him and gone to work for a drug company? How is that an imputation? It is a question of fact.

Government members interjecting—

Mr SPEAKER—Minister for Forestry and Conservation! Leader of the House! The Deputy Leader of the Opposition has the call.

Mr CREAN—You told me to be quiet while he had the call.

Mr SPEAKER—The Deputy Leader of the Opposition must recognise that, by any standard, I have endeavoured to be even-handed and have already obliged—

Opposition members interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition has the call and he is entitled to be heard in silence.

Mr CREAN—The point I am making is that the ruling you have made is that the question is out of order. I ask you: how is it out of order for us to ask a question of the minister? In these terms, why should Australians have any confidence that our internationally respected drug approval process, which the minister for health administers, can maintain its independence—which is what it is supposed to do—and the low cost of medicines in Australia now that he, on the basis of questions that we asked leading up to this, has demonstrated that he is prepared to override its recommendations, resulting in million dollar windfalls for a drug company closely connected with him? That is the question.

What was established in the lead-up to this? The questions that were asked by the member for Jagajaga and the member for Bruce essentially went to this listing of a drug, Celebrex, for which it was recommended to the minister that the price be listed at $1 a day. The member for Bruce went on to prove the point. When the minister obfuscated on the point of who was responsible, the member for Bruce pointed out what the annual report of the Pharmaceutical Benefits Pricing Authority states in terms of its having increasingly recommended the use of price volume agreements. In other words, the very question that the member for Jagajaga asked of the minister that he said was wrong, the member for Bruce proved on the basis of the annual report, for which the minister is responsible—

Mr Reith—I can appreciate that establishing the background for the claims which are to support the motion of dissent are relevant. It is not relevant, however, to attempt
to correct, argue and debate whatever the minister might have said in answer to other questions. The fact is that, with a motion of dissent, it has always been the case that you are required by the standing orders to stick to the motion and not to go too far beyond it. Clearly, he has absolutely—as I will say later—no basis for this motion of dissent, and that is why he struggles to be relevant. He should be—as every other person in the past has been—made to stick to the matter.

Mr SPEAKER—I would allow the Deputy Leader of the Opposition to advance his argument, although I must say that to date I had only found rulings in which I had been in order in allowing the questions that he had nominated to stand.

Mr CREAN—My point is that the question you have ruled out of order was seeking to bring together the basis of those previous questions. That goes to the question of the minister’s accountability; that goes to him ignoring—

Mr Reith interjecting—

Mr CREAN—Of course it is an imputation against the minister. Shouldn’t he be accountable in this place? We know you were not accountable for what you did with the dogs and the balaclavas—

Mr SPEAKER—The Deputy Leader of the Opposition will return to the motion.

Mr CREAN—But we have got you, brother, encased in that tank—

Mr SPEAKER—The Deputy Leader of the Opposition will return to the motion or be forced to resume his seat.

Mr Adams interjecting—

Mr SPEAKER—The member for Lyons is warned!

Mr CREAN—The whole purpose of the question being asked, of course, was to try to get the minister to defend himself. We believe in overriding the decision, the recommendation, that came to him. He has cost the budget money. We have even made the allegation as to how much—$600 million. Every dollar wasted on ignoring a decision is money that could go to another product coming onto the list.

Mr SPEAKER—The Deputy Leader of the Opposition must come to the motion, which is a matter of dissent from the Speaker’s ruling. There is no sense in which this motion can be used to advance the argument as to whether or not the minister was in error. The question is whether the question that was ruled out of order should or should not have been ruled out of order and whether standing order 153 has been properly upheld.

Mr CREAN—On that very point, I can understand if standing order 153 was used to justify imputation against other individuals. But you cannot tell me that we are not entitled in this parliament to ask of a minister how we can expect to continue to have confidence in him if he has ignored advice that has cost the budget money and has denied other products coming on to the pharmaceuticals list and extra money going into public hospitals. This is the essence of what government is about, it is the essence of what democracy is about, and it is the essence of accountability in this chamber. If you are saying that we cannot question the minister on that, then you may as well scrap question time, Mr Speaker, because you will be seen to be covering up for this mob. That is how you will be seen. That is why I believe this decision on your part, well intentioned though it may have been in terms of the other individuals, was not properly thought through.

I made the point when you took the point of order on me initially—I made it quite clear—that all I was asking was a question of fact in relation to the three staff members, not imputing decisions taken by them or wrongdoings, et cetera. They do not make the decision on whether to accept or otherwise the dollar a day. It is the minister’s decision—although we see him today trying to scurry away and say it is the cabinet’s decision. This is the coward’s defence from this minister. Every time he gets in trouble in this place he tries to say that it is someone else’s decision.
I have never imputed, nor did the question impute, bad intention, bad decision, on the part of the staff members. It was making a connection; it was stating a fact; it was requesting it. The imputation was against the minister. That is why your ruling is wrong. That is why you, if your ruling is upheld, are demonstrating a safety net for ministers under pressure in this parliament. You are creating an environment in which ministers who should be accountable in this place are protected. That denies the whole essence of what question time and accountability in this parliament are about. We all know that question time in this place gets willing, but the reason it gets willing is because it is the most effective time in the day of a parliamentary schedule when the government can be held accountable. We, of course, get frustrated because they do not answer questions or they avoid them. But today was the classic example of a minister caught out, yet again, either misleading the parliament or, when he gives an answer, not going correctly to the facts and then wanting to sit down and not address the question. That cannot be allowed to continue.

Mr Reith—Mr Speaker, on a point of order: the shadow Treasurer and Deputy Leader of the Opposition is making all sorts of allegations which he is not entitled to make and which, in respect of questions put to the minister, the minister did not even have an opportunity to answer. He should, therefore, be required to be relevant to the motion.

Mr Crean—Standing order 153 continues:
... and notice must be given of questions critical of the character or conduct of other persons.

As I say, I can understand if your ruling is based on the criticism of other persons. But the question was not critical of other persons. The question was not critical or reflective of any one of them. They did not make the decision. It was the minister who made the decision. Our question is critical of the minister. We are entitled to be critical of the minister, particularly if we have used the forum of this parliament to build the case. That is why in any sensible consideration of why we are moving dissent from your ruling I think it is entirely appropriate that we go back to those questions to build the case and to demonstrate why it is that we have moved dissent from your ruling.

We are not critical of the individuals concerned; we are critical of the minister. If you are telling this parliament we cannot ask questions of the minister, you are denying the fundamental purpose of question time and it is an outrage. We will move dissent every time on that point. You need to be on notice about that too. The point of the dissent motion is that, however well intentioned your initial ruling was meant to be, your ruling was wrong. It was wrong because the purpose of the question was to get at the minister, to hold him accountable in this parliament—a minister who has ignored advice, a minister who, on any interpretation, has stacked a committee, a minister who has misled in terms of a person he has appointed to chair it. You do not want him held accountable.

Mr Reith—Mr Speaker, I rise on a point of order. It is outrageous for the member for Hotham to make allegations against the minister. The standing orders are quite clear. He is totally outside the standing orders. He has been warned on numerous occasions. If he is not prepared to abide by the standing orders, he should be required to sit down.

Mr Speaker—the Deputy Leader of the Opposition will withdraw the imputation...
that the minister has in some way ‘stacked’, to use his term, the committee.

Mr CREAN—I withdraw the imputation he stacked; he has rearranged the committee, under much criticism from the industry.

Mr SPEAKER—The Deputy Leader of the Opposition will withdraw without qualification.

Mr CREAN—All right, I withdraw without reservation, but I want to make the point that the minister has rearranged a committee. There has been a lot of criticism in the industry about that rearrangement.

Mr SPEAKER—The Deputy Leader of the Opposition will resume his seat. Before I recognise the Leader of the House, as the Deputy Leader of the Opposition is aware, there is no way in which his last remark bore any resemblance to the motion before the chair and it is therefore totally out of order.

Mr CREAN—I go back to the point that, if in fact your ruling is to try to split 153 in the belief that what we have done or what I did in my question was to impute or be critical of individual members, you are wrong. That was not the question I asked. I repeat the question that I asked in relation to the issue:

Minister ... why should Australians have any confidence that our internationally respected drug approval process—which he administers—can maintain its independence and the low costs of medicines in Australia—the purpose for which it is established—now that you—the minister, not the staff members—have demonstrated that you are prepared to override its recommendations ...

The allegation was directly against the absent minister. What is the consequence of his overriding that? It results in million-dollar windfalls for a drug company closely connected to him. It is not only the multimillion-dollar windfalls to the company with which he is connected; this is money off the budget. It is a $600 million figure that is lost to hospitals and pharmaceuticals—

Mr SPEAKER—The Deputy Leader of the Opposition knows that he must come back to the motion before the chair.

Mr CREAN—It is the motion before the chair, because I am going to the very question that you have ruled out of order.

Mr SPEAKER—The Deputy Leader of the Opposition does not intend to reflect on the chair, but is in the process of doing so.

Mr CREAN—It is the very question that you have ruled out of order, and I have just said that the question was not imputing anything against individuals other than the minister himself. He stands condemned in our view, not for the first time. We have the right to question him in this parliament. He does not have the right to protection from you, and your ruling gives him that protection. That is why we have moved dissent from the ruling, and I urge the House to ensure that the proper standards in this place are upheld and that we are entitled to question the minister, because he has got a lot to answer for and we will not let him get away with it.

Mr McMullan—I second the motion and reserve my right to speak.

Mr REITH (Flinders—Leader of the House) (3.41 p.m.)—The government entirely rejects this motion. It is completely without foundation. I have been in the House for a few years now, and I have seen a few motions of dissent—I have moved a few motions of dissent—but never have I seen one so baseless, so without any substance, so transparently and maliciously motivated. Never have I seen such a motion, and on that basis we will certainly be throwing it out, as it deserves.

Mr Speaker, you have acted, as usual, entirely in accordance with the standing orders, entirely in accordance—as I will demonstrate—with House of Representatives Practice. This is just a completely baseless—in fact, I would say pathetic—attack by the Deputy Leader of the Opposition. He cannot attack the Minister for Health and Aged Care, who answered the questions put to him. So what does he do? In a cowardly way, he decides to attack the Speaker. Mr Speaker, he cannot even honestly read out to the
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... House the very question which is at the centre of this minor, trivial debate about the operation of the standing orders. As he finished his few remarks, he said, ‘Let me read out the question I asked.’ He conveniently left out the opening paragraph of that question, which was aimed deliberately at naming three people who do not work in Parliament House—they have in the past, but today they do not work in Parliament House—and who have no right or opportunity to answer any of his scurrilous allegations.

The Deputy Leader of the Opposition set out to drag the names of these people through the mud. That is what he attempted to do. Quite rightly, quite properly, as soon as he attempted to drag people’s names through the mud, without an opportunity for them to reply, after some toing and froing between you and the deputy leader, you asked or suggested that he put the question on the Notice Paper. When you did so, you followed a long line of precedents as to how these matters ought to be dealt with. I suppose the added insult to injury of this motion of dissent comes in the circumstance where, at the very start of the parliament resuming this week, you reminded members of the House of the statement that you made at the end of last year. I have gone back to the statement that you made, Mr Speaker. It was made at 5.30 a.m.—obviously too early in the morning for the Deputy Leader of the Opposition. You said:

... Standing order 153 provides that questions shall not be asked which reflect on or are critical of the character or conduct of those persons whose conduct may only be challenged on a substantive motion.

There it is in black and white where you reminded people. Here we are two days into the new year and the opposition are down in the gutter, attacking people who cannot answer. And then they have the incredible gall to move a motion of dissent against you for requiring them to observe the standing orders and to observe the very sensible statement that you made. For the benefit of honourable members I will read out standing order 153:

... Questions shall not be asked which reflect on or are critical of the character or conduct of those persons whose conduct may only be challenged on a substantive motion, and notice must be given of questions critical of the character or conduct of other persons.

So you cannot do it. If you want to raise a matter in some way, basically there are two things you can do, depending on the circumstances. It might go off as a question on notice, which is what you proposed, or there may be a substantive motion. It is crystal clear in the standing orders. But if one needs any further confirmation of the strength of your position, this is an absolute black and white, beyond any doubt whatsoever, situation. This is what House of Representatives Practice states on page 522:

... Questions critical of the character or conduct of other persons cannot be asked without notice. Although this rule is generally applied to named persons, it has also been applied to unnamed, but readily identifiable, persons. Such questions may, however, be placed on the Notice Paper. The purpose of the rule is to protect the person against criticism which could be unwarranted.

Mr Crean—Or a minister.

Mr REITH—There are ways of asking questions of ministers. Do not come in here and say, ‘This is the end of democracy as it is known to mankind.’ This has always been the rule. It has applied to every opposition and to every government basically since 1901. There is nothing new about this. What you can and cannot do is absolutely crystal clear. Let me also refer to the background to this question and the moments leading up to the notice of motion, which is exactly what...
you did and which, as I said in one of my comments, you should be able to do. The member for Watson was suspended from the service of the House. This is an interesting reflection on the attitudes of the opposition to the maintenance of standing orders.

Mr McMullan—Mr Speaker, I raise a point of order. By what stretch of the imagination is the action you took with regard to the member for Watson relevant to the matter under discussion? If you made those rulings with regard to the Deputy Leader of the Opposition, I put it to you that you must make them with regard to the Leader of the House. He cannot stray into this area. He has not got 15 minutes worth of defence, but that is not our problem.

Mr SPEAKER—By any measure, I have not allowed any more tolerance to the comments made by the Leader of the House than I generously extended to the Deputy Leader of the Opposition. From memory, the requirement for the Chief Opposition Whip to leave the House was related to the very matter that we are discussing, and for that reason it seemed to me to be relevant.

Mr REITH—A lot of people say, ‘One lot is as bad as another’ when they look at both sides of the parliament. I can remember that when we were in opposition if one of our people ostensibly, clearly, demonstrably did the wrong thing, we would not divide. It was just a little message from the leadership to anybody who wants to be outside of the standing orders that you will not always get support from your own side if you are in breach of the standing orders. That was as clear a case of the breach of the standing orders as you could get from a former Speaker, and what do we find from the Acting Leader of the Opposition? He is calling a division because he is prepared to support publicly a breach.

Mr McMullan—On a point of order, Mr Speaker: by what stretch of the imagination does this abuse in any way refer to the motion before the chair? In what way is it in order? How is it not absolutely consistent with the points of order that he persistently made during the Deputy Leader of the Opposition’s speech?

Mr SPEAKER—Any reflection on Hansard will indicate that the chair certainly did not intervene on statements made by the Deputy Leader of the Opposition. I see nothing in what the Leader of the House has said that warrants intervention at this stage.

Mr REITH—Mr Speaker, I am moving on from it. There is a question of standards. This is a serious matter. The Deputy Leader of the Opposition marches in here today trying to fill the shoes of the Leader of the Opposition, who is not here today, and what is his tactic for the day? It is to get into the gutter and attack people who have no opportunity to reply or to rebut the baseless allegations that he is making. At a time when we start this new year and look towards an election at the end of the year, it is fair to ask: what are the policies of the opposition? And what do we find in response?

Mr McMullan—Mr Speaker—

Mr SPEAKER—The Leader of the House will return to the motion before the chair.

Mr REITH—What do we find, Mr Speaker? We find a completely baseless attack on you in the absence of anything constructive to say in this place. Not only were you right in what you said in respect of the question that was put by the Deputy Leader of the Opposition, but also, in your typical manner you have also been very generous, if I may say so—and it is not a criticism, obviously—in allowing this matter to come forward as a motion of dissent from your ruling.

Mrs Crosio—Why don’t you close the parliament down?

Mr SPEAKER—The member for Prospect is warned. The very reason for this motion is that no courtesy has been extended to the chair, because people who have been warned have had the audacity to then respond to the chair. The member for Prospect is warned.

Mr REITH—This may be too intellectual a point for the opposition to understand, but the fact is that what you actually said, Mr
Speaker, was not, ‘I rule that question out of order.’ That was not what you actually said. What you actually said, if I may say so, was exactly what you should have said in accordance with House of Representatives practice, which was, ‘You can put this question on notice.’ That was the proper thing to do.

Opposition members interjecting—

Mr REITH—When the guttersnipes cannot get their question through the mud, they then say, ‘Is that a ruling?’ so you are generously happy to have it as a ruling so that they can have their say. The fact of the matter is that, on any fair reading of this thing, it does not even merit a motion, because there was not a ruling in the first place. You gave it to them, Mr Speaker. Fair enough. The words on the Hansard will say that you gave it to them. Why did you give it to them? Because you are a fair Speaker and because I think you believe it is sensible practice in the House to let them have their say and that if that is what they want to do, fair enough, you are not going to prevent somebody from moving a motion on the basis of, shall we say, a technicality.

Mr Crean—This is an intellectual point, is it? God help us!

Mr REITH—The fact of the matter is that there is absolutely nothing in this from start to finish. What it tells you is that, when the Labor Party have their backs to the wall, as they do today—they have no policies and they are absolutely beside themselves that interest rates are down—they cook up a series of baseless allegations against a minister. Ms Kernot interjecting—

Mr REITH—Then they come in here, drag the names of innocent people through the mud and then complain when you, Mr Speaker, say that according to the standing orders they are not to drag people’s names through the mud in a baseless way. We have opposition frontbenchers there who last year said, ‘Let’s treat people more kindly. Let’s raise the standards in the chamber.’

Ms Kernot interjecting—

Mr REITH—Forty-eight hours after the parliament resumes, the opposition are in the gutter attacking people who have no opportunity to be heard, and then they have the gall to say that you, Mr Speaker, are outside the standing orders. They are the ones who are outside the standing orders, and it demonstrates what a completely empty lot they are—no ideas, no policies, merely a baseless attack on the minister.

The Deputy Leader of the Opposition thought that today was his day to show the backbench what a toughie he was, just to give them a bit of an idea that on the day that Kim falls over he will be a very appropriate choice. Well, I say that he has just revealed today why he should never be sitting in the front seat, let alone having any other position of greater responsibility. This whole thing is just a complete fabrication by the Deputy Leader of the Opposition. We completely reject it, it is absolutely baseless and it just demonstrates what a vacuous, empty, gutter lot they are.

Mr SPEAKER—Before I recognise the Manager of Opposition Business, there was an unfortunate exchange that implied that a certain level of language would be tolerated. I would remind those on my left that a statement made by the Deputy Leader of the Opposition, and, as he is aware, acknowledged in contact with me, was equally inappropriate, and that is why I had not intervened.

Mr McMULLAN (Fraser—Manager of Opposition Business) (3.56 p.m.)—I support the motion of dissent, firstly, because you have inadvertently or otherwise protected the Minister for Health and Aged Care from the need to answer a fundamentally important question; and, secondly, because there is operating in this chamber a profound double standard—the standard that applies to the Minister for Employment, Workplace Relations and Small Business, as he now is, with his abuse and vituperation of people inside and outside this House, unchallenged and untrammelled, while questions that go to the heart of matters for which ministers are responsible are ruled out of order on technicalities relating to so-called reflections. I believe they are not reflections, because the question is very fundamental and needs to be
answered. Even if you thought some part of the question was out of order, Mr Speaker, which I dispute, you should have at least allowed that part of the question which was not in order to stand—there are plenty of precedents for that—and then we would have been able to see the minister respond to that. That would have been a far better course of action. If you had felt—and I disagree with this—that the first part of the question was not in order, you should certainly have allowed the second part of the question. That, in my view, is the least you should have done. For those reasons, I believe this dissent motion should be carried.

Why do I say that you have inadvertently or otherwise protected this minister? Because we have today again established with regard to this minister that his administration of his department puts proper process and taxpayers’ dollars seriously in jeopardy, and your ruling means that we cannot ask him this question about that. It is a very important question, because you have also ruled out the second part of the question, which clearly went to his administration of matters which are his responsibility and which he could have answered and should have answered in this place, and there is no case for that.

Why do I say that there is a double standard? Because we have a serial offender here who, for his previous serial offence—on one occasion, Mr Speaker, you very properly threw him out of this place—the Prime Minister promoted. He promoted the man who is now the minister for industrial relations to the cabinet; he promoted him for a serial of offence in this place in terms of improper behaviour and lack of proper standards. What I was very interested in was that the Leader of the House was bizarre enough to come in and refer to your statement that you made at the closing of parliament so early in the morning about reflections, because that related to the last time we had this problem when the minister for industrial relations—he did not have that title then, but he has now—abused people. A double standard had applied when other people used words and you had ruled them out. That man continually misbehaves and continually gets rewarded for it. That is why we have declining standards in this place: because the people with the worse behaviour get promoted.

First of all, we had the Minister for Forestry and Conservation getting put in the ministry when everyone knows he has a history of the worst behaviour in the parliament and he continues to display it as a minister. Now we have the former Minister for Employment Services put into the cabinet as a bower boy with them saying, ‘Thank you very much. You’ve done a good job.’ The Speaker has had to throw you out once. Your continuing double standards have demeaned the parliament and reduced the effectiveness of the Speaker. You’re promoted. That is the double standard that we have. That is why the standards are declining and will continue to do so until the Prime Minister pulls the minister for industrial relations into line. That is why I say, as the second point of this, there is a profound double standard.

How did we have it today? We had him come in and get away with calling somebody Al Capone. Mr Speaker, how can you rule that calling someone Al Capone is not a reflection but that saying they work for a drug company is? How can that be equal treatment? I do not know. There are people in this country who think working for a drug company is not a good thing. I have some friends who do, and I think they are decent Australians. But, irrespectively, even if you hold the view that the international drug companies are the agents of evil—and I do not—how can you say that is as serious an allegation as the one you allowed the minister for industrial relations to make today? He referred to a person whom the standing orders make it clear should be protected because they are, as the standing orders say, a person capable of being identified, even though he was not named. The standing orders at the page to which the Leader of the House referred but about which he made no comment protect that person equally when he is called Al Capone—and you took no action. It is consistent that that person behaves deplorably, wrongly and provocatively in a bower boy manner and it is consistent that he gets rewarded and promoted for it by the Prime
Minister, because he is the only alternative to the Treasurer in the leadership competition in the Liberal Party because the Leader of the House is now thoroughly discredited in that regard. We know he will never have to sit in that front chair—that is one thing we can be very sure of. So those are the first two reasons.

The third reason is that the question, even if you thought some part of it was out of order, contained within it a very relevant, direct, targeted question to this minister about a very profound matter of public importance. If you felt that some part of this question should not have been asked, you should not have prevented the core element being put directly to the minister. That is the allegation that $600 million of taxpayers’ funds have been put in jeopardy because of his improper administration of his department as a consequence—

Mr SPEAKER—The Manager of Opposition Business knows that, if I were to require him to maintain the same standard as he expected me to apply to the Leader of the House, he should not be venturing down that course.

Mr McMULLAN—I am arguing that at the very least, Mr Speaker—

Mr SPEAKER—The very intervention of the Manager of Opposition Business as points of order on the Leader of the House are on the basis of statements made similar to the one he has just made.

Mr McMULLAN—if that is the case, I did not express myself well, because I am arguing that the second part of the question was clearly in order, and that is a dissent from your ruling because you ruled it out of order. I am arguing that at the very least the second part of the question was in order because it made that profound charge and required the minister to answer it and that you, by ruling the whole question out of order, prevented us from getting him to answer that.

Mr Reith—He asked for it to be rephrased.

Mr McMULLAN—that is not the case. The Speaker said, ‘You can put it on notice.’ We declined to put it on notice and he ruled it out of order. That is not an acceptable position for us, and I will tell you why we will not put questions on notice to this minister: because he does not answer questions on notice. There are four questions in this parliament outstanding on notice from 1999. They are all to the Minister for Health and Aged Care—four questions on notice for a total of seven years! The collective outstanding questions for those four alone—from the member for Barton, the member for Jagajaga and the member for Wills—constitute seven years of delay by this minister. We will not put more questions on notice to him when he needs to answer them today—and at least in part it was in order. I contend it was all in order. But what I am saying is that, even if you believe that some of it was not, which I do not accept, your ruling was wrong because, if you wanted to apply section 153, which I believe you got wrong and I believe the precedents of Speaker Snedden would suggest you have got wrong, it cannot apply to the second half of the question which had no names. Nobody was referred to by direct reference or by implication. There was nothing in the second half of the question that in any way could meet the standard set at page 155 or in standing order 153, not in the slightest. It went directly to the minister’s administration of his public duty, and he should have been called upon to answer it—beyond question and without doubt.

I want to say to you, Mr Speaker, that I think you are fundamentally wrong for a more serious reason: there is nothing in the first half of the question that in any way carries a reflection or an implication. It merely says that an allegation has been made by somebody—it is on the public record, to the best of my knowledge. It says that person worked for the minister in the election—now that might be a reflection! It said that Mr Goddard campaigned for the minister for health in the 1996 election. That is a reflection on his judgment, perhaps. If that is the bit you ruled out of order, we accept it and we would like to put the rest in order. We
forgive him because he now realises he made a mistake, and we think repentance is fine. The question says that a person who worked for the minister for health in 1996 has said that three former members of the minister’s staff now work for Pfizer. We want to know if that is right. We think it is, Mr Goddard thinks it is and it is on the public record that it is. Even if it is true, in what way is it a reflection on those people to the extent that they need to be protected, and in what way is it a more serious reflection than saying that someone is like Al Capone? That question indicates that your ruling profoundly does two things which Speaker’s rulings should never do: firstly, it protects a minister from answering a question properly directed to him in the discharge of his public duties and, secondly, it applies a double standard in the operation of the standing orders—one for the Minister for Employment, Workplace Relations and Small Business and one for everybody else. For those reasons, I think this matter should not proceed in the way that you have said.

We are seriously concerned about the possibility that if standing order 153 continues to operate in this way we will not be able to, for example, raise matters such as those we have raised in the past—matters which you and your predecessors allowed. For example, if this continues to operate in the way that you have ruled, if this standing order is applied in the way you have said, the allegations that were made about the connections between the minister and the people associated with the ‘scan scam’ could perhaps have been ruled out of order because we referred to people who could clearly have been identified time and again as we went through the ‘scan scam’ allegations against this minister. Time and again, we said he had connections with people associated with that scam—and we were right. He denied it, and we were proved correct in every way by the Auditor-General and others. The member for Jagajaga raised those matters here initially, and the minister denied them. If your ruling concerning the people working for the drug company had been applied consistently then, the allegations that people had had certain meetings with the minister—people who he subsequently said had acted improperly, but we did not say that—would not have been aired. Our questions would have been ruled out under this ruling, and that great scandal—which was raised, exposed and pursued in this House and nowhere else, because there is nowhere else it could have been pursued—would have remained covered up. We will not allow this scandal to be covered up any more than we would have allowed that ‘scan scam’ to be covered up.

Our capacity to pursue connections between ministers’ relationships with people and the impact of those upon the conduct of their ministerial duties is fundamental. We could not have pursued this minister’s inappropriate, appalling conduct in the ‘scan scam’ if you and your predecessors had applied this ruling on those occasions, because those people we named—some of whom were subsequently referred to the Director of Public Prosecutions—could not have been named if you and your predecessors had said that naming them in this place had to be done on notice and if we had to wait two years for the minister to fail to answer them. We would still be here wondering whether the ‘scan scam’ was right, as our capacity to pursue it in here, which was facilitated by previous rulings, would have been negated by this ruling. It would have stood in our way.

So, Mr Speaker, you are wrong to believe that the question as phrased reflects on the character of these people. You are wrong if you conclude to rule the whole question out of order when at least the second part of it is both important and profoundly in order. And you are wrong to protect this minister from the need to answer serious allegations in his portfolio, allegations which reflect a consistent pattern of behaviour by this minister which we believe render him unfit to hold office. That is why we have question time, so that allegations can be made and put to ministers for them to respond to—allegations as to whether they have behaved properly and whether their associations with other people have affected their capacity to properly discharge their public duties. If we cannot do that, we cannot perform our duty properly.
That is why your ruling should be overturned.

Question put:
That the motion (Mr Crean’s) be agreed to.

The House divided. [4.16 p.m.]

(Mr Speaker—Mr Neil Andrew)

Ayes ............. 59
Noes ............. 76

Majority ........ 17

AYES
Adams, D.G.H.
Bevis, A.R.
Burke, A.E.
Corcoran, A.K.
Crean, S.F.
Danby, M.
Ellis, A.L.
Evans, M.J.
Ferguson, J.F.
Gillard, J.E.
Hall, J.G.
Hoare, K.J.
Horne, R.
Jenkins, H.A.
Kerr, J.C.
Lawrence, C.M.
Livermore, K.F.
Martin, S.P.
McFarlane, J.S.
Melham, D.
Murphy, J. P.
Quick, H.V.
Roxon, N.L.
Sawford, R.W.
Sercombe, R.C.G.
Smith, S.F.
Swan, W.M.
Thomson, K.J.
Zahra, C.J.

NOES
Abbott, A.J.
Andrews, K.J.
Bailey, F.E.
Barresi, P.A.
Billson, B.F.
Bishop, J.J.
Cadman, A.G.
Causley, I.R.
Costello, P.H.
Drapper, P.
Entsch, W.G.
Forrest, J.A.
Gambard, T.
Georgiou, P.
Hardgrave, G.D.

Hockey, J.B.
Hull, K.E.
Katter, R.C.
Kelly, J.M.
Lieberman, L.S.
Lloyd, J.E.
May, M.A.
McGauran, P.J.
Nairn, G. R.
Nelson, B.J.
Nugent, P.E.
Pyne, C.
Ronaldson, M.J.C.
Schulz, A.
Secker, P.D.
Somiavy, A.M.
St Clair, S.R.
Sullivan, K.J.M.
Thomson, A.P.
Tuckey, C.W.
Vale, D.S.
Washer, M.J.
Wooldridge, M.R.L.

Howard, J.W.
Hull, D.F.
Kelly, D.M.
Kemp, D.A.
Lindsay, P.J.
Macfarlane, I.E.
McArthur, S.*
Maylan, J. E.
Nehl, G. B.
Neville, P.C.
Prosser, G.D.
Reith, P.K.
Ruddock, P.M.
Scott, B.C.
Slipper, P.N.
Southcott, A.J.
Stone, S.N.
Thompson, C.P.
Truss, W.E.
Vaile, M.A.J.
Wakelin, B.H.
Williams, D.R.
Worth, P.M.

PAIRS
O’Byrne, M.A. — Fahey, J.J.
* denotes teller

Question so resolved in the negative.

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

ANSWERS TO QUESTIONS WITHOUT NOTICE
Pharmaceutical Benefits Advisory Committee

Dr WOOLDRIDGE (Casey—Minister for Health and Aged Care) (4.21 p.m.)—The opposition asked about a conflict of interest with Mr Clear. My office has checked with the company involved—FuCell. The CEO advises me that the company makes cells, not pharmaceuticals. It does research; it does not do research into drugs. The CEO further advises my office that it is inconceivable that anything could come before the PBAC during Mr Clear’s term. Because of that, there is no conceivable conflict of interest.

PERSONAL EXPLANATIONS
FRAN BAILEY (McEwen) (4.22 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

FRAN BAILEY—Yes.
Opposition members interjecting—

Mr SPEAKER—I remind honourable members on my left of the obligation to extend to the member for McEwen the same courtesy as was extended to members of the opposition at this time yesterday.

FRAN BAILEY—In my absence from the parliament yesterday, the member for Hotham made very disparaging remarks about me when he said in the MPI debate:

... the member for McEwen, who is not here today although I noticed that she was up in the plane with us on Sunday night. Conveniently, she is not here today for this debate.

On 29 January I was given approval for leave by the Chief Government Whip to launch the SBS program roll-out in the north-east of my electorate. I was unable to be back in this place until late last night because I have a daughter in hospital. Not only did the member for Hotham make those disparaging remarks in this place but both he and the member for Batman have repeated those in press releases throughout my electorate. The member for Hotham does not have the standard of decency to occupy that chair.

QUESTIONS TO MR SPEAKER

Questions on Notice

Mr McMULLAN (4.24 p.m.)—I have a question to you, Mr Speaker, on behalf of three of my colleagues: the member for Wills, the member for Jagajaga and the member for Barton. It relates to matters to do with standing order 150. Each of those three members has questions to the Minister for Health and Aged Care, all of which were put down in 1999 and have not been answered. They are the only four questions from 1999 that have not been answered and they are all to the same minister. They are outstanding by a total of 2,575 days between them and they have been raised in this House under standing order 150 on 17 occasions.

Mr SPEAKER—The Manager of Opposition Business will come to his point.

Mr McMULLAN—I am. Each of those members is entitled—because another 60 days has elapsed—to get up and ask you to write four more letters to the minister, but it seems to be a waste of time because he does not answer. As we are absolutely confident that you have done your duty under standing order 150 and have written, we would like to ask you to table the minister’s answers to your letters to him under standing order 150.

Mr SPEAKER—I will follow up the issues raised by the Manager of Opposition Business as the standing orders provide.

PERSONAL EXPLANATIONS

Mrs GASH (Gilmore) (4.25 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mrs GASH—Yes, indeed.

Mr SPEAKER—Please proceed.

Mrs GASH—You may well laugh.

Mr Crean—This is a class action.

Mrs GASH—You may well laugh.

Opposition members interjecting—

Mr SPEAKER—When the House has come to order.

Mr Barresi—We can tell you’re in charge, Simon.

Mr SPEAKER—The member for Deakin!

Mr Zahra interjecting—

Mr SPEAKER—And the member for McMillan is warned. The member for Gilmore may proceed.

Mrs GASH—It distresses me to have to say that Dr Stephen Martin, who I would have expected more from, the Hon. Simon Crean and Martin Ferguson have put out press releases in my electorate stating—

Mrs GASH—Just listen.

Mrs GASH—That I betrayed the people in regional Australia when I ‘went missing’
during a Labor private member’s bill. Mr Speaker, I had special leave to attend a funeral in my electorate at Ulladulla, where I lost one of my young constituents and where 25 other people were injured. I did not go ‘missing in action’ and, Stephen Martin, you should know better.

QUESTIONS TO MR SPEAKER

Questions on Notice

Ms ELLIS (4.27 p.m.)—Mr Speaker, under standing order 150 I ask for your assistance in writing to the Minister for Aged Care in relation to question 2072 placed on the Notice Paper by me on 12 October and, similarly, question 1600, again to the Minister for Aged Care, placed on the Notice Paper of 5 June 2000. I have not received an answer to either of those questions.

Mr SPEAKER—I will follow up on the matters raised by the member for Canberra. I call the member for Murray.

Mrs Crosio interjecting—

Mr SPEAKER—I remind the member for Prospect, for the last time, of her status in this House. She has already been warned. She seems to feel she has a licence to interject at will. The standing orders do not allow that to happen.

PERSONAL EXPLANATIONS

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (4.28 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Dr STONE—Most grievously—and on two separate occasions. On Monday, on the ABC radio program AM, an answer to a question about whether fuel prices were a concern in my electorate was very selectively edited and then introduced by the journalist in such a way that my very public and total support for this government’s fuel prices scheme and excise policy was misrepresented.

The second misrepresentation was when Labor repeated this inference in the House yesterday. I too was on leave yesterday and I did not hear it personally. It was reported in Hansard. I feel that this is, in the case of the Labor Party, a most gross, deliberate and malicious misrepresentation of my personal stand on and support for this government’s fuel policies.

Mr SPEAKER—The member for Murray has indicated where she has been misrepresented.

QUESTIONS TO MR SPEAKER

Questions on Notice

Mrs CROSIO (4.29 p.m.)—Mr Speaker, could I say before I ask my question under standing order 150, the interjection I made— and I am sorry if I offended you—concerned the open reading of a newspaper in this parliament on the front bench by the Treasurer of this government. And I just question whether that is in order.

Mr SPEAKER—In that instance, the member for Prospect ought, of course, to have drawn my attention to that matter.

Mrs CROSIO—I would, under standing order 150, ask you again to write to the Minister for Transport and Regional Services on question 2077 in my name from 12 October 2000. Would you also write to the Minister for Veterans’ Affairs on question 2138 in my name from 7 November 2000 and to the Minister for Family and Community Services under question 2185 in my name from 28 November 2000. I would appreciate action in that regard.

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

PERSONAL EXPLANATIONS

Mr BILLSON (Dunkley) (4.30 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr BILLSON—Yes, repeatedly.

Mr SPEAKER—Please proceed.

Mr BILLSON—It saddens me greatly that, after making a personal explanation last night highlighting the reckless indifference to the truth that the Labor Party have about my position on fuel taxes—
Mr SPEAKER—The member for Dunkley will come to the point about which he has been misrepresented.

Mr BILLSON—that untruth has been perpetuated by the members for Hotham and Batman by way of a press release and also, regrettably, in the respected journal the Herald Sun in Melbourne. The Herald Sun seems to make the point that I have been duplicitous in my view in suggesting that a February CPI indexed tax freeze was sensible policy.

Opposition members interjecting—

Mr SPEAKER—The member for Dunkley is entitled to be heard in silence.

Mr BILLSON—I have never advocated that view. That was conveyed to the journalist at the Herald Sun, who quite accurately recorded my comments as—

Mr Crean interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition is defying the chair.

Mr BILLSON—and I quote:

Mr Billson said freezing the February excise indexation would have been a knee-jerk short-term political stunt that would have delivered barely distinguishable results. He said he supported a more meaningful reduction in fuel taxes once the impact—

Opposition members interjecting—

Mr Crean interjecting—

Mr SPEAKER—The member for Dunkley will resume his seat. I warn the Deputy Leader of the Opposition! This is not an action I take lightly but, by any standard, the chair is being defied and provoked by the actions currently being taken by members on my left. I call on all members to exercise greater restraint. The member for Dunkley will come to where he has been misrepresented.

Mr BILLSON—I continued to say:... once the impact of a full year of the new tax system had been assessed.

That very measured, sensible policy position was actually contained in the article prepared by the journalist from the Herald Sun, but the sub-editors whipped it out, giving the story quite a different meaning in what was published that entirely misrepresented my position. I am happy to refer my proposal to the Treasurer or shadow Treasurer—it is a good plan.

Mr SPEAKER—The member for Dunkley has indicated where he has been misrepresented.

LEAVE OF ABSENCE

Motion (by Mr Reith) agreed to:

That leave of absence until 8 March 2001 be given to Mr Fahey on the ground of ill health.

AUDITOR-GENERAL’S REPORTS

Report No. 28 of 2000-01

Mr SPEAKER—I present the Auditor-General’s audit report No. 28 of 2000-01 entitled Audit activity report—July to December 2000—Summary of outcomes.

Ordered that the report be printed.

PAPERS

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

Motion (by Mr Reith) proposed:

That the House take note of the following paper:


Debate (on motion by Mr McMullan) adjourned.

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

That the House take note of the following paper:

COMMITTEES

Employment, Education and Workplace Relations Committee

Membership

Mr SPEAKER—I have received advice from the Government Whip that he has nominated Mr Ronaldson to be a member of the Standing Committee on Employment, Education and Workplace Relations in place of Dr Nelson.

Mr Tanner interjecting—

Mr SPEAKER—If the member for Melbourne has quite finished his intervention without permission, I will recognise the parliamentary secretary.

Ms Gillard interjecting—

Mr SPEAKER—The member for Lalor is warned!

Motion (by Mr Slipper)—by leave—agreed to.

That Dr Nelson be discharged from the Standing Committee on Employment, Education and Workplace Relations and that, in his place, Mr Ronaldson be appointed a member of the committee.

MATTERS OF PUBLIC IMPORTANCE

Goods and Services Tax: Business Activity Statement

Mr SPEAKER—I have received a letter from the honourable member for Wills proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The complexity of the BAS reporting requirements, which breach the government’s pre-election promises that it would simplify the taxation system and cut red tape for small business by 50 per cent.

I call upon those members who approve of the proposed discussion to rise in their places.

More than the number of members required by the standing orders having risen in their places—

Mr KELVIN THOMSON (Wills) (4.36 p.m.)—Mr Speaker—

Motion (by Mr Reith) put:

That the business of the day be called on.

The House divided. [4.41 p.m.]

(Mr Speaker—Mr Neil Andrew)

Ayes………..  74
Noes………..  60
Majority……. 14

AYES

Abbott, A.J.  Anderson, J.D.
Andrews, K.J.  Anthony, L.J.
Bailey, F.E.  Bartlett, K.J.
Barresi, P.A.  Billson, B.F.
Bishop, J.J.  Cadman, A.G.
Causey, I.R.  Costello, P.H.
Draper, P.  Entsch, W.G.
Forrest, J.A.  Gambaro, T.
Haase, B.W.  Hawker, D.P.M.
Hull, K.E.  Katter, R.C.
Kelly, J.M.  Lieberman, L.S.
Lloyd, J.E.  May, M.A.
McGauran, P.J.  Nairn, G. R.
Nelson, B.J.  Nugent, P.E.
Ronaldson, M.J.C.  Pyne, C.
Schultz, A.  Secker, P.D.
Somlyay, A.M.  St Clair, S.R.
Sullivan, K.I.M.  Thomson, A.P.
Tuckey, C.W.  Vale, D.S.
Washer, M.J.  Wooldridge, M.R.L.

NOES

Adams, D.G.H.  Alger, A.N.
Bevis, A.R.  Brereton, L.J.
Burke, A.E.  Byrne, A.M.
Corcoran, A.K.  Cox, D.A.
Crean, S.F.  Crosio, J.A.
Danby, M.  Edwards, G.J.
Ellis, A.L.  Emerson, C.A.
Evans, M.J.  Ferguson, L.D.T.
Ferguson, M.J.  Fitzgibbon, J.A.
Gerrick, J.F.  Gibbons, S.W.
Gillard, J.E.  Griffin, A.P.
Hall, J.G.  Hatton, M.J.
Hoare, K.J.  Hollis, C.
Mr CREAN (Hotham) (4.47 p.m.)—I move:

That all words after ‘that’ be omitted with a view to substituting the following words:

‘the Senate message be considered forthwith’.

I move this motion because of the urgency of the matter and the need to give immediate relief to Australian motorists who are being hurt by the actions of the Howard government, which has already gagged debate on Labor’s petrol tax bills. Now is your moment, Fran; come on down! Now is your moment, member for Gilmore; come on down! You want every sort of excuse in this place to say why you will not—

Question put:

That the question be now put.

The House divided. [4.52 p.m.]

(Mr Speaker—Mr Neil Andrew)

Ayes…………. 74
Noes…………. 61
Majority……… 13

AYES


Mr SPEAKER—I have received a message from the Senate acquainting the House that Senator McKiernan has been discharged from the Joint Standing Committee on Foreign Affairs, Defence and Trade and that Senator Gibbs has been appointed a member of the committee.

GOODS AND SERVICES TAX: PETROL PRICES

Consideration of Senate Message

Mr SPEAKER—The Senate acquaints the House of Representatives with the following resolution agreed to by the Senate this day:

That, in the opinion of the Senate, the following is a matter of urgency:

The failure of the Howard government to honour its promise that the GST would not push up the price of petrol which has resulted in the government collecting a fuel tax windfall from the pockets of struggling Australian motorists.

The Senate requests the concurrence of the House in this resolution.

Motion (by Mr Slipper) put:

That the message be considered at the next sitting.
Mr SPEAKER—The bells are being rung for one minute. I appoint the same tellers as for the previous division. Members must remain in their seats unless they are leaving the chamber or they did not vote in the previous division or they are changing their vote, in which case they must report to the tellers.

Original question put:
That the motion (Mr Slipper’s) be agreed to.

The House divided. [4.57 p.m.]

(Mr Speaker—Mr Neil Andrew)
Ayes………… 74
Noes………… 61
Majority……… 13

AYES
Abbott, A.J. Anderson, J.D.
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, J.R. Charles, R.E.
Costello, P.H. Downer, A.J.G.
Draper, P. Elson, K.S.
Entsch, W.G. Fischer, T.A.
Forrest, J.A * Gambino, T.
Gallacher, C.A. Gash, J.
Hardgrave, G.D. Hockey, J.B.
Hull, K.E. Jull, D.F.
Katter, R.C. Kelly, D.M.
Kelly, J.M. Kemp, D.A.
Lawler, A.J. Lieberman, L.S.
Lindsay, P.J. Lloyd, J.E.
Nairn, G. R. Moylan, J. E.
Nelson, B.J. Nehl, G. B.
Nugent, P.E. Neville, P.C.
Pyne, C. Prosser, G.D.
Ruddock, P.M. Reith, P.K.
Ronaldson, M.J.C. Ruddock, P.M.
Schultz, A. Scott, B.C.
Secker, P.D. Slipper, P.N.
Somlyay, A.M. Southcott, A.J.
St Clair, S.R. Stone, S.N.
Sullivan, K.J.M. Thompson, C.P.
Thomson, K.J.Z. Vaile, M.A.J.
Tuckey, C.W. Wakelin, B.H.
Vale, D.S. Williams, D.R.
Washer, M.J. Worth, P.M.

NOES
Adams, D.G.H. Albanese, A.N.
Mr CREAN (Hotham) (4.58 p.m.)—I move:

That so much of the standing and sessional orders be suspended as would prevent:

(1) notices Nos 4 and 5, private Members’ business, being called on forthwith and the bills being presented by the Deputy Leader of the Opposition; and

(2) the bills being passed through all stages without delay.

You can run but you can’t hide. We can get Fran Bailey up here. This one will be seconded by the Manager of Opposition Business so these shonky little deals about trying to deny debate on petrol will fail.

Motion (by Mr Reith) put:

That the member be not further heard.

The House divided. [5.04 p.m.]

(Mr Speaker—Mr Neil Andrew)

AYES

Abott, A.J.     Anderson, J.D.
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.    Fischer, T.A.
Forrest, J.A.   Gallus, C.A.
Gambaro, T.     Gash, J.
Haase, B.W.     Hardgrave, G.D.
Hawker, D.P.M.  Hockey, J.B.
Hull, K.E.      Jull, D.F.
Katter, R.C.    Kelly, D.M.
Kelly, J.M.     Kemp, D.A.
Lieberman, L.S. Lindsay, P.J.
Lloyd, J.E.     Macfarlane, I.E.
May, M.A.       McArthur, S.
McGauran, P.J.  Moylan, J. E.
Nairn, G. R.    Nehr, G. B.
Nelson, B.J.    Neville, P.C.
Nugent, P.E.    Prosser, G.D.
Pyne, C.        Reith, P.K.
Ronaldson, M.J.C. Ruddock, P.M.
Schultz, A.     Scott, B.C.
Secker, P.D.    Slipper, P.N.
Somlyay, A.M.   Southcott, A.J.
St Clair, S.R.  Stone, S.N.
Sullivan, K.J.M. Thompson, C.P.
Thomson, A.P.   Truss, W.E.
Tuckey, C.W.    Vaile, M.A.J.
Vale, D.S.      Wakeham, B.H.
Washer, M.J.    Williams, D.R.
Wooldridge, M.R.L. Worth, P.M.

NOES

Adams, D.G.H.   Albanese, A.N.
Bevis, A.R.     Brereton, L.J.
Burke, A.E.     Byrne, A.M.
Corcoran, A.K.  Cox, D.A.
Crean, S.F.     Crosio, J.A.
Danby, M.       Edwards, G.J.
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.
Goldstein, J.E. Griffin, A.P.
Hall, J.G.      Hatton, M.J.
Hoare, K.J.     Hollis, C.
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.
Martin, S.P.
McFarlane, J.S.
Melham, D.
Murphy, J. P.
Price, L.R.S.
Ripoll, B.F.
Rudd, K.M.
Sciacca, C.A.
Sidebottom, P.S.
Snowdon, W.E.
Tanner, L.
Wilkie, K.
Pyne, C.
Ronaldson, M.J.C.
Schultz, A.
Secker, P.D.
Somlyay, A. M.
St Clair, S.R.
Sullivan, K.J.M.
Thomson, A.P.
Tuckey, C.W.
Vale, D.S.
Washer, M.J.
Wooldridge, M.R.L.

PAIRS
Howard, J.W.
Fahey, J.J.
* denotes teller

Question so resolved in the affirmative.

Mr McMULLAN (Fraser—Manager of Opposition Business) (5.07 p.m.)—Why are they all heroes at home and cowards in Canberra? That is what we want to know

Motion (by Mr Reith) put:
That the member be not further heard.

The House divided. [5.09 p.m.]

(Mr Speaker—Mr Neil Andrew)

Ayes………….. 74
Noes………….. 60
Majority……… 14

AYES
Abbott, A.J.
Andrews, K.J.
Bailey, F.E.
Barreti, P.A.
Billson, B.F.
Bishop, J.I.
Cadman, A.G.
Causley, I.R.
Costello, P.H.
Draper, P.
Entsch, W.G.
Forrest, J.A *
Gambaro, T.
Haase, B.W.
Hawker, D.P.M.
Hull, K.E.
Katter, R.C.
Kelly, J.M.
Lieberman, L.S.
Lloyd, J.E.
May, M.A.
McGauran, P.J.
Nairn, G. B.
Nelson, B.J.
Nugent, P.E.
Reith, P.K.
Ruddock, P.M.
Scott, B.C.
Slipper, P.N.
Southcott, A.J.
Stone, S.N.
Thomson, C.P.
Truss, W.E.
Vaile, M.A.J.
Wakelin, B.H.
Williams, D.R.
Worth, P.M.

NOES
Adams, D.G.H.
Bevis, A.R.
Burke, A.E.
Corcoran, A.K.
Crean, S.F.
Danby, M.
Ellis, A.L.
Evans, M.J.
Ferguson, M.J.
Gerick, J.F.
Gillard, J.E.
Hall, J.G.
Hoare, K.J.
Horne, R.
Jenkins, H.A.
Kerr, D.J.C.
Lawrence, C.M.
Livermore, K.F.
Martin, S.P.
McFarlane, J.S.
McElhaney, R.F.
McMurdo, R.F.
Price, L.R.S.
Ripoll, B.F.
Rudd, K.M.
Sciacca, C.A.
Sidebottom, P.S.
Snowdon, W.E.
Tanner, L.
Wilkie, K.

PAIRS
Fahey, J.J.
Howard, J.W.
* denotes teller

Question so resolved in the affirmative.

Original question put:
That the motion (Mr Crean’s) be agreed to.

The House divided. [5.11 p.m.]

(Mr Speaker—Mr Neil Andrew)

Ayes………….. 60
Noes………….. 74
Majority……… 14
AYES

Adams, D.G.H.  Albanese, A.N.
Bevis, A.R.  Brereton, L.J.
Burke, A.E.  Byrne, A.M.
Corcoran, A.K.  Cox, D.A.
Cran, S.F.  Crosio, J.A.
Danby, M.  Edwards, G.J.
Ellis, A.L.  Emerson, C.A.
Evans, M.J.  Ferguson, L.D.T.
Gericke, J.F.  Fitzgibbon, J.A.
Gillard, J.E.  Giffins, S.W.
Hall, J.G.  Hatton, M.J.
Hoare, K.J.  Hollis, C.
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.  McLennan, R.F.
Melham, D.  Mosefield, F.W.
Murphy, J. P.  O’Connor, G.M.
Price, L.R.S.  Quick, H.V.
Ripoll, B.F.  Roxon, N.L.
Rudd, K.M.  Sawford, R.W *
Sciacca, C.A.  Sercombe, R.C.G *
Sidebottom, P.S.  Smith, S.F.
Snowden, W.E.  Swan, W.M.
Tanner, L.  Thomson, K.J.
Wilkie, K.

NOES

Abbott, A.J.  Anderson, J.D.
Andrews, K.J.  Anthony, L.J.
Bailey, F.E.  Baird, B.G.
Barresi, P.A.  Bartlett, K.J.
Bishop, J.J.  Bishop, B.K.
Cadmam, A.G.  Brough, M.T.
Causley, I.R.  Cameron, R.A.
Costello, P.H.  Charles, R.E.
Draper, P.  Downer, A.J.G.
Entsch, W.G.  Elson, K.S.
Forrest, J.A *  Fischer, T.A.
Gambaro, T.  Gallus, C.A.
Haase, B.W.  Gash, J.
Hawker, D.P.M.  Hardgrave, G.D.
Hull, K.E.  Hockey, J.B.
Katter, R.C.  Jul, D.F.
Kelly, J.M.  Kelly, D.M.
Lieberman, L.S.  Kemp, D.A.
Lloyd, J.E.  Lindsay, P.J.
May, M.A.  Macfarlane, I.E.
McGauran, P.J.  McArthur, S *
Nairn, G. R.  Moylan, J. E.
Nelson, B.J.  Nehl, G. B.
Nugent, P.E.  Neville, P.C.
Pyne, C.  Prosser, G.D.
Ronaldson, M.J.C.  Reith, P.K.
Schultz, A.  Ruddock, P.M.
Secker, P.D.  Scott, B.C.
Somlaysia, A.M.  Slipper, P.N.
St Clair, S.R.  Southcott, A.J.
Sullivan, K.J.M.  Stone, S.N.
Thomson, A.P.  Thompson, C.P.
Tuckey, C.W.  Truss, W.E.
Vale, D.S.  Vaile, M.A.J.
Washer, M.J.  Wakehin, B.H.
Wooldridge, M.R.L.  Williams, D.R.

* denotes teller

Question so resolved in the negative.

COMMUNICATIONS AND THE ARTS LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL 2000

Main Committee Report

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 Slipper)—by leave—read a third time.

HEALTH LEGISLATION AMENDMENT BILL (No. 3) 2000

Second Reading

Debate resumed.

Mr MOSSFIELD (Greenway) (5.17 p.m.)—Before the debate was interrupted for question time I was quoting an article by Mr Mark Ragg in the Sydney Morning Herald of 18 September, which states:

Together the two papers show that rising numbers of people in private health insurance will lead to increased treatments being offered after a heart attack, which will lead to increased federal government expenditure for private hospital care.

That expenditure comes about because Medicare pays 75 per cent of the schedule fee for doctors’ charges, radiology and pathology in private hospitals. Health funds cover 25 per cent of the schedule fee and the patient pays the gap between the schedule fee and the doctor’s charge, which in some cases, can be as much as the schedule fee.

It is interesting that the public sector, which is usually maligned as inefficient and costly by those opposite, is actually able to provide...
a service for half the price that the private sector can deliver. Public hospitals and public expenditure on health are value for money. The Monash study shows what the Labor Party has said from the outset, that it may have made better economic sense for the government to increase their funding for public hospitals rather than subsidise private health coverage. Unfortunately, that particular Pandora’s box has already been opened.

The 30 per cent rebate for private health insurance was originally costed at $1.5 billion but is likely to grow to $2.2 billion in 2002-03, which is greater than the government’s contribution to public hospitals over the past four years.

This input into the private health system raises the question of how serious the present government is in maintaining the Medicare system. It is rumoured that the Prime Minister is not the strongest supporter of Medicare in Australia. However, because it is popular with the voters and provides an egalitarian national health system, Medicare will survive, at least in the short term. With its contribution to the private health sector, the government is promoting the sector as a significant part of this country’s health system rather than, as the ALP now sees it, as complementary to the public system. My concern is that, with this increase in funding for the private health system, the government will be searching for budgetary savings, which means it will be looking at other areas.

The undermining of Medicare can be seen in most government alterations to the health system. The government’s $17 million advertising campaign for the rebate for private health insurance carried with it a message ‘Run for Cover’ which suggests that Medicare has a use-by date. Another dangerous development is the possible extension of the government’s move of imposing a Medicare levy surcharge on high income earners who do not join a private health fund. It is feared by some that people could be allowed to opt out of Medicare and rely totally on private coverage. To add strength to that particular argument, I would like to quote from an article in the Sydney Morning Herald by David Humphries on 22 November. I will read the final couple of paragraphs of the article, which was headed ‘Public hospitals creak under private pressure’:

But failure of the insurance rally to translate into less reliance on public hospital beds has delivered the prospect of a two-tier health insurance model that threatens Medicare’s universality.

To be sure, it’s not government policy but the lobbying has begun. The NSW Health Funds Association, for instance, wants the Federal Government to allow its customers to choose between private insurance and the Medicare levy. You can be sure others will follow. Only the battleground is being marked out—the real shots are yet to be fired.

Another concern is that means testing will be introduced to restrict the number of people using Medicare. In an article in the Sydney Morning Herald on 6 July last year, a spokesperson for Dr Wooldridge said that the minister had ruled this out forever. These are very dangerous words when we remember the Prime Minister’s ‘never, ever’ promise on the GST. Mike Steketee in the Australian of 27 June suggested the possibility of means testing and opting out and predicted: It would transform Medicare from a universal health system to a safety net, put more emphasis on ability to pay as a criterion for standard of health care and based on evidence here and overseas, lead to much costlier and possibly inferior health care.

Bulk-billing must remain an essential feature of our health system. If we look at health policy in terms of government stated economic policy, again we see the gross hypocrisy that those members opposite display. ‘Let the market decide,’ they cry. The market has spoken when it comes to the health system. The market clearly wanted Medicare. In every opinion poll that you might care to examine, the retention of a universal Medicare system funded by the federal government is what the people of this country want.

Australians left private health insurance in droves. Why? It was because the private health insurance companies were not providing a service that people wanted to buy at the price at which it was being offered to them. People rejected these private companies and chose instead to support the univer-
sal Medicare system. It is back to the basic fundamentals of economics once again. The market decided it wanted Medicare, so what did the government do? It intervened in the marketplace. It waded in, slapped the invisible hand out of the way and deliberately distorted the marketplace. This government went against every economic principle it holds dear in order to prop up the private health insurance companies. If it was serious about supporting the market and allowing the marketplace to decide, the only possible option it had was to pump more money into health care and it has not done so. We must ask why this government, which refuses to step in and regulate so many sectors of the economy, using this ‘letting the market decide’ excuse, has been so quick to step into this industry.

So many Australian companies are in financial difficulties—textiles, clothing and the manufacturing industry. Is this government propping them up? No. Yet it is quite happy to prop up the private health insurance companies. It is trying to have its cake and eat it too. It had better watch out, though, because too much cake can lead to tooth decay, and it abolished the Commonwealth dental health program some time ago. I would like to conclude my comments by saying that I support the amendments to be moved by the shadow minister, the member for Jagajaga, and urge the minister to have a good look at himself and his policies once again.

Mrs CROSIO (Prospect) (5.25 p.m.)—I rise to speak on the Health Legislation Amendment Bill (No. 3) 2000 which proposes various amendments to coverage of private health insurance policies. The main feature of these amendments that were presented will enable private health policies to cover the cost of outreach services as a substitute for hospital care.

The definition of such services under the act will be determined by the Minister for Health and Aged Care. The proposed amendment has its benefit in the fact that it may—and I say may—lead to shorter hospital stays, but it certainly will place more emphasis on care within the home environment. I am pleased that the government has had some sense and will, I understand, now accept Labor’s amendments which are designed to strengthen and protect the public health system in Australia. Labor will therefore be supporting the amended bill.

Labor’s amendments, however, ensure that after-care services can only be classified as medical services other than normal doctors’ services which are claimed on Medicare. This will prevent a dramatic rise in doctors’ fees for ordinary medical visits and services. Labor is committed to maintaining a strong and accessible public health system, and these amendments, to which the government has now agreed, reflect the Labor Party’s position on public health.

However, I would like to make some statements on the direction in which the public health system is heading under this government, in particular the way in which this government has now encouraged Australians to take out private health cover, at the expense of our public hospital system. Since this government has come to office, the public health system has been inflicted with many wounds caused by federal government cuts to services. Funding to our public health system must be increased, and I am pleased that a Beazley Labor government will be dedicated to restoring funding to public hospitals and to saving our public health system.

At the moment, public hospitals in Australia are in a desperate situation, because the federal government has failed to properly index public hospital grants—and, as we all know, hospitals need every dollar that is available to them. However, we have seen, from a recent Lifetime Health Cover campaign, that this government has been more concerned with spending $17 million of taxpayers money on advertising private health insurance policies. This is money which could have been injected into our public health system. This is a cost which should not have been borne by the Australian taxpayer. It should have been a cost borne by the private health insurance industry. While
Australian people do have a right to be well informed of government initiatives with regard to private health insurance, this government subsidised advertising campaign for Lifetime Health Cover is hardly money well spent.

On 20 November 2000 the Melbourne Age reported that the ACCC will investigate Medibank Private after it made false and misleading statements during the government subsidised advertising campaign. It has also come to my knowledge, and to others, I am sure, that six other private health insurers are now being investigated by the ACCC over the Lifetime Health Cover advertising campaigns. The Age article also states that this government will allow funds for yet another advertising campaign to help clear up the confusion created over the Lifetime Health Cover campaign. The Age then estimated that there would be close to $10 million for another campaign. What an absolute outrage!

As I said, the original Lifetime Health Cover campaign cost the taxpayer $17 million and now we find that those consumers are being misled about waiting periods and about rises in premiums and clauses such as pre-existing ailment rules. Consumers have a right to be told the facts of their policies before they sign up to them, not after the event. Taxpayers should not now have to fork out another $10 million to clear up the ambiguity and the lack of information contained in the original campaign. The original Lifetime Health Cover campaign was not ambiguous at all about the fact that, if you did not sign up for Lifetime Health Cover before 1 July 2000, you would face related financial penalties and pay more from age 31 onwards. That point was made very clear, and the nature of such a campaign encouraged more than three million Australians to sign up to private health insurance. It is now apparent that many Australians do not even know the full details of what they have signed up to. The same circumstances of accountability as apply to all recipients of Commonwealth funds should apply to these insurance funds.

If someone on welfare, whether accidentally or not, misleads or makes a false statement to Centrelink, they must pay the money back or they face penalties. In extreme circumstances they may face fines and even prison terms. Will we now see similar standards applying to these private health funds if they are found to have made misleading or false statements in their advertisements? After all, they were subsidised by Commonwealth taxpayers’ funds. The Age, again on Monday, 20 November, reported that a spokesperson for Medibank Private ‘denied that Medibank Private had any intention of misleading its members’. Is this excuse acceptable to the government? I wonder if the same excuse would be tolerated from someone who had been accused of defrauding the welfare system under our social security structure. My constituents are taxpayers and they, particularly those who cannot afford private health insurance cover, would be outraged to learn that an additional $10 million of their taxes was now going to be used to fund an advertising campaign for private health insurers. It is a further outrage that this new campaign is designed to clear up some of the misleading and false statements made by private health insurance funds in their original $17 million taxpayer subsidised campaign.

Due to these advertising campaigns, there has been a dramatic rise in the number of Australians taking out private health insurance policies. We now know that there are more than eight million Australians who have insurance cover. This is about 45.8 per cent of the population and certainly an increase—which I admit—from the 33.6 per cent of June 1996 figures. However, this has come about at the expense of the public health system, which many of my constituents continue to rely on. This government likes to think that, after spending more than that $17 million of taxpayers’ money on advertising Lifetime Health Cover and then agreeing to look at a program to spend another $10 million—again to explain the misleading and false statements—increases in private health insurance policies have now taken pressure off the public health system. It
may come as a surprise to those in government to learn that in fact the public health system has not been relieved of any pressure at all. There is no evidence to suggest that it has. In fact, evidence suggests that it has now increased the burden on our public health system.

We are at a time when more people than ever before have private health insurance policies. However, the lists of people waiting for operations in public hospitals are the longest they have ever been. On Saturday, 11 November, the Sydney Morning Herald reported that the list of people waiting for surgery in public hospitals in New South Wales had blown out to 58,317, with more than 8,000 of these having been waiting more than a year for surgery. This waiting list has grown by more than 10,000 over the last three years, despite the steady rise in the number of people with private health insurance. In 1997, when 31.9 per cent of the New South Wales population was covered by private health insurance, we had 46,444 people waiting for elective surgery in the public hospital system. Two years later, in late 1999 and almost a year after the 30 per cent rebate was introduced, 47 per cent of the population of New South Wales was covered by private health insurance and—wait for it—the waiting list for public surgery has now grown to 50,958.

The fact is that there is now little incentive to declare private health insurance once a person has taken out a policy. Many people have taken out the cheapest policies on offer under the Lifetime Health Cover scheme—and I do not blame them, because they can ill afford some of the prices that are being offered in some of our so-called Medicare price structures. But the policies that they have taken out have very high financial excesses. The financial disincentive of claiming their insurance just becomes too large for them, much like that of a no-claims bonus in motor vehicle insurance: they have a small knock; they do not claim it and they have it fixed because they know they will lose their no-claims bonus. In the case of health they cannot do the same, so they stay in the public health hospital system. Eighty-eight per cent of the 881,742 policies that have been taken out under Lifetime Health Cover since December 1999 have exclusions or excess charges when a claim is made. It is highly unlikely that these people with private health insurance policies will declare their insurance if, for example, they are admitted to a public hospital in an emergency.

Why would they? If, for example, they have taken out hospital cover with a $1,000 excess and are admitted to a public hospital in an emergency and they then choose to use their insurance, they will then have to pay that $1,000 excess at the end of their service or health care, plus any gaps the doctors then decide to charge. If they decide not to claim their private cover, they will receive the same treatment in the same surroundings and will leave the hospital with nothing to pay. This makes it very hard to understand why anyone would then claim his or her private health insurance for a public hospital visit. It certainly explains the excess strain on our public system and why it is continuing.

The financial disincentives are also present in private hospitals. Of course, some advantages may occur: you may receive your operation sooner, you may have a private room and you may even perceive you have better food. But at the end of the day you will still have to fork out that $1,000 in excess and more in doctors’ fees if you have that particular type of insurance. Alternatively, if you go without the surgery for a while and you then wait on the public hospital waiting list in the long run, you pay nothing. Believe me: that is the alternative that my constituents are now taking on. The financial disincentives of claiming insurance and the existence of a gap on top of the private cover make it more attractive to continue to use the public system than to claim private health cover.

It is due to this government’s blind belief in the equation of more private health policies equalling fewer people using the public system that indexed public hospital funding has been decreased, as the government’s rationale suggests that the public system now has less demand. The public hospitals are
now more than ever overworked. The public health system is now suffering at the hands of the federal government’s policies and stubborn ideology. Another drain on the public system which is a result of the increase in private health insurance is the blow-out in the 30 per cent rebate which was offered as an incentive for Australians to sign up to private health insurance. The Prime Minister recently revealed that the cost of the rebate has inflated to about $500 million more than the $1.8 billion originally allocated in last May’s budget.

The minister has so far refused to remove the clawback provisions in the Australian health care agreements, which allow for the Commonwealth to claw back the health funding allocated to the states. The minister refused to remove the clawback provisions because he is now under pressure from the Treasury to find that extra $500 million to pay for the blow-out in the rebate. Will this money now come out of the promised funding arrangements to the states for the public hospital system? Public hospitals will now suffer even more cuts in public funding because of the increase in private health insurance policies. However, the burden on the public hospital system has not been relieved. I say to the minister for health: just wake up to yourself; stop believing your own self-praise, look at the figures and see what is actually going on out there in the public hospital system, particularly as far as the health of the ordinary human being is concerned. And he will find out, if he cares to look and listen, that it is now in crisis. He will also find that this government has consistently failed to fulfil its obligations to maintain a high-quality, universal and accessible public health system. The government has set about systematically destroying the public health system in this country. Ever since the government came into office, every piece of legislation that it has introduced in the health portfolio has been another nail in the coffin for Medicare and public health in Australia.

As I said, we on this side of the House will be supporting the bill now that the government has accepted Labor’s commonsense amendments. However, the government stands condemned for allowing $27 million of taxpayers’ money to be squandered on advertising private health company policies, which are now being investigated by the ACCC due to misleading and false statements, and for the way in which it has allowed queues for surgery within public hospitals to increase while, at the same time, there is an all-time high number of Australians with private health insurance.

People can say that I am exaggerating a little bit in some of the information that I have presented. I ask them to refer to the Private Health Insurance Ombudsman’s annual report of 2000, which was presented on 24 August last year. There are some interesting comments in it if one chooses to read it, and I say to the minister: if you do not read it, at least have your staff read it and they might report back to you. Even the ombudsman touched on these points:

In September 1999, the Minister of Health and Aged Care established an expert committee to examine the interpretation and implementation of the current rules associated with pre existing ailments and conditions. That is something that, if I have the time, I would like to touch on further regarding constituents in my electorate. The ombudsman continues:

My office provided detailed written and oral presentations to the committee. It is somewhat disappointing that the committee is not yet in a position to finalise its report to the Minister—that is only 12 months on from when that committee was set up. The report continues:

The office [of the ombudsman] questions the morality of selling a product which purports to offer a 100% cover and yet relies on the contributor joining the public hospital waiting lists if they have need to access high cost exclusions. Whilst exclusion products may have had a real place by allowing for a marginal reduction in the cost of health insurance when the industry was facing declining clientele, it is questionable if the same rationale can be used now that the market has stabilised and the cost has been subsidised by the Government’s 30% rebate.

Right through the report you will find that the ombudsman is questioning not only the actions of this government but also the ac-
tions of the committees that are being set up to investigate the concerns that have been raised with him by constituents around Australia who have had to deal with some of the private health insurance companies following certain situations in which they believed they had complete cover.

I have encountered two particular instances of this. I have already written to the minister, so I will not have to name their names. They are very sad cases among many in my electorate. In one case, the woman had never suffered from heart failure but she found that, seven months after she had joined the fund, she required massive heart treatment. She went into a private hospital, and she now has a bill in excess of $9,000 and they do not know how they are going to pay it. There is another case involving a migrant from Chile who has been out here for 17 years. She is a single mother, she has no family and she has a 13-year-old son. She repeatedly went to her doctor when she was ill. He said, 'Don’t worry about it; it is part of the women’s problems that you get every month. It is no big deal.' She was in constant pain—by the way, she had already joined a private health insurance company, after the government’s advertisement said that you have to do it. She went to have treatment; they found that she has cancer. After she had treatment in a private hospital, for which she now has to pay $11,500, I was able to get her back into the Liverpool public hospital system for treatment, because the woman is dying. The woman is worried more about her son and who is going to look after him than about her own health. Yet that woman is now being hounded by debt collectors from the private hospital, who are saying, ‘You are responsible and you are going to have to pay.’

I got a very quick reply signed by the Hon. Senator Tambling to both my constituents’ concerns. I am going to have to take one of the cases a little bit further, even though one has already gone on to the ombudsman for investigation. With regard to this particular case, I was told on 31 January that a committee of three eminent persons has recently reviewed the application of the pre-existing ailment rule and they have provided a report to the minister, who has endorsed the finding that, in all circumstances, each pre-existing ailment case must be treated on its merits. How can you say that a person has a pre-existing ailment when a doctor’s record proved time and time again that there was no indication that she had cancer? How can you say to a person who had no indication of heart problems but who discovered them in a physical seven months after joining, ‘No, you must’ve had a pre-existing ailment.’ Both as government and as opposition, we have to get the message out to the constituents very clearly that some things are misleading—I would not say that that has been done deliberately, but one can only question the situation when you have constituents crying in your office because they do not have the means or the wherewithal to pay these bills and are having to go through these traumas of illness in their lives.

Supplying information through a government subsidised advertising campaign raises many questions. As I said in my speech, we have spent $17 million on it, and now the minister has agreed to another $10 million to rectify some of the errors that may have been prevalent in it initially. Why haven’t the people who were falsely misled by that information in the first place been covered? Why can’t we use that $10 million—which we are now going to use on advertising to pick up on some of the anomalies and errors that occurred in the previous $17 million advertisement—to pick up on some of the anomalies that each one of us in our electorates would have. Each one of us would probably have case after case where people have been misled, where people who thought they were doing the right thing through no fault of their own have gone into a private hospital only to find that they now have bills that they cannot pay. And, as in the case I mentioned, who can worry about paying a bill when they are dying? I find it an extraordinary situation.

The minister says that the government is going spend an extra $10 million, as stated in the Age on 20 November 2000. He also says:
The government is still considering what format the campaign, expected to run early next year, will take.

I do not know what he calls ‘early next year’. This is the second month of that year; I still have not seen any evidence of the campaign as yet, and I have been looking everywhere for it. So it has not commenced. We know that the $10 million has been allocated. We know that the government is considering it but it has to look at the format of the campaign; I would like to know when. A key plank of the campaign appears to be an attempt to get better information about insurance eligibility to the three million people who took out insurance since the government’s Lifetime Health Cover scheme was launched in May 1999. In the limited time that I have, I repeat that $17 million of taxpayers’ funds have been spent advertising this. We are now providing that 30 per cent rebate and we have blown out our budget by an extra $500 million on top of the $1.8 billion already allocated. But, more importantly, we have now seen another $10 million of taxpayers’ funds allocated to a supposed campaign to provide the correct information, which for the constituents that I represent is just a little bit too late. I condemn the government for its actions.

Mr SNOWDON (Northern Territory) (5.45 p.m.)—I am pleased to be able to participate in this debate this evening and to point out that the Health Legislation Amendment Bill (No. 3) 2000, whilst in some ways well intentioned, does not address the health care needs of rural and regional Australians, certainly not the people who live in my electorate. It should come as no surprise to the government that I should be saying this, because they ought to know what the situation is in relation to health care for people in the Northern Territory, particularly those people who live in remote communities.

The major element of the bill is, as others have pointed out, to amend the National Health Act 1953 in a way which will protect health insurance funds from legal proceedings if they disclose patient information to a day hospital so that the facility may provide the patient with informed financial consent. It will enable the private health insurance industry to provide insurance cover for the cost of outreach services as a substitute for hospital care. The range of services covered will be defined by ministerial discretion. This can already be done for non-medical services for those people with ancillary insurance and is in line with trends towards short hospital stays and increased emphasis on post hospital care in the home.

Madam Deputy Speaker Kelly, you would be aware from your electorate that people who live in regional and remote communities away from metropolitan centres have very little of the luxury of access to home care. Indeed, in the case of the Northern Territory the number of public hospitals is small and there is only one active private hospital. So the ability of even privately insured patients in the Northern Territory to access services out of hospital is difficult at the best of times, impossible for many.

But of course this does not address the real issues that confront the people in my electorate who are not fortunate enough to be either wealthy enough or indeed in some cases healthy enough to have access to private medical insurance or private medical facilities, because nothing in this legislation contemplates the needs of those people who live in regional and remote communities. As we know, and particularly in the case of the Northern Territory, by and large these remote communities are inhabited by indigenous Australians, who have the worst health outcomes in the nation. As we know—just as an indicator of the appalling health statistics which are prevalent within the indigenous community—life expectancy for Aboriginal males is nearly 20 years less than the life expectancy for Australians in general. Whilst this is a very crude example of the state of Aboriginal health, it is an issue which, as we know, remains a cause of national shame.

Although I have to say that the Minister for Health and Aged Care has been involved in implementing and initiating some quite good policies in the area of remote health, currently there is absolutely no doubt that
indigenous Australians are not able to stay at home and are being forced into cities and regional centres, away from their family and community, for their health care needs. This, of course, is true not only of indigenous Australians but also of non-indigenous Australians living in remote communities.

The government asserts that by introducing this bill and encouraging home based care it recognises the need to treat patients in their familiar surrounds to decrease the risk of infection, lower the cost of health care and free up hospital beds. I just make the observation that for the very large proportion of those Australians who live beyond the reaches of metropolitan areas, those with extremely limited access to even the most basic health care services, the aims of this bill are indeed fanciful.

The government has rightly recognised in the introduction of this bill that treating patients in familiar surrounds is extremely important. If it is important for the general population, how much more important is it for indigenous Australians in their home communities? I ask this seriously because—as indigenous Australians do demonstrate the worst health profile of all Australians, they often live in abysmal conditions and their circumstances are often in many places quite deplorable—we know that, whether their health is good, bad or indifferent, their wellbeing depends to a very large extent on them staying in their country and close to their extended family networks. Indeed, I think it is fair to say that their chances for successful treatment and recovery may be fatally compromised in an alien environment such as a hospital in an urban centre that may be hundreds and in some cases thousands of kilometres away from their country.

We cannot and should not underestimate the importance of this factor in maintaining people’s wellbeing and assisting the treatment process. It is fair, I think, to argue that for many indigenous Australians the prospect of leaving their country for treatment or for extensive stays away from their community in hospital or other treatment centres is a cause of trauma and heartache. There are often quite significant cultural and other ramifications because of the dislocation they experience. Some, sadly, may even die.

I am pleased to say that there is, and there has been over recent years, increasing recognition of the need to decentralise the delivery of health services to remote indigenous Australians. As a result of initiatives first put in place by the Keating Labor government as far back as 1996, through coordinated care trials in the Northern Territory and as a result of further advancements undertaken in consultation with indigenous Australians by the minister, there are now proposals on the board to provide a range of mechanisms for delivering health services to remote Aboriginal Australians in a culturally appropriate way, specifically to meet the needs of their communities. For all the support that the government may have given to coordinated care trials in the Katherine West region, the Tiwi Islands or Mawatj Health in addressing local health problems, I am afraid to say that the government still fails to understand that one size does not fit all in regional and remote parts of Australia. I say this because I am concerned and, in fact, quite alarmed at the patronising insensitivity shown recently by the minister for health for a community based health care initiative in my electorate.

The people of Kintore, on the Territory-Western Australian border, have decided that they want to treat renal failure within their community and not send people off to Alice Springs hospital or elsewhere. They are not asking for anything unreasonable, nor are they asking for charity. To help translate their wishes into action, they held an art auction that raised more than $1 million. If it were the community of Narrabundah here in Canberra, or of Ipswich in Queensland or, dare I say, the local community of Toowoomba in the electorate of the honourable member opposite that raised $1 million for a dialysis unit in their community, they would be praised highly by the government and no stone would be left unturned to ensure that they got what they wanted. It is not the case in this instance. You would think that this government, coming from the philosophical position that it purports to have, would ap-
plaud, support and even attempt to promote this initiative as a shining example of the government’s so called philosophy of self-empowerment. It seems, however, that you are only allowed to empower yourself if it accords with the way the government wants to do things.

The minister for health, I am sad to say—indeed, I am not pleased to report this to this house—has dismissed out of hand the idea of a stand-alone renal dialysis facility for Kintore. In an interview on ABC radio on 25 January, he said:

A renal dialysis unit is an enormously difficult thing to maintain. Keeping sterility, keeping the technical skills up. It is something that no-one in the world has ever been able to make work in the desert. I understand the people of Kintore wanting it but there are enormous difficulties because it would be a world first—and he chuckles during the course of the interview—

if it worked.

Not only is this statement patronising, not only is it inaccurate—because it is clear that home dialysis is working successfully in the Bidyadanga community in the Kimberley and other communities through the region as a result of an outreach program run by the Kimberley Aboriginal Medical Service—it has left the people of Kintore with nowhere to go. It has crushed initiative with no discussion of the options. There are alternatives to a fully equipped dialysis unit, such as happens in the Kimberley, although that may not be the only workable option. There could be negotiations with the community to get one. There is no question that there may be problems getting such an enterprise under way but these can be negotiated and worked through. People can be skilled up to do the work and infection controlled premises may well be made available. But no, the health minister cut off all discussion and said it could never be done.

This is an example of the government’s inability to come to grips with the needs of people who live in regional and remote Australia. Anything that is away from Dubbo, Traralgon or Toowoomba might as well be on the moon as far as members of this government are concerned. It also typifies the government’s total lack of understanding of the real needs of remote Aboriginal Australians and their communities and the government’s unwillingness to listen to anything that they do not want to hear. The people of Kintore did not come to this decision lightly. They see family members suffering from renal failure and they are distressed to lose them even temporarily to Alice Springs. Often, when they do depart to Alice Springs, they never return. They came to the rational decision that if they wanted it badly enough, they had to show willing. They raised the money and asked for support only to have it thrown back in their faces.

We often hear about the term ‘practical reconciliation’, but it is increasingly clear that this government is only comfortable when it can impose. It simply cannot cope when people stand up, express their wishes and back it up with action.

Commenting on this question of whether or not the dialysis units could run in a place like Kintore, the *Alice Spring News* quotes Associate Professor Mark Thomas of the Royal Perth Hospital on their remote area dialysis program as follows:

Starting in 1989, the program assists 54 Aboriginal patients in remote areas, the most remote living at Kalumburu. 47 of these patients are on peritoneal dialysis—using a tube to feed sterile fluid into the stomach four times a day. The remaining seven are on home haemo dialysis, which means they use a machine and which Dr Thomas says requires “spouse, house and nous”. This means a trained helper (three months) and a room with power, water, drainage, temperature control and security.

Dr Thomas says while the requirements are complex, people usually find “creative solutions” given the only other choice of going to a city for treatment. Urban centre treatment costs between $30,000-$60,000 per patient per year, and bush costs are only about 25 per cent more expensive. Set-up cost in remote locality is $12-20,000, plus $5,000 for a water treatment plant, provided the other services are in place. Dr Thomas says the success rate is “surprisingly good”.

Aboriginal medical services report that the Commonwealth has another blind spot in its
understanding of the needs of disabled Aboriginal people in remote communities. It does not know how many disabled people there are, what sort of treatment may be available, what kind of housing needs people have and what problems of access they might have. This is just a further example of the failure of government to come to terms with its responsibilities in providing appropriate health services to people who live in regional and remote Australia.

Mr Hockey—That is not true.

Mr SNOWDON—I do not know how I would refer to this bumptious character at the table.

Mr DEPUTY SPEAKER (Mr Hollis)—You have three minutes to go. Don’t waste it with arguing.

Mr SNOWDON—I am pleased to; I enjoy the repartee. This is a person who would not know where Kintore was, let alone what the state of Aboriginal health is in that community, or have any familiarity with the question of why people require dialysis treatment in their home communities. He might also ask the Northern Territory government and the Commonwealth government why they force people living in Tennant Creek, where they have a hospital which could be outfitted with dialysis machines, to go to Alice Springs for dialysis treatment. As the Minister for Financial Services and Regulation, he might just ask what the external costs might be of that little exercise and what the benefits might be of providing the service at home—what cost savings there might be. So before he tries to intervene in these debates with his uninformed and ignorant comments, he might actually find some detail and get some facts.

It is important that we provide the capacity for people to have home care. Of that there is no doubt. But this legislation and the moves that have already been taken by the government in terms of public hospitals do very little to assist those people who live in regional and remote Australia. As I have had cause to say previously in this place, what I regard as a rort in private health insurance in this country has had very little positive impact on the people who live in the bush. They do not have access to private hospital systems or to the standard of private hospital care that is available to people who live in, say, Canberra, Melbourne or the shadow minister’s own electorate. Yet nothing is being done by this government to assist those people living in these regional areas to get access to the same quality of care and the same services in their communities and their homes which this legislation seeks to make available to people in the general population. The example I have used of the dialysis machine at Kintore is a case in point. There is an opportunity for the government to show its bona fides. It has chosen not to do so; it is time it did.

Ms HOARE (Charlton) (6.05 p.m.)—I think I need to point out, at the outset of my contribution to this debate in this election year, the difference between the number of contributions from this side of the House on matters related to health issues compared to the four contributions we have had from the government benches. In this election year there is a telling difference between the position that Labor has on public health and other health issues and the integrity of a Medicare system and the position which has been taken by government members.

I would like to address both main thrusts of the Health Legislation Amendment Bill (No. 3) 2000. The first major element of this legislation amends the National Health Act to enable the private health industry to provide insurance cover for the cost of outreach services as a substitute for in-hospital care. This can already be done for non-medical services for those people with ancillary insurance and is in line with trends towards shorter hospital stays and increased emphasis on post hospital care in the home. People who have hospital ancillary cover can currently access out of hospital care as long as it is provided by a nurse or allied health professional. The legislation aims to expand hospital cover to include all outreach services. This aims to reduce the length of time private patients who only have hospital cover spend in hospital. While we support the intention of this legislation, we believe that to
ensure its integrity and to ensure that out-of-hospital care is not confused with Medicare. There needs to be a concise definition of ‘outreach service’. This is why Labor is moving these amendments today.

The first amendment to be moved by the member for Jagajaga—I am pleased to hear that the government will be supporting our amendments—defines an outreach service to mean any service specified in a determination under section 5(d) that is provided to a patient by or on behalf of a hospital or day hospital facility as a direct substitute for hospital treatment that would otherwise be provided in a hospital or day hospital facility, but does not include services provided by a medical practitioner that would attract a Medicare benefit of 85 per cent of the schedule fee. A lot of the debate has emphasised that part of the amendment.

We propose to put a review mechanism into this legislation so that the health minister must include a review of the progress or the process of this legislation in two years time. We need to ensure that the number one priority is that patients receive the best and most appropriate care. We must ensure that patients are not forced out of hospitals to reduce costs for private health insurance companies. Labor’s amendments will restrict the definition of ‘outreach services’ to exclude medical services provided by doctors and paid for by Medicare. The explanatory memorandum presented by the minister in May 2000 states:

The aim of the bill is to enable private patients in both public and private hospitals to receive the same equitable care choices available to public patients in public hospitals.

That is why we have moved to define the intent of the legislation. Another aspect of this legislation seeks to redefine humanitarian refugees and those on temporary protection visas, in accordance with changes in the migration legislation. Refugees, if they are over 30, have 12 months from the day after they become eligible for Medicare to join a health fund under the lifetime health cover policy in order to avoid penalty premiums. The legislation also seeks to change the privacy provisions pertaining to patient health fund status. Changes will allow health funds to disclose information on the type of coverage a patient has so that private hospitals can advise accurately the anticipated cost of treatment. This is the second major element, which is not contentious, and we support it. However, this debate again raises concerns about private health insurance and lifetime health cover.

Remember the $10 million advertising campaign ‘Run for Cover’? I am sure you had many constituents, Mr Deputy Speaker Hollis, and government members had many constituents, as we did, who were distressed and confused about that particular advertising campaign and who remain confused and distressed about the product they ended up buying, what kind of exclusions were in that product and what waiting periods there were to be able to access the services which their product was supposed to supply. Just prior to the 1 July cut-off date, a letter to the editor was published in the Newcastle Herald on 28 June from Ms Jennifer Gavin of Arcadia Vale in my electorate. She said:

I have a difficult decision to make.
You see, I’m being blackmailed.
Not for something I did but for something I didn’t do.
And not by someone I don’t know but by our democratically elected government.
Do I or do I not join a private health fund?
I would gladly pay a higher Medicare levy to ensure equality of service for all.
In doing so I know that when I needed it, I would be a citizen equitably entitled to those services.
Let’s see what happens down the track when premiums start an inevitable and steady increase.
Will I have the courage to pull the plug—I doubt it.
Looks like I will be paying this blackmail for life.
But what of those unable to pay, who have no choice?
How will they be treated in the future and what level of health service will they receive?
That letter epitomises the confusion and distress caused by the government’s ‘Run for Cover’ Lifetime Health Cover campaign. I
had another letter in May 2000 from another constituent who wrote saying:
I am writing to you to seek your assistance regarding the Lifetime Health Cover legislation, which I find discriminatory and confusing. I find it confusing because I understand that the Federal Government ... has passed antidiscrimination laws, which have been in existence for some years. I do not dispute the intent of such laws for no doubt they will lead to a fairer and more equitable and just society.

Again, that letter epitomises the confusion that was out there among our constituents at the time of the Lifetime Health Cover campaign. That constituent was a 50-year-old, intelligent, articulate man. Although this legislation amends a couple of the aspects of lifetime health cover, it does not address a major concern of Labor’s, that is, the inability of health funds to recognise prior membership. Another of my constituents and his wife held private health insurance for 42 years, but their coverage lapsed when he could no longer afford the premiums. He was concerned that lifetime health cover rewards future membership but disregards past loyalty. His wife had to wait in pain for 12 months before being able to access the treatment she required through her health insurance.

Labor is pleased to see that the hospitals will now have an obligation to check a patient’s private health fund coverage and disclose the anticipated extra cost which will be incurred by the patient. However, many people still remain confused as to the type of coverage they actually have. Health funds should be very clear in advising people of the exact features of their policy. Voluntary guidelines introduced by the government for health funds to advise their members of the anticipated costs, such as the size of gaps, have not worked.

I have also written to the Private Health Insurance Ombudsman on behalf of another of my constituents regarding the undisclosed gap for his operation. I have not had a chance to check with him, so I will not mention his name. He underwent an operation at Toronto Private Hospital to remove cataracts from his eyes. He joined his health insurance fund in the lead-up to the introduction of Lifetime Health Cover. He claims that prior to the operation Medibank Private was contacted by the hospital to confirm that his policy would cover the operation. He maintains that Medibank Private stated he would be able to claim the cost of the operation against his insurance. He was presented with an account from Toronto Private Hospital for a portion of the cost of the operation. He is confused as to why the health fund paid $671 of the account but will not pay the balance. He maintains he would have waited for the operation until after any preclusion period had ended as his vision was not grossly impaired. As I said, that is just one of the cases I have referred to the Private Health Insurance Ombudsman for investigation.

In conclusion, I just want to reinforce that I support the intention of the bill, I support the amendments of the member for Jagajaga to enforce that intention and I support the changes to Lifetime Health Cover which will hopefully see a decline in the workload of the health insurance ombudsman, which has increased by 23 per cent since Lifetime Health Cover was introduced last year.

I make it clear to government members who did not participate in this debate that these are exactly the kinds of instances we will be emphasising to their communities in the lead-up to the election campaign. Labor cares about health, Labor cares about public health, Labor cares about the strength and integrity of the Medicare system. That is obvious from the participation that we on this side have in these particular debates, and the lack of interest on the government benches is shown by their non-participation in this debate.

Mr HORNE (Paterson) (6.18 p.m.)—I am pleased to speak in this debate on the Health Legislation Amendment Bill (No. 3) 2000. There is no doubt that health and health services are of major concern to people in Australia today. I was quite interested to hear the Prime Minister in question time today get up in response to a dorothy dixer from his own side and talk about the standard of living of people in Australia. If ever there was a
statement by a Prime Minister that he does not understand the needs of people in Australia, today’s answer in question time was it. It was a statement by a Prime Minister completely out of touch with the delivery of services that are necessary to people’s lives in modern times.

I represent an electorate where I am sorry to say the delivery of health services is failing by the day, and getting worse. You only have to look at the statement in the Newcastle Herald last week where a practice of three medical practitioners in Morpeth has simply closed to move to the bigger centre of East Maitland. Why have they done it? They have done it because it means that more people will go through the door. It means that economic rationalism has arrived in the health industry and, unless you have got the turnstiles ticking over constantly, you simply cannot make ends meet and so you cannot deliver the service. So they pull out of a town where the service is needed, and that means there is another town without a medical service. I do not blame the doctors, I do not blame that practice—I blame government policy.

I also represent towns like Buladelah. The couple of thousand people in the district have a hospital and one doctor. That doctor had a heart attack just before Christmas and he required surgery. For all of that time that area was without a doctor. He has since gone back to work on about half duties. The other thing about Buladelah is that most people would know it as a town right on a very busy part of the Pacific Highway that is quite notorious for motor accidents, and the casualty rate is high. That withdrawal of services is the sort of pattern of activities that this government is overseeing. I could talk about the doctor who simply shut up shop in Medowie. He closed his practice because he could not stand the stress of it anymore. Despite his continually advertising, he found it was impossible to get a partner to come in, impossible to get someone else into the practice. I think of the town where I reared my own family, Dungog. Twenty years ago, there were a hospital and five doctors in Dungog; today there are two doctors.

Mr Hockey—It is a nice town.

Mr HORNE—It is a lovely place. Unfortunately, it is declining because young people are leaving. There are no jobs there and services are being reduced because of the policies of this government. When I read the explanatory memorandum that has been put out, I saw that it said that the aim of these amendments is to enable private patients in both public and private hospitals to receive the same equitable care choices available to Medicare patients in public hospitals. I guess it is the prerogative of all governments to determine what their objectives are, but if that is a priority of this government it shows how city-centric the bureaucracy of the ministry is and how they are ignoring the needs of people once you get out beyond the city area, where you do have large hospitals to serve that need.

Most of the people in the electorate I represent do not have access to a hospital. Actually, in the new boundaries of the electorate of Patterson, there is only one major hospital where operations can be carried out. The others are the older country hospitals—Buladelah, Dungog, Gloucester—where surgery does not happen; they are mainly convalescing hospitals. If surgery has to happen, people will generally be sent off to the John Hunter Hospital or maybe to the Taree Base Hospital. But the only hospital in the whole of the electorate is the Cape Hawke Community Private Hospital. It certainly does not serve the southern end of the electorate. People in the Port Stephens, Raymond Terrace, Dungog and Gloucester areas do not have access in their immediate vicinity to the sorts of services that are being referred to in this legislation. The shame of this government is that it continues to ignore them. The constituents that I represent are, on a daily basis, noticing that health services are being withdrawn.

There are a few issues that I would like to raise. The previous speaker spoke about people who felt they were blackmailed into taking out private health insurance. I have also noted the attitude of the Minister for Health and Aged Care when he comes in here and
mentions that, in the electorate of Patterson, something like 48 per cent of the people now have private health insurance. I am continually talking to them and they feel, ‘Why did we get it? Why did we get it when, under Medicare, we could get a service for nothing? Now, if we get a service and we have to pay the gap, we have to dip into our own pocket. It is something that we really cannot afford.’ Again, that is something that the minister does not understand.

I would like to read a letter that was passed on to me by a member of a Lions Club. This is a letter that his Lions Club received recently. I have contacted the parents of this girl and have advised them that I intend to use this letter in this speech, and they fully support me doing that. It is addressed to a Mr Mike Maskey, who is a member of the Medowie Lions Club.

We are the parents of a Thirteen year old Daughter Leah Speering.

Our daughter has been an Insulin Dependent Diabetic for seven years. During that time our daughter has had multiple hospitalisations, each year, due to her Diabetes being unstable. This has had an adverse affect on the quality of life and education on our Daughter.

Leah’s condition can be greatly improved with an Insulin Pump after discussions with Leah’s doctor, Dr Patricia Crock; the best way to control and maintain Leah’s condition is pump therapy. Unfortunately the cost of the pump, together with the first year supply of Insulin and Tubing, is estimated to be $10,000. Then $2500-3000 every year there after.

Unfortunately there is no government subsidy for the cost and running of the pump.

As we are a one income family, this is totally out of our reach [and] we would greatly appreciate any financial assistance your organization may be able to contribute towards the purchase of this pump.

Please find enclosed a copy of a letter from Leah’s doctor concerning this matter.

Yours sincerely
Don & Janene Speering

Personally, I cannot imagine what it is like to have to write a begging letter to a service club because of the health of one’s daughter. I do not mind telling the people of Australia that, since that letter was written, the situation for the Speering family has worsened: Mr Speering was a gyprock fixer and, because of the downturn in the building industry, two weeks ago he lost his job. They are now a no-income family.

I rang the diabetes clinic at Royal Newcastle Hospital and I spoke with a Dr Kerry Bartlett. I asked him, ‘What is the situation with respect to assistance?’ He said, ‘Mate, there is none. The shame of it is the short-sighted attitude of the government over this. Take that girl: if her diabetes is not treated, then in her 20s she stands a good chance of going blind as a diabetic. If her diabetes is still not treated satisfactorily, further down the track she will have renal failure and she will have constant dialysis. And still further down the track, of course, she can look to the amputation of limbs.’ The whole point is this: by investing $10,000, Leah Speering could enjoy a relatively normal life. By ignoring the necessity for that insulin pump, we expose her to all of those other sorts of maladies that I have indicated. And what is the cost to the community? It far outweighs $10,000. So, again, it is prevention rather than cure—afterwards.

This government is continually missing the mark. It attacks those issues that it thinks are popular, that are delivering service to the well-off, but ignoring the requirements of the needy. In much of the electorate that I represent, people will not benefit from this legislation. In much of rural and regional Australia, there will be absolutely no benefit, because the services that this legislation is supposedly designed to help will not be delivered to the sparsely populated areas. Similarly, as the number of doctors decline, medical services and the ability to visit a doctor are also being reduced. That is the tragedy and that is why I felt when the Prime Minister stood up today and answered a question about standards of living that he simply does not understand the needs of people living outside the metropolitan areas of Australia. That is why, later on this year when there is an election, this government is going to pay the price of ignoring the needs of those people.
I am pleased to have spoken today. I am particularly pleased to have brought attention to the plight of this young lady. I believe that in the Hunter region three patients have been fitted with these insulin pumps. A number of doctors tell me that it is not uncommon in the case of young people who suffer from diabetes for their bodies to reject insulin. That is why there is a need for the pump. So I ask the minister and his staff if something can be done about it.

There is much to be gained by investing early to help the victims of this terrible disease, which is one of the fastest growing diseases not only in Australia but in the whole of the world. Its incidence is certainly growing rapidly. For one so young, who has suffered from diabetes for seven years, I believe we need positive action. We need action by the government to halt the onset of this disease and prevent further complications.

I am happy to support the amendments to be moved by the member for Jagajaga. I am pleased to say that the government will also support the amendments. I look forward to seeing how the government addresses some of the needs I have spoken about. If the government ignores them, it will do so at its own peril.

Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Education, Training and Youth Affairs) (6.31 p.m.)—I thank honourable members for their contribution to this debate and for their support for the Health Legislation Amendment Bill (No. 3) 2000. The government will accept the minor amendments proposed by the shadow minister, the member for Jagajaga. I commend the bill to the House. (Quorum formed)

Consideration in Detail

Bill—by leave—taken as a whole.

Ms MACKLIN (Jagajaga) (6.35 p.m.)—by leave—I move:

(1) Schedule 1, item 2, page 3 (lines 12 and 13), omit the definition of outreach service, substitute:

outreach service means any service specified in a determination under section 5D, that is provided to a patient by, or on behalf of, a hospital or a day hospital facility, as a direct substitute for hospital treatment that would otherwise be provided in a hospital or day hospital facility, but does not include service provided by a medical practitioner that would attract a Medicare benefit of 85% of the scheduled fee.

(2) Schedule 1, item 4, page 4 (lines 13 to 15), omit subsection (1), substitute:

(1) The Minister may, by written determination, specify services provided by, or on behalf of, a specified hospital or day hospital facility for the purposes of the definition of outreach service in subsection 4(1).

(3) Schedule 1, item 4, page 4 (after line 24), after section 5D, insert:

5E Review of extension of this Act and the Health Insurance Act 1973 in relation to outreach services

(1) The Minister must cause an independent review of the operation of the extension of this Act and the Health Insurance Act 1973 in relation to outreach services to be undertaken.

(2) The Minister must cause a copy of the report of the review to be tabled in each House of Parliament not later than 30 June 2003.

(3) In this section:

independent review means a review, and a report to the Minister, undertaken by persons who:

(a) in the Minister’s opinion possess appropriate qualifications to undertake the review; and

(b) include at least one person who:

(i) is not employed by the Commonwealth or a Commonwealth authority; or

(ii) has not, since the commencement of this Act, provided services to the Commonwealth or a Commonwealth authority, under or in connection with a contract.

I thank the Parliamentary Secretary to the Minister for Education, Training and Youth Affairs. I am appreciative of the fact that the government has indicated that it will support the amendments. As I indicated in my remarks earlier today, it is a good change that
is being incorporated with this legislation to enable out-of-hospital care to be covered by hospital insurance. We certainly support that change. But, as I indicated, we were very concerned to make sure that out-of-hospital care did not extend to cover medical services. Medical services, of course, are covered by Medicare. We do not want any diminution in that, because of the way that could drive up medical fees. I will leave it at that and thank the government for its support.

Amendments agreed to.

Bill, as amended, agreed to.

Third Reading

Bill (on motion by Ms Worth)—by leave—read a third time.

AVIATION LEGISLATION AMENDMENT BILL (No. 2) 2000

Second Reading

Debate resumed from 12 April 2000, on motion by Mr Truss:

That the bill be now read a second time.

Mr MARTIN FERGUSON (Batman) (6.38 p.m.)—Obviously things have moved more quickly than we thought with the Health Legislation Amendment Bill (No. 3) 2000. I rise to speak in relation to the Aviation Legislation Amendment Bill (No. 2) 2000, a bill which has not moved as quickly as we originally thought it would. The bill contains a number of disparate amendments to the Civil Aviation Act 1988 and the Civil Aviation (Carriers’ Liability) Act 1959. I am sure you have a complete understanding of all the details of these bills, Mr Deputy Speaker.

The bill has been around for almost 12 months. After being initially portrayed as a non-contentious or non-controversial bill, it became obvious that the bill had serious flaws and required further consideration by the government. From the point of view of the Labor opposition, I am pleased to see that some changes have been made through government amendments which will be dealt with later and which overcome some of our original concerns with the bill. These government amendments attempt to address the problems with the bill that the opposition identified and communicated to the office of the Minister for Transport and Regional Services after it was first introduced.

Although the amendments go a long way to addressing the problems that we previously raised, they are insufficient to allay our concerns about the bill. It is our contention that the bill should not be proceeded with until the minister satisfies a number of conditions. They are set out in an amendment to the motion for the second reading that I will move at the conclusion of my contribution this evening. I also point out that, given the composition of the House of Representatives, there is an expectation that the government will proceed with the bill. For that reason, I am pleased to note that the Senate has referred the bill to the relevant Senate legislation committee to provide the scrutiny which I believe is needed with respect to potential flaws or weaknesses in the final implementation of the bill.

For those reasons, the opposition will be endeavouring to ensure that the Senate processes give this bill a rigorous analysis to clearly extract its implications and intent. I also believe that it is not only the responsibility of senators to give the bill full and proper consideration with respect to its potential weaknesses but that, in the lead-up to the Senate consideration of those matters, those who will have to operate under the terms and conditions of the bill should draw any concerns they have with respect to the potential application of the bill to senators who serve on the Senate legislation committee so as to ensure that the Senate guarantees that, in considering the implications of the bill, it fully takes into consideration potential difficulties that those in the industry who will have to operate under the bill are aware of.

There are parts of the bill, to be fair, that are not contentious to the opposition. But, as it stands, we can only argue that it not be proceeded with and urge the government to bring it back to the House with our concerns remedied. If this does not occur—and the opportunity is there for the minister to take on board such a suggestion—we will have to
rely on the Senate, and especially the Senate legislation committee, with further debate in the chamber, to deal with the other issues that I will raise during my contribution this evening.

As to the bill, there are two schedules. Schedule 1 deals with a range of amendments to the Civil Aviation Act 1988. Schedule 2 amends the Civil Aviation (Carriers' Liability) Act 1959. There are three categories of change put forward by schedule 1. The first introduces new terminology consistent with that used by the International Civil Aviation Organisation and national airworthiness authorities. It also harmonises some offences with current criminal drafting policy. The second category of change to the Civil Aviation Act empowers CASA to enter into article 83 disagreements with other national airworthiness authorities, which is exceptionally important. The third set of changes in schedule 1 gives CASA the power to accept voluntary enforceable undertakings as another regulatory and compliance tool. That is not without its challenges.

The need for new terminology in the Civil Aviation Act arises from a policy to follow ICAO recommendations regarding global harmonisation of national rules. In practice, this means modifying terminology and rules that are specific to Australia. I clearly say that the opposition has no beef with this direction—provided, of course, the case has been fully and properly made that there are no peculiar circumstances that justify something different for Australia. I think we all understand more than ever that the aviation industry is a global industry and always has been but, more than ever, we are moving towards a smaller number of major international operators and also a requirement that we actually have regard to what is happening internationally in the aviation industry on a range of fronts. We must therefore be cognisant of that to facilitate the growth and development of that industry. We must also seek to protect our national interests whilst having regard to the interests of the industry internationally.

Therefore, the opposition believes it makes sense, wherever the case is made and wherever the national interest is protected, to harmonise the provisions and regulations. This bill achieves some international harmonisation by introducing new, consistent definitions for the aviation terms ‘aeronautical product’, ‘maintenance’ and ‘servicing’, for example. I note in passing that the new definitions proposed for this bill are not consistent with those that were recommended by the Civil Aviation Safety Authority in their summary of responses. This summary was prepared by CASA after consultation with the aviation industry. For example, the definition of maintenance was recommended to specifically exclude ‘servicing’. That was accepted by the CASA review team but not reflected in the legislation. I think it is only appropriate that the minister should provide some clarification on this point. It could have changed for technical, drafting reasons. Not only the opposition but also the aviation industry are entitled to be assured of the reasons for the change and that all is above board and with proper justification.

Turning to the first part of the bill, I indicate that it harmonises some offences with the current Commonwealth criminal drafting policy. It should be pointed out that the bill amends some offences, but not others. The other offence provisions of the act must be harmonised before chapter 2 of the Criminal Code commences on 15 December this year. There is no explanation as to why all offences were not harmonised. While this, to be fair, is not absolutely necessary, it would be preferable for completeness and clarity. Perhaps the minister would like to comment on this at the conclusion of the debate.

Further, on definitions, the bill also introduces to the act the concept of ‘aircraft maintenance control’ as opposed to ‘aircraft maintenance’ as such. This change is obviously intended to broaden the regulatory scope to enable CASA to regulate aircraft maintenance where the actual aircraft maintenance is not performed in Australia. The bill also empowers CASA to enter article 83bis agreements on behalf of Australia. I note the advice that this new power for
CASA is consistent with ICAO’s opinion that such agreements should be made between aeronautical authorities of the relevant countries because they are instruments that are not of treaty status.

Whilst this may be the case, the importance of these agreements—and the industry knows how important such agreements are—should not be downplayed. I therefore have some concerns that there are no criteria or restrictions on CASA’s discretion to enter these arrangements with other countries. The only apparent, and very loose, control and the only broad protection on this power is that these agreements can only be entered into by parties to the Chicago convention. Those countries are, in turn, therefore subject to international standards.

I note from the minister’s second reading speech that the Civil Aviation Safety Authority and his department will be developing regulations to cover the administrative and technical operation of this provision, in consultation with the industry. I simply say to the minister this evening that it would have assisted the opposition, in our consideration of this bill, had he indicated what types of provisions he foreshadows in those regulations—for completeness and full and proper consideration of the intent of the bill.

I appreciate the difficulties that arise from the current situation—that is, where a country has responsibility for the regulation on its register in one country when that aircraft is operating in another. The power to enter these article 83bis agreements and thereby swap and share this responsibility provides a logical situation. Australia agreed to article 83 and then adopted them through legislation when Labor was in government. It is now being given to CASA to administer. The power will assist industry with their international operations and facilitate the ability to use aircraft in other countries during times when they are under-utilised in Australia—for example, during the northern Australia wet season.

However, I issue a word of caution. This power should not be unfettered, nor should there be an unfettered power to CASA. We must ensure that these agreements are not entered into lightly and that it does not result in lower standards of maintenance. We therefore must be well satisfied that countries given responsibility for Australian aircraft have impeccable standards like those expected here domestically. We do not want to occur in the aviation industry what has occurred in the shipping industry in Australia where ships are not properly maintained and actually endanger our own national interests.

I issue a word of caution to the minister, based on the minister’s current performance in one area of his responsibility—the shipping industry. Let us not see the same sloppiness and lack of attention to detail now extended to the aviation industry. The opposition will, therefore, be monitoring the development of those regulations and actively pursuing questions about the limits of this new power for CASA. Other than this proviso, this is not a contentious provision.

There are a number of amendments to section 20AA of the act through this bill which have now been substantially modified through government amendments now before the House. The changes caused a significant amount of confusion and were not addressed in the second reading speech or in the explanatory memorandum. While the government has corrected what was admitted as an error in the drafting instructions, I contend that not all matters have been properly resolved by the new amendments.

I now turn to some other issues of concern to the opposition. In the supplementary explanatory memorandum, the minister has clarified that his amendments will clarify the operation of section 20AA. The change confirms that regulatory action may be taken to cancel, suspend or vary an air operator’s certificate as a result of a breach of subsections (3) or (4) only if that breach occurred ‘knowingly or recklessly’—that is, that a mental element existed to that breach. The provisions of subsections (3) and (4) would be serious breaches. They in fact go to operating an aircraft without the appropriate airworthiness certificates and approvals or with outstanding maintenance work.
In the original bill, the changes were open to various interpretations not adequately covered in the explanatory memorandum. While the interpretation has been clarified in brief in the supplementary explanatory memorandum, I do not believe it answers all the questions. For example, what is absent from the explanation, from the second reading speech and from any information available on this bill is that, if an act of, for example, flying an aircraft without a maintenance release occurs in an unknowing or unreckless manner—if you like, in an inadvertent way—and this is discovered by the regulator either through surveillance or through an accident investigation, it is now confirmed that this is not a breach that can result in any regulatory action to suspend, vary or cancel the certificate for that breach; that is, while it is a noncompliance with a critical part of the act, it is not a breach of that act. Obviously, this raises the issue of what courses of action are open to the regulator. Regardless of the clarified legal interpretation, I believe the Australian travelling public want to know the implications and recourse available. It is a bit like ignorance of the law being a defence for breaking it. This does not sit well with us on this side, as we all understand, and therefore I am asking the minister to come forward with some more information and clarification concerning these matters.

One interpretation of the act, the literal one, has a concerning effect. That effect is that, if there is no valid certificate of airworthiness or an outstanding maintenance requirement but the operator or pilot does not know and is not reckless as to these matters, it would be lawful to fly the aircraft. A situation could arise, for example, where an operator or a pilot takes appropriate steps to confirm approval of the aircraft and is informed wrongly that it is approved to fly. Although the operator or pilot has not been reckless, the aircraft is in fact not approved—a serious issue. The amendment would mean that the aircraft has legal permission to fly, as the prohibition is dependent on the mental state of the operator or pilot. That is also why our second reading amendment calls for some more clarity from the minister on what these reforms are about. As I have already indicated this evening, this bill has been referred to a Senate legislation committee, and I believe this is a key issue to be pursued in that forum. If we think it is necessary after those investigations and, hopefully, some more information, we may consider some amendments in the Senate.

This brings me to another very contentious part of this bill, which is the introduction to CASA of a further regulatory tool, that of voluntary enforceable undertakings. This power may have worked well in other agencies, but the opposition firmly believes that this authority, CASA, is not ready for the extra power and has more than ever proven that in more recent times. These undertakings can be entered as an alternative to prosecution and may avoid excessive and expensive litigation. A strong criticism of CASA from parts of the industry is how it seems to use a large bucket of Commonwealth coffers, taxpayers’ money, to outpay solicitors and silks and therefore outplay small operators—hardly the way to run aviation policy in Australia if you are concerned about safety.

But what are voluntary enforceable undertakings? I suggest to the House that they are actually a very powerful tool. They must be completely voluntary, they can be withdrawn or varied only with CASA’s consent and they are enforceable through the court. That is fairly powerful, to my way of thinking. As I said before, this regulatory tool has been effective in, for example, the trade practices area. The opposition does not have any in-principle problem with voluntary enforceable undertakings, but we do have a major problem with CASA’s performance in recent times and CASA being given the power at this stage. To our way of thinking, we do not consider that they have actually earned the respect and therefore a capacity to actually accept responsibility for these additional actions at this point in time. I say that because the Australian travelling public and all others dependent on aviation have charged CASA and the Minister for Transport and Regional Services with the respon-
sibility to prescribe and regulate safety standards. In the same vein, when someone steps onto an aircraft, they charge the airline and the regulation authorities with the responsibility to deliver them safely to their destination.

We have been on the public record questioning just how effectively, consistently and efficiently CASA has been performing that role. The opposition does not pluck these concerns from thin air. I refer in passing to the Australian National Audit Office and the fact that it conducted a report into CASA’s record on the key functions of safety compliance. That report, as we all know, is far from glowing. The audit report seriously questioned the proportion of time that inspectors were spending on regulatory services and surveillance activities. The report also revealed a degree of underplanning as well as overplanning of surveillance tasks, suggesting that surveillance is not being conducted in accordance with identified procedures. As a result, resources are not being used to maximum effect.

The report also found that surveillance targets are not consistently achieved across all industry sectors and that CASA did not seem to be analysing its achievement of surveillance targets. The report further found that CASA inspectors are not implementing the procedures for following up and acquitting noncompliance notices. While some noncompliance notices are not critical to air safety, the Audit Office correctly identified the flaw that, in not having proper procedures, CASA does not always know if breaches of safety regulations have been corrected.

The report was also highly critical of the trial to introduce a system based approach to surveilling large airline operators. I contend this is appalling, given the subsequent and recent critical issues at Qantas and Ansett, issues that CASA should have detected if it was properly doing its job, if it had a minister that was interested in the portfolio and if its eye was on the ball. This is just a small sample of the far ranging criticism of CASA’s aviation safety compliance record.

But in relation to the specific issue that is subject to the bill—the issue of voluntary enforceable undertakings—the audit report said at page 109:

... the process of operators entering into voluntary undertakings at informal conferences, once a show cause action has been invoked, will require proper documentation. Also, for undertakings to have any enduring significance they will need to be monitored by the responsible office. In the light of the ANAO’s findings, cited earlier in this report, this will require improvement in the way CASA manages and prioritises tasks in its surveillance program...

And further:

... an effective quality control system is in place to ensure that the evidence is reliable, and that the quality of the inspection and audits from which the evidence is derived is consistent with the standards set by CASA.

To me, this was an unavoidable consideration, and I raised this issue with the minister’s office when the bill was introduced. The Audit Office, as we all accept, has identified significant and safety-critical concerns with CASA being given this power. But, unfortunately, it would seem that those have been ignored by the minister. I think that is foolish when you consider the emerging lack of confidence by the travelling public in the performance of CASA in recent times.

The problem is that, in response to my raising this issue, the minister has introduced an amendment and that amendment does not remove these provisions to introduce these undertakings. All the amendment does is say that part of the act would only come into effect upon proclamation. In the supplementary explanatory memorandum, we are advised that this amendment will ‘allow adequate time for the Civil Aviation Safety Authority to develop procedures and training for its staff in relation to enforceable voluntary undertakings’. In essence, the minister is saying to this parliament and to the Australian travelling public, ‘Trust me.’ Unfortunately, only time will tell whether we should trust him as to what arises out of this bill.

The problem for the opposition is that it does not believe the minister has earned that respect and trust in this portfolio. Neither
does the vast majority of the aviation industry or indeed the broader transport using public and the transport industry. I say that not because I want to be regarded as having made an attack on the minister—don’t get me wrong. We are not saying that he is untrustworthy as a person in a way that is intended to damage his character; we are saying that we do not trust his competence in and commitment to this portfolio to ensure that the changes are timed to ensure that they work. That is a huge challenge when you start to think about the issue of aviation safety. Therefore, in part of the opposition’s second reading amendment there are provisions to require the minister to not proceed with this bill before this House is satisfied that CASA has corrected the problems identified not by me alone but also by the Audit Office, an organisation that is properly charged with the responsibility of scrutinising the performance of government and its agencies.

To do anything else would be letting down the industry, who will end up at the wrong end of the power if it is wielded in an incompetent manner by CASA. The aviation industry is already highly critical of the broad regulatory compliance approach of CASA. This exposes them to more risk and exposes the travelling public to more risk. Of course, as with everything in this aviation portfolio, at the end of the day it affects safety, so to let this go through in this way would neglect our responsibility to the travelling public. It is past time that this minister took more time to attend to the issues of the aviation industry. It is time he reassured himself, his department, CASA and, importantly, the Australian public that he has aviation safety regulation under control. I say that because the confidence of all concerned is being undermined, and that is no good for anyone at this very delicate point in time when there are major issues out there about aviation safety. I suggest it is time that he stopped bleating about having a measured approach to aviation reform and stopped this rhetoric that is merely hiding his reactionary, regressive and ineffective administration of a very important part of his policy portfolio.

The second schedule of the bill amends the Civil Aviation (Carriers’ Liability) Act 1959. This bill corrects the cross-referencing error in the definition of ‘Australian international carrier’ in sections 11A and 21A. Increased liability limits were inadvertently imposed on foreign charter operators. The effect of this bill is that an Australian international carrier will now be either a carrier authorised by Australia to operate scheduled international air services or, alternatively, a carrier operating a non-scheduled international charter flight permitted under section 51D of the Air Navigation Act 1920 who is an ‘Australian person’. The increased liability for death or personal injury will not apply to foreign charter operators but only to Australian charter operators. The opposition is satisfied that this provision was only ever intended to operate in this manner and that this amendment is therefore not contentious.

Mr Deputy Speaker, obviously you will have gathered from what I have said that the bill is fairly complicated. For that reason it is very important that we actually get it right rather than have to try to come to terms with our mistakes, which may in turn endanger the travelling public because we failed to get it right in the first instance. For that reason I foreshadowed earlier this evening that, in addition to moving a second reading amendment, it was exceptionally important that those senators who serve on the Senate legislation committee give the issues that I have raised this evening their full consideration.

I do not believe that the minister will actually take up my suggestion that we resolve our problems and hold back the final determination on the bill until then. In his normal bull-in-a-china-shop approach, he will be too interested in ramming the bill through the House of Representatives and getting it off his desk, because at the moment there are too many outstanding reports concerning the transport industry sitting on his desk and gathering dust. From his point of view, he will be able to put the red pencil through one of those items on his list. He will be able to say, ‘In this term of parliament, I may have at least got the Aviation Legislation Amend-
ment Bill (No. 2) 2000 through, but in essence I have done very little else in the transport portfolio. That is not just my view; it is the view of a lot of people operating in the transport industry at the moment. It is therefore important that I move a second reading amendment. I move:

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

“the House is of the opinion that the bill should not be proceeded with until:

(1) the Minister satisfies this House that the Civil Aviation Safety Authority has resolved all concerns raised in the Australian National Audit Office Report on Aviation Safety Compliance issued in November 1999;

(2) the Minister satisfies this House that CASA has especially heeded and acted upon the ANAO warning of the need for CASA to improve the management and the prioritisation of tasks in its surveillance program, before using the proposed voluntary enforceable undertakings power proposed in the Bill;

(3) the Minister convinces this House that he has a clear and effective plan to ensure CASA fulfils its responsibility to rigorously and effectively regulate aviation in the interests of the Australian travelling public.”

Debate interrupted.

PRIVILEGE

Mr SOMILYAY (Fairfax) (7.08 p.m.)—by leave—I make this statement in my capacity as Chair of the Committee of Privileges. On 9 November 2000, the House referred to the Committee of Privileges the matter of an article in Time magazine of 6 November 2000 which appeared to reveal in camera evidence provided to the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade.

The Committee of Privileges has received a written submission from the Joint Standing Committee on Foreign Affairs, Defence and Trade and acknowledges the seriousness with which that committee views the apparent unauthorised disclosure. The Committee of Privileges now wishes to take oral evidence from members of the defence subcommittee of that committee. The Committee of Privileges would wish to be able to discuss this matter further with the following senators, as members of that subcommittee: Senator V.W. Bourne; Senator P.H. Calvert, Senator A.B. Ferguson, Senator B. Gibbs, Senator S. Hutchins, Senator J.A.L. MacDonald and Senator the Hon. C. Schacht.

Because of the procedures of the House, the committee understands that it will be necessary for the House to ask the Senate to grant leave for the senators to appear. Accordingly, I advise the House of the committee’s wishes. The committee asks that consideration be given to a motion to facilitate that matter.

Mr DEPUTY SPEAKER (Mr Nehl)—I thank the honourable member. I will convey that information to the Speaker, who will give it appropriate consideration.

AVIATION LEGISLATION AMENDMENT BILL (No. 2) 2000

Debate resumed.

Mr BAIRD (Cook) (7.11 p.m.)—It is my pleasure to rise tonight to speak in support of the Aviation Legislation Amendment Bill (No. 2) 2000. I notice that the member for Batman is now leaving the chamber. He has made some fairly sweeping statements tonight on the whole aspect of the operation of CASA. It was particularly interesting that he read the whole speech—obviously, one of his staffers had prepared it. He did not show any particular knowledge of the aspects of it but rather just gave a diatribe through the speech that had been handed to him. He was criticising the minister, and I say this to him: if he wants to show that he has the technical competence to one day be a minister in this portfolio, he has to show some understanding of the bill he is talking about. The minister he was so freely criticising, the Minister for Transport and Regional Services, has done an outstanding job across every aspect of the portfolio and has shown real leadership. You would think that the member for Batman was talking about some third-world country in terms of the aviation safety regulations in
this country whereas, as we all know, we have a very proud and outstanding record in air safety in Australia. Yes, there have been some areas that have needed the minister’s attention over the last few years in relation to CASA, but overall it has performed its functions well and the minister’s control and direction of that area of responsibility have been nothing less than first rate.

The debate and the amendment that has been moved tonight are not really directed at the bill, which is in essence a technical bill. The aviation bill was brought in several months ago, and the broad provisions passed through this House and through the Senate. This bill involves minor technical provisions. The amendment moved has little to do with this bill; rather, it talks about the overall operation of CASA. By all means, let us have a debate on that if the member for Batman wishes it, to show the credentials of one side of the House to the other in a free-ranging debate, but attempted point-scoring by trying to widen out the nature of this bill is somewhat counterproductive. It is a straightforward exercise. It relates, firstly, to the ownership of aircraft—quite often, the ownership of aircraft that is leased in one country and operated by an airline in another and that is flying in Australia—and simplifying the question of responsibility: the airline that is operating it takes over that responsibility. That is one part, and it is fairly straightforward, fairly simple and fairly pragmatic.

The other aspect is a voluntary undertaking where there has been some breach—not a serious breach—of the aviation regulations and the individual, the pilot, concerned has agreed in writing to undertake to rectify that. That can be enforceable at law. These are fairly straightforward, simple provisions, ones which I am sure we would all agree to. That is the nature of the bill. It is technical but simple, straightforward—no major changes. What we had tonight was a whole diatribe in relation to CASA’s operation, without any real substance to it at all, but quite a well crafted speech given by the member for Batman, who I am sure had not one piece of input into it. But it was interesting to hear it.

Tonight I want to talk about the Civil Aviation Safety Authority’s comprehensive review into legislation in this area in Australia which was brought forward in the previous bill. The bill’s primary focus is to amend the Civil Aviation Act 1988 and also to make some minor changes to the Civil Aviation (Carriers Liability) Act 1959. Changes were made in April of last year, as I have said. Basically, there are some minor technical changes to redress drafting errors. The bill contains three elements. Firstly, it gives CASA the power to take enforceable written undertakings from people in relation to air safety compliance; secondly, it allows CASA to enter into article 83bis agreements with other national aviation regulatory bodies; and, thirdly, it brings the terminology used in the current act into line with that used by ICAO. The overall drive behind this legislation is to improve the clarity and international compatibility of our aviation legislation. It is a changed environment, as you, Mr Deputy Speaker, would well know. We have global alliances of airlines and a changing scene. We have the Star Alliance and one-world alliance changing the face of aviation around the world. There is cross-leasing of aircraft—aircraft coming from various parts of the world. As they enter into peak times airlines often borrow aircraft from others in non-peak areas around the globe. This bill is recognising those requirements.

Air safety is obviously important to all Australians, particularly to those in my electorate. Fifty-five per cent of all aircraft take-offs and landings in Sydney come over my electorate, and obviously the residents in my electorate are very concerned about it. Also, living in the electorate of Cook we have many employees working both at the airport and for the airlines. As I understand it, most airline operators will welcome the steps being taken in this legislation. This week at the Friends of Tourism lunch we were very happy to hear from the incoming managing director of Qantas, Geoff Dixon, who I am sure will do an outstanding job in leading that company, which has such a fine tradition in this country and an excellent reputation internationally.
The aviation reform process currently being undertaken by the government will also reduce many of the costs involved to both aviation suppliers and consumers in the future. It is alongside the government’s efforts to deregulate the industry and to increase the competitiveness in this sector. It will also assist in driving down the price of air travel in this country, of which I am sure we would all approve. Of course, the introduction of the two new airlines, Impulse and Virgin, has brought air fares down very markedly in this country, which is a great plus for consumers.

A provision of this bill empowers CASA to take written undertakings from people on aviation safety issues. The undertakings made can then be rendered legally enforceable by the Federal Court. This is an extension of the existing enforcement powers possessed by CASA. Section 87B of the Trade Practices Act allows for an enforceable undertaking to be written by a person or organisation who makes minor breaches against the act. They are useful in that they can bypass the normal lengthy and costly legal proceedings that are normally required.

The terms of the Aviation Legislation Amendment Bill (No. 2) 2000 envisage that CASA will use its power to accept these undertakings only with respect to relatively minor transgressions. For example, a pilot who goes into airspace that they should not have been in would undertake on a voluntary basis to write to CASA and say, ‘I’ve clearly breached the guidelines and I’m prepared to undertake training to ensure that I do not breach that in the future.’ CASA has the power to enforce this through the Federal Court. But of course it is important to recognise that more serious breaches could still be enforced with CASA’s strong enforcement powers, such as licence cancellation, fine or other sanctions. That is perfectly understandable—a voluntary agreement for minor breaches; not a huge deal. I listened to the shadow minister, who has made it the centrepiece of aviation safety in this country. It is not that; it is a minor technical amendment.

Article 83bis agreements are with the controlling aviation bodies of other countries. In December 1994 Australia ratified article 83bis of the Chicago convention. This convention says that a country an aircraft is registered in is responsible for monitoring and regulating the safety of that aircraft, regardless of where in the world that aircraft is. Article 83bis of the convention permits the transfer of this responsibility if an aircraft is registered in one country but operated by a person or company whose principal place of residence is another country.

This bill allows CASA to enter into these agreements and has got two significant advantages. Firstly, it sidesteps the basic administrative problems that arise when an aircraft is registered in one country but is largely being operated in another country. Secondly, it makes easier in quieter periods for Australian aircraft operators to lease their aircraft to operators overseas, and we have seen that increasingly take place when aircraft might be redundant for one reason or another. This provision will obviously be welcomed by those Australian aircraft operators whose work is largely seasonal, such as charter aircraft, crop-dusters, et cetera, as part of the business opportunities that they can take advantage of. Securing overseas leases has previously been more difficult for Australian operators, as their aircraft were subject to Australian rules, regulations, safety inspections and so on, even if the plane was mostly being operated overseas.

Some terminology consistency aspects are also being introduced in this bill. As part of the global rule harmonisation resolution, recognised terms like ‘aeronautical product’ will be used instead of ‘aircraft component’ or ‘aircraft material’. They are sensible rules of harmonisation. This technical bill is particularly good news. I am sure that the next speaker, like the shadow minister, will again try to raise the spectre of CASA. CASA has been doing an excellent job in this country. The minister has been doing an outstanding job. Yes, there have been some issues, but these have been addressed. There is a technical requirement providing for individual pilots to agree to undertake remedial activity if
required as a result of minor breaches of re-
quirements. If serious breaches occur they
 can be addressed through other legal means.

Finally, registration can be recognised in
terms of ownership arrangements where an
aircraft is operated within one country but
may be owned in another—part of the mod-
ern globalisation that is occurring in the
aviation area. I commend this bill to the
House. It will assist in reducing costs, it will
recognise current arrangements and it will
simplify administrative arrangements across
the board. It is certainly a bill that does not
warrant the type of amendments we have
seen brought forward by the Labor Party or
the type of comments we have heard. It
should be supported by all members of this
House.

Mr ALBANESE (Grayndler)  (7.23
p.m.)—I am pleased to support the amend-
ments moved by the shadow minister to the
Aviation Legislation Amendment Bill (No.
2) 2000, which is concerned with CASA and
safety in the operation of airports in Aus-
tralia. Of course, we all know that the situation
of CASA and air safety is a mess under this
government. Its own appointments have said
that it is a mess. Those people who have
been put on the board—well-known gov-
ernment supporters such as Dick Smith—
have indeed been very critical of the
operation of these organisations.

Tonight I particularly want to take the op-
portunity to express my concern, on behalf
of my constituents in Grayndler, about air
safety and the operation of Kingsford Smith
airport. The Kingsford Smith airport is an
airport which has reached its time limit. It is
full. Anyone who flies in and out of Sydney
airport knows about the time delays, which
occur because, frankly, the number of
movements is at breaking point. Indeed, I
moved a private member’s bill, seconded by
the member for Watson, in this House to en-
sure that there was a cap of 80 movements
per hour at Sydney airport. That also resulted
in guarantees of slots for regional airlines
from New South Wales into Kingsford Smith
airport. That was not a technical issue; that
was an issue in part about safety. We believe
that, when aircraft are flying over the most
densely populated area of Australia, that is,
the inner suburbs of Sydney, 80 movements
are about all that Sydney airport can take.
Yet, what we have seen in the past year are
numerous breaches of the cap—interestingly
enough, not while the Olympics were on—at
Sydney airport. I say that to dismiss any po-
tential criticism made by, for example, the
Daily Telegraph journalist Piers Akerman
who suggested that it was all Olympics re-
lated. Indeed, there were more aircraft
movements in and out of Sydney airport over
the December-January holiday period than
there were during the Sydney Olympics. And
that says a lot about the pressure which is
being placed on Sydney airport.

My concern, as a member of the Sydney
Airport Community Forum, is that when we
have questioned those people concerned with
aviation safety it is apparent that what those
bodies do when they look at safety concerns
is to take into account the safety of the peo-
ple in the aircraft; they take no account
whatsoever of the safety of people on the
ground. God forbid any accident with an air-
craft coming down, but if one does come
down—and they do, from time to time—
better it come down where there are no
people than in an area which is the most
densely populated in Australia. That is why
we have seen the real plan come out with
regard to Kingsford Smith airport. No matter
how much people might prevaricate over the
issue of a second Sydney airport and the
need for it—and governments of both
persuasions have prevaricated for decades
about doing what needs to be done—the
reality is that Sydney airport is now at its
limit. It is now breaching the cap of 80
movements. Pressure has now been placed
on the curfew also, which has been breached
at Sydney airport. That is why the
government’s absurd decision, which says,
‘No, we won’t build a second airport for
Sydney, but we will reserve the land around
Badgerys Creek because we know we will
have to do something down the track and, in
the meantime, we will stop regional airlines
flying in and out of Sydney airport and move
them to Bankstown,’ is the worst possible
option.
When confronted by this, the National Party representatives in regional New South Wales, including the leader, the Minister for Transport and Regional Services, said, ‘No. We won’t force them to move out of Sydney airport to Bankstown.’ No, of course they won’t—they will just price them out. That is what will occur. That is what was in the briefing given by Bankstown Airport Limited to country federal MPs, state MPs and mayors in January of this year. In spite of the fact there were a number of National Party representatives at that meeting, not one of them brought to the attention of their constituents the fact that they were about to be treated as second-class citizens and discriminated against and moved to Bankstown. The Bankstown airport option is bad for regional New South Wales because it treats them as second-class citizens. It is bad for the people around Sydney airport because it means that jet movements will increase as the propeller and regional flights are moved out. It is bad for the people around Bankstown, including those people in south-western Sydney, who will suffer from aircraft noise.

ADJOURNMENT

Mr SPEAKER—Order! It being 7.30 p.m., I propose the question:

That the House do now adjourn.

Cranbourne Community House
Motor Vehicle Insurance Industry: Unfair Practices

Ms CORCORAN (Isaacs) (7.30 p.m.)—I want to put on record the achievements of a group of people in my electorate. I am talking about the people at the Cranbourne Community House. Late last year I was invited to present certificates of achievement to the students there who had undertaken adult education courses. The certificates were for general education for adults, initial adult literacy and numeracy, and English as a second language. These students were an extraordinary group of people, ranging in age from teenagers to those in their 70s. Many in the group came from different countries and were there to tackle English as a second language. Others in the group were there to learn literacy skills as adults. It takes a lot of guts and determination to take on study when you are an adult, particularly if your experience of study as a child was not very good. These people had seen gaps in their education and knowledge. They had the guts to acknowledge those gaps and then the guts to go ahead and do something about it.

One woman stood up at the end of the ceremony and told us how she could now go home and read to her kids at night—something the rest of us probably take for granted. She was clearly moved by the doors that are open to her now with her new skills. These students can take a much fuller part in life and have many more opportunities open to them. I encourage anybody who is thinking about taking on further education, at whatever level, to take a leaf out of these people’s books—stop thinking about it and just get on and do it. I also pay tribute to the staff at Cranbourne Community House. It is a thriving place, full of energy, fun and caring. The staff are dedicated people who work well beyond their job descriptions, and their efforts are appreciated by those attending the centre. The success of the group and the pride they took in their achievements are a testament to the staff.

In the remaining few minutes I want to raise again the issue of what I consider to be an unfair practice in the motor vehicle insurance industry. On 2 November last year I raised the fact that one of my constituents was involved in an accident which wrote off her car just one month after she had paid her full year’s comprehensive insurance. All those concerned agreed that the accident was not her fault, and the other driver’s insurance company paid up. This woman’s own insurance company, however, insisted that she pay another full year’s insurance when, one month later, she had a replacement car. I understand this practice to be commonplace. I wrote to the insurance company concerned and also to the Insurance Council of Australia. The advice from the Insurance Council of Australia is as follows:

... while insurance contracts are generally for 12 months, once a total loss occurs and the insurance company pays out the full sum insured, the con-
tract terms are satisfied and the contract is at an
end.
Mr Speaker, let me remind you that the com-
pany had nothing to pay out in this case. The
Insurance Council of Australia’s response
continues:
If refunds were made in these circumstances, it
would reduce the amount of money in the pool
from which to pay claims and ultimately lead to
higher premiums to cover that shortfall.
If we accept that statement, we are accepting
that insurance is a lottery. Some of us have
to pay more, maybe even twice, to keep the
premiums down for everyone else. It seems
to me that there is room for improvement
here. I would like to hear an insurance com-
pany tell me how much it will cost me to buy
an insurance policy that will not disappear if
a total loss occurs. Then I would like to hear
them tell me how much it will cost for me to
buy insurance that does disappear if an acci-
dent happens which is not my fault.

The present system is particularly unfair
for individuals who are on limited incomes.
These people typically budget very well but
very tightly. They have limited resources
with which to cope with a sudden and unex-
tected bill, especially one of this size. They
buy insurance expecting to smooth out the
financial bumps of life, but in this case that
is not what happened. I call on the insurance
industry to recognise that they are part of our
community—they do very nicely out of our
community—and ask that they adopt a good
citizen approach in their relationships with
us. They need to ensure that their actions are
not just legal but also fair.

Outer Urban, Rural, Regional and
Remote Australia: Infrastructure
Requirements

Mrs HULL (Riverina) (7.34 p.m.)—I rise
in the House this evening to speak on the
issue of outer urban, rural, regional and re-
move infrastructure requirements across this
nation. This government has been responsible
for many great initiatives with industry
and development. I welcome the Prime
Minister’s recent announcement of the inno-
vation package. One initiative was $40 mil-
lion of assistance for the establishment of the
Visy pulp mill in Tumut in the electorate of
Hume. This development will mean thou-
sands of direct and indirect jobs throughout
rural and regional areas. However, some of
the benefits will be eroded because of the
lack of adequate infrastructure, namely
roadworks and bridges that surround and
pass through my electorate of Riverina, into
Farrer and Hume, and so to Victoria.

Our industries need to be competitive in
this global market. In the global world in
which we operate we need to be able to
move our produce efficiently and cost effec-
tively across Australia to meet demand. We
must have bridges that accept the mass limits
that are now being carried on our roads; we
need dams to supply water to growers; and
we need a first-class rail network. The Mel-
bourne-Darwin railway should be a priority.
We need finance to facilitate industry setting
up in regional, rural and remote areas.

The Deputy Prime Minister and Minister
for Transport and Regional Services, the
Hon. John Anderson, has delivered the larg-
est and sustained injection of money to local
road networks in the history of this coun-
try—$1.6 billion over four years. The re-
sponse to this incredible announcement of
additional funding for roads has been noth-
ing short of sensational. The benefits the
coalition will deliver to people across Aus-
tralia through this package will be long re-
membered. Imagine what could be rebuilt in
outer urban, rural, regional and remote Aus-
tralia if we were to put in place a fund
wherein all excise rises in fuel would be
spent on critical infrastructure; imagine how
many jobs we would create across Australia;
imagine how many lives would be saved;
and imagine the benefits to Australians of
identifying issues, developing solutions, mo-
bilising resources and effectively imple-
menting good governance to overcome our
many challenges in providing this infra-
structure.

All of this is in the coalition’s mindset.
Providing good governance, that is what the
coalition is all about. All of this can be
achieved with the coalition providing good
governance. The punitive action with which
the opposition is currently involved in the fuel debate should be far more productive and visionary than it has been mischievous. There should be more energy and action spent in bringing positive benefits for those people who need access to jobs and greater quality of life across all our electorates. People in all areas across Australia—including outer suburban areas and rural, regional and remote areas—deserve opportunities to find themselves employment. Our industries deserve opportunities to meet global markets. We need to be able to establish industries that will benefit us in many years to come. What needs to take place now is concerted effort, thought and consideration for the future of all Australians. We should not just be concerned with mischief-making, one-liners and headlines, and trying to drum up an enormous amount of publicity that will deliver no benefits to our Australian people. We have the ability to deliver much infrastructure across Australia. We just need the vision and support from all areas to do it. Bipartisan support in this House would occasionally be appreciated.

Private Health Insurance: Lifetime Health Cover

Mrs CROSIO (Prospect) (7.39 p.m.)—I rise to speak today about private health insurance. In particular, I want to put on the public record the recent experiences of two of my constituents who took out private health insurance under the government sponsored Lifetime Health Cover campaign. I would like to relate their stories to the House.

After seeing the government funded advertisements in the media, these two constituents took out different health policies with different health insurers believing their health funds would cover them for all their medical expenses if they fell ill in the future. Soon after they signed up to private health insurance, they both fell seriously ill and, after consulting with their respective doctors, were diagnosed with very serious ailments needing urgent medical attention. This was the first time that either of them had been diagnosed with their particular condition. It came as quite a shock to them and their families. However, they found comfort in believing that their expenses would be covered because they signed up to private health insurance in good faith and had been in their fund for a number of months.

Understanding that their private health insurers would cover them for all their costs, and acting on their doctor’s advice, they checked into the private hospital of their choice and received the urgently needed medical treatment. After they made a claim to their insurer, they learned that their health fund would not pay the cost of their treatment. Both the health insurers claimed that their conditions were ‘pre-existing ailments’. However, this was the first time that either of them had been diagnosed with their condition. My constituents were treated as private patients in private hospitals and received extensive medical bills of between $6,000 and $10,000. For most people in my electorate of Prospect that is no small sum by any means. These people are both decent members of my constituency who have worked hard all their lives trying to make ends meet. Now these medical bills impose a massive burden on their financial situation.

If they had known before or if someone had explained to them that they would not be covered for private hospital treatment, there would be no doubt that they would have received treatment in a public hospital under Medicare and have paid a significantly smaller amount. Not only have these people been diagnosed with serious life-threatening conditions but also they now have to worry about the extra financial burden that has unnecessarily been placed on them.

The pre-existing ailment rule in private health insurance policies says that, even if a policy holder has not previously been diagnosed with a condition—I repeat: has not previously been diagnosed with a condition—they may, in the past, have suffered symptoms which are similar to the symptoms of the current condition such as shortness of breath, chest pains or headaches. The ailment is then considered to have been pre-existing and thus is not covered by their policy. In
these cases the health funds have taken a very broad interpretation of the pre-existing ailment rule. The wording of the rule is very vague and is very much open to the interpretation of health insurers. This government needs to look at the pre-existing ailment rule to see how it could be changed to make its interpretation more precise so that other people do not fall into the same trap as my two constituents, and I have a lot more constituents who have had problems.

Last year this government urged thousands of Australians to sign up to private health insurance through a massive advertising campaign. As a result, health insurance companies made record profits, but now it seems that this government is not interested in explaining to people who have taken out health insurance the fine print of their policies. This has lead to much confusion among the many Australians who have taken out health policies. Many are unfamiliar with the private health system. They are not aware of waiting periods or other clauses and rules of the policy or, if they are, they do not understand them fully. There are also many people who are still unsure of exactly what their policy covers. The government has also failed to alert people to the fact that they should check with their insurer to see whether they are covered before entering hospital. It is quite clear that this government has no understanding of the hardship suffered in these areas. There are many actions this government could have taken to avoid people falling into this trap. It will be completely unacceptable if this government does not act to prevent situations like this recurring. What I have related to the House tonight are only two stories where people have been caught unaware by that crack in the system. I am sure that in all electorates across Australia, even in coalition electorates, there would be people with similar stories.

The government must act to explain to private health insurance policyholders that before they enter hospital they must check with their insurer to see whether they are covered. These people from my electorate have been taken for a very expensive ride along the learning curve of the private health system. This situation could have been avoided if the government had explained in their advertisements how the private health system works differently from the public system, explaining that every Australian still has a basic right to an accessible and high-quality public health system under Medicare, regardless of whether or not they have private insurance; making sure that policyholders know about waiting periods and clauses such as the pre-existing ailment rule and that the health insurer may not pay every claim; and making sure that policyholders know that they need to check with their insurer prior to entering hospital. (Time expired)

Australasian Council of Public Accounts Committees Conference

Mr CHARLES (La Trobe) (7.44 p.m.)—I am delighted to take this opportunity to tell the parliament about a major national and international conference which took place in this Parliament House on Monday, on Monday night at Old Parliament House and again all day Tuesday. It was the sixth biennial conference of the Australasian Council of Public Accounts Committees. I am not much on conferences and not overly rapt necessarily sometimes with committees, but may I say to you, Mr Speaker, that this was particularly enlightening. The Australasian Council of Public Accounts Committees is made up of PACs from the six states and the two territories, the Commonwealth, New Zealand, Papua New Guinea and Fiji. We also had in attendance at our conference auditors-general from all those jurisdictions and, in addition, parliamentary representatives and auditors-general from South Africa and Canada, and also the Auditor-General from Hong Kong.

The theme of the conference this year was the challenge to parliamentary accountability presented by the broad based movement towards devolved government. There is increasing respect accorded internationally for governments which display openness, probity, accountability and ethics in their financial dealings. It is recognised that these qualities are fostered by the parliamentary
environment, particularly by means of the scrutiny and accountability mechanisms of parliaments. Given the present trend in Australia towards outsourcing various public sector activities and programs to the private sector, public accounts committees share concerns about privacy issues, risk management in a contestable environment, the retention of corporate memory in the public sector and contract negotiation and management.

Our procedures are either reasonably simple or complex. Each of the participants is invited to produce a paper, and some of the papers include both a public accounts committee paper and an auditor-general paper. They are spoken to very briefly, although produced in written form, and then we debate the papers and ask questions of those who wrote them, so there is full participation throughout the conference and participants are able to learn from each other about the important issues that we see surrounding the major issues of public accountability and dealing with fraud and corruption and all of these things that we know are wrong. The papers that comprised this year’s biennial program were on accrual accounting; transparency, including commercial-in-confidence—measuring community service obligations; outsourcing risk, risk management in the new contestable environment; and ethical issues in moving from the public sector to the private sector. Then on Monday night Dick Humphry, Managing Director of the Australian Stock Exchange, addressed us at dinner at Old Parliament House and talked about the direction and future of Australian capital markets. We were delighted to receive his address, which was most enlightening. On Tuesday we continued with accountability versus efficiency, retention of corporate memory and skills in the Public Service, defining the public interest, impact of devolution, measuring performance and accrual accounting.

It all sounds pretty dry and perhaps not exciting stuff, but I can tell you that public accounts committees do much that is exciting and interesting. My role as chair of the federal Joint Committee of Public Accounts and Audit has put me to sea on a Collins class submarine, made me intimately aware of the operation of over-the-horizon radar and put me across the Top End for a whole week in an inquiry into Coastwatch. These are not uninteresting activities. So, Mr Speaker, we thank the Australian parliament and you for allowing us to participate here. (Time expired)

**Job Network**

Ms KERNOT (Dickson) (7.49 p.m.)—I want to continue this evening making representation on behalf of those unemployed Australians, particularly mature age unemployed Australians, who believe that they have serious problems with the Job Network. The first example is from Western Australia, and I quote his email:

I am 45 years old and have been registered as unemployed for over 24 months. I have been participating in an ‘intensive assistance’ program run by a Job Network member as part of the government’s ‘mutual obligation’ requirements since mid April. Although I tend to agree with the general principle of there being a mutual obligation between the community and its members, I feel that the government’s interpretation of this phrase leans a little heavier on the obligation part than on the mutual, and their ‘intensive assistance’ seems to be a bit light on the assistance.

I have drawn attention before to the way in which many people who had a professional life prior to retrenchment feel that they are treated like morons in one phase of the Job Network’s approach to them, and I thought this man’s letter summed it up so cleverly. He said:

I have been a willing participant in all of the activities I have been asked to undertake. I have cheerfully contributed to group discussions and mutual morale building sessions, I have sorted cards, drawn cartoons of my ‘ideal job’ and identified my ‘barriers to employment’ with a smile fixed to my face that da Vinci would have breached copyright for. I have sat happily through kindergarten level ‘motivation’ lectures and giggled with pure glee at the prospect of discovering the hidden ways in which I unconsciously prevent myself from getting a job. I have dribbled with delight at the prospect of being allowed to use a computer to write a job application or a fax ma-
I realise now that I am unemployed because I have chosen to be unemployed. My own perfidy and perniciousness have brought me to my current state. I am unworthy.

Then he goes on to say:

But should it really be beyond my wildest far-fetched fantasies to expect that [my employment service agency] might cough up a paltry $99 to pay for a TAFE course in C++ programming to augment my five years of Intel-based PC hardware repair, upgrade and assembly experience? I think not.

I think the point is that that is often the one step that can make a person more employable. It is not appropriate for this government to continue suggesting that mature age Australians like this need to be considered for work for the dole, as if to imply that they do not have a readiness to work, or that they are not seriously out there looking for job opportunities, when they really are. This is in fact another reason why I think that the government needs to look more seriously at a lot of the recommendations for training subsidies for mature age people, many of the recommendations concerning which are listed in the Age counts report, which I do not have time to go into again because I want to use some more examples.

My second example is a mature age woman. She is from my electorate, although she does not say which employment agency she has dealt with. She says:

I was recently made redundant and I feel it necessary to make you aware of the difficulties I have had dealing with “Employment agencies” ... I will call and the person responsible is busy, will call me back. So later in the day, I will call back. “Still busy but has your message”. I will call next morning, usually get through. (After stressing I have already left two messages).

Then there is often the Resume saga. Where they may not have mine on there computer, or have to fax to another branch. In this case I will normally offer to email it, but some [Job Network agencies] do not have that facility.

In some cases, I may have inquired about four jobs at the same agency, but they don’t seem to keep my Resume. Do they throw it away? Then have to go through the exercise again next time I apply. Of course, this takes extra time and there are a lot of people out there applying for the same position.

One agency could not find my Resume, even though I had presented it three weeks previously. They said, “There has been a backlog due to an influx of Resumes”.

Each working day I apply for approximately seven positions ... Then follow up from yesterday’s or perhaps to find out result of previous applications. This is approximately ten telephone calls—in all, seventeen telephone calls each morning. Now, when you add the cost of travel to interviews, looking for a job can turn out to be an expensive exercise ...

I realise the old “CES” system was not perfect (Far from it). But the system the current government has put in place is a complete farce. I believe running from one agency to another, registering then hoping they will treat your Resume seriously is totally ridiculous.

Queensland State Election

Mr HARDGRAVE (Moreton) (7.54 p.m.)—On a number of occasions since being elected to this place five years ago, I have raised the concerns of constituents in my electorate about what is known here in Canberra as the Griffith arterial road—but what is known to people in my electorate as a combination of Riawena, Kessels and Mount Gravatt-Capalaba roads. This particular road was the subject of a lousy deal in 1991 when the then Labor government swapped it to the Commonwealth for responsibility for infrastructure and for repairs. That 1991 deal has since been the cover under which successive state governments of both political colours have hidden to avoid dealing with some of the issues that are important along that road. I am delighted to report to the House that at least one party is going into the next state election with a policy to reverse that bad decision. The Liberal state leader, David Watson, announced last week that the coalition would reverse the bad decision of Labor in 1991.

That certainly cannot happen fast enough for countless people in my area because this is a road which is basically a basket case. It is a road which carries trucks from all parts
of Australia going to other parts of Australia. The trucks on the road are not necessarily stopping along the road to do business to pick up or drop off cargo. Labor’s plans that have been announced include, from the state member for Archerfield, a call for a six-laning of the road and for the building of overpasses. All of that sounds pretty good at first brush. An overpass at the corner of Kessels Road and Mains Road would be a popular decision until you realise that all it will do is make it easier for more and more trucks to move along Kessels Road at faster rates and affect people down through Mount Gravatt-Capalaba Road. Not only that, the people along Mains Road at Sunnybank would find more and more traffic coming from Ms Struthers’ electorate, which is outside of my area, travelling through our area to go somewhere else. It is a bad idea from Ms Struthers.

It is interesting to note the views of the local state Labor members in the area. The Hon. Judy Spence, the member for Mount Gravatt, the woman famous for the $95 toilet brush in her ministerial office, said on 15 September 1995 that she recognised that there was a huge problem there; that she was ‘pleased to support the Southern Brisbane bypass road on which construction has commenced because it will remove much of the heavy vehicle traffic from Kessels Road and immediately improve the quality of life of people living along that corridor’. Unfortunately for everybody represented by Ms Spence in the Legislative Assembly in Queensland, she has said nothing on the issue since. She also said, for the people at Mains Road, Sunnybank, that she ‘had some confidence that some of the traffic that presently uses Kessels Road and Mains Road will choose to use the alternative route of the Southern Brisbane bypass’, but she has done nothing about it since. Worse still, the state government in Queensland put a toll on the Southern Brisbane bypass—a multimillion-dollar purpose-built road that runs approximately five per cent of the heavy vehicle traffic it is capable of running. It is the road on which the national road freight corridor should be going. It is the road that I will be pushing for that particular purpose.

Then we have the state Labor member for Mansfield, Mr Reeves. This week he has written to constituents in my area suggesting, amongst other things, that ‘design work will take place to enable residents and road users to examine engineering options along Mount Gravatt-Capalaba Road’. So now we have the Labor member for Mansfield suggesting more infrastructure, more engineering options, which automatically means more traffic will use this road. This particular corridor is not suited for the purpose that it currently has. This particular corridor needs to be taken back by the state government.

For some residents around Salisbury, there finally seems to be some movement on noise barrier fencing. This will work, but for other residents who come out of the area around Launceston Street noise barriers are not the answer because people have to reverse out onto Kessels Road. The simple fact of the matter is that, whilst the Labor Party is saying that there is now going to be a joint state-federal inquiry into this road, the Commonwealth government will not be funding something that simply looks at this road rather than at the entire road network on the south side of Brisbane. Mr Reeves’s announcement of a major study this week is so pre-emptive and so misleading that it is a disgrace that he should write to my constituents in such a way. There needs to be an inquiry into the area—an entire plan for traffic across the south side of Brisbane. The Commonwealth would be prepared to fund such a plan and help the state government of Queensland fund such a plan but not simply for this one road.

Labor wants to funnel all of its traffic problems along Granard Road, Riawena Road, Kessels Road, Mount Gravatt-Capalaba Road and Mains Road, and it does not care about the local residents. At least Frank Carroll in Mansfield, Steven Huang in Mount Gravatt and Russell Miles in Yeerongpilly do care. That is who people should vote for. (Time expired)
Mr SPEAKER—Order! It being approximately 8 p.m., the debate is interrupted.

Mr Abbott—Mr Speaker, I require that the debate be extended.

Mr SPEAKER—The debate may be extended until 8.10 p.m.

Ministerial Reply

Mr ABBOTT (Warringah—Minister for Employment, Workplace Relations and Small Business) (8.00 p.m.)—The member for Dickson needs to work out what she is really trying to achieve with her attacks on Job Network members. Is she trying to score political points against the government, or is she trying to help clients who have got a raw deal? Coming into this House and criticising unnamed Job Network members on behalf of unnamed job seekers, as she does, is not going to help those job seekers to get a better deal—the better deal that all of us would want them to receive.

The facts as outlined by the member for Dickson tonight, if true, if they stand up to examination, certainly would seem to constitute suboptimal behaviour by the relevant Job Network members. But the fact is that a large and active department exists to try to ensure that all Job Network members do carry out their contracts, do carry out their obligations under the code of conduct. If the member for Dixon would like to raise these issues specifically, if not with me—if she would rather not do that—with other members of the government, or if she would like to raise them with the department, certainly we would like to look into this matter and try to ensure that the Job Network members in question, if they have done the wrong thing, do the right thing by the job seekers concerned. I would strongly urge the member for Dixon to consider coming to the government, coming to the department, with some details of these cases of alleged substandard performance so that we can try to have a better system and do the right thing by job seekers.

In conclusion, I make the point that untoward things have always happened. Sadly, they will always happen because of the weakness of our human clay. But I would maintain most strongly—and I think the vast majority of members would agree with me—that the Job Network, whatever minor faults there might be in individual cases, is a much better and much more responsive system than the bureaucratic monolith which it replaced.

House adjourned at 8.03 p.m.

NOTICES

The following notices were given:

Mrs De-Anne Kelly to move:

That this House:

(1) notes the Coalition Government’s commitment to renewable energy;

(2) notes the quality production of ethanol in Australia;

(3) notes the use of ethanol as a blend with motor spirit and the advantages this offers in terms of:

(a) competitive cost of production;

(b) opportunities for development;

(c) environmental benefits;

(d) motoring efficiency; and

(e) import replacement;

(4) notes the use of ethanol blends in other countries; and

(5) urges the Government to continue its support for development of renewable energy resources and trusts that the use and production of ethanol will continue to be progressed.

Mr Reith to move:

That a message be sent to the Senate requesting that leave be given to Senators Bourne, Calvert, Ferguson, Gibbes, Hutchins, Sandy Macdonald and Schacht, members of the Defence Sub-Committee of the Joint Committee on Foreign Affairs, Defence and Trade, to attend before the House of Representatives Committee of Privileges for examination.
Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Banking: Branch Closures

Ms GILLARD (Lalor) (9.40 a.m.)—I rise today to raise an issue of concern to my electorate—namely, bank closures. My electorate is an outer metropolitan electorate. It is relatively large by metropolitan standards, and consists of a series of communities joined by the Princes Highway. Between those communities and within those communities there are very poor public transport options. As a result, the closure of any bank branch is really a crisis for the community, because it is often not possible for the people who use that bank branch to travel to any other part of the community or the electorate to do their banking.

Immediately prior to my election as the federal member for Lalor, there was a spate of bank closures in Laverton, which left that whole area without access to banking facilities. As a result of that, the local community banded together and, after a very long effort, managed to have opened a Bendigo Bank, a community bank. I would like to note today my congratulations to Joe Inserra, who played a pivotal role in that community bank being opened and who has been rewarded by being recognised as the Hobsons Bay citizen of the year.

Having said that, the bank branch closures have not ended. Since my election, we have seen two Commonwealth Bank branches that service the West Sunshine end of my electorate close, a Commonwealth Bank branch in Hoppers Crossing close and a National Australia Bank branch in Pier Street, Altona close. The Bank of Melbourne in Pier Street, Altona, is also closing. I wrote to Mr David Gutteridge, the general manager of the retail network of the Bank of Melbourne, on 19 December last year to put my voice of protest to that closure. I am yet to receive a reply to that letter. I think that really is unsatisfactory when the issue of that bank closure is of major concern to the community that works, lives and shops around Pier Street, Altona. On that occasion, I explained to Mr Gutteridge that there had been many other bank closures in my electorate and that the Australian community was tired of seeing banks make record profits at the same time as they walk away from any semblance of civic responsibility. Obviously, despite the record profits, the Bank of Melbourne is struggling to find the price of a stamp, and I have not had a response to that letter.

However, once again, what the big banks will not do for it, the community tries to do for itself. In Altona tonight there is a community meeting to explore the possibility of opening a community bank in Pier Street, Altona. I would like to offer my best wishes to that meeting. I am obviously unable to attend, because federal parliament is sitting, but I hope that some constructive plans come forward at that meeting to address the problem with the lack of banking options in Pier Street, Altona.

Gardoll, Mr Eric

Dubbo Clinical School

Mr LAWLER (Parkes) (9.43 a.m.)—If I may, I will take a brief moment to speak a few words about a friend of mine who recently passed away. Eric Gardoll passed away in the early hours of Monday morning. He was husband to Iris; father and father-in-law to Chris and Julia, Ryan and Dianne, Ron and Margaret; and grandfather to Andrew and Claire, Tiffany and Stewart, Alice and Lucy.

He was a World War II veteran, a long serving member of the RSL club and a proud Anzac. He was a gentleman we would probably consider to be an ordinary, average Australia, but he was no such thing. His family and their achievements bear testimony to the fact that they are
no ordinary Australians and that neither was he or his wife. I pass my thoughts on to the family on this day.

On a more cheery note, I would like to express a great deal of gratitude to the Minister for Health and Aged Care, Minister Wooldridge, for his announcement yesterday that included the establishment of a clinical school in Dubbo to work in with the Department of Rural Health, which has been established in Broken Hill for some time. This government, especially since the last budget, has put an enormous amount of thought and dollars into delivering long-term solutions to medical crises faced in rural New South Wales—indeed, in rural Australia. In particular, the Dubbo example of the clinical school has reason to be mentioned.

Last year we announced funding for four years to establish a Royal Flying Doctor base in Dubbo. It is no coincidence that the clinical school has been greatly supported by the Flying Doctor base. The beauty of having a clinical school in Dubbo is that so many more medical students will spend part of their training in a rural centre, and they will receive outstanding experience in and exposure to a rural health practice by working in Dubbo, working with Macquarie Area Health, and also by being part of the outreach services provided by the Royal Flying Doctor Service.

The other point to be made is that it breaks down the misconception by a lot of city based people that working in a rural area is akin to working in Siberia. The presence of academic staff, PhD students and medical students and the ability of specialists and GPs to work with the university by undertaking the role of tutors and lecturers will in itself create a centre of medical excellence in Dubbo. This will radiate to the surrounding towns, which will benefit by becoming more attractive in their attempts to get general practitioners to work in their areas because of the links that they will have with Dubbo. This initiative is benefiting not only Dubbo, Narromine, Gilgandra and Wellington but also Bourke, Brewarrina, Cobar and right out to Broken Hill. I commend the minister and thank him for his efforts in this regard.

Griffith Electorate: Australia Day Awards

Mr RUD (Griffith) (9.46 a.m.)—On Australia Day, in Carina, which is in Brisbane, in my electorate of Griffith, we held an Australia Day ceremony which honoured 22 of our local citizens for their extraordinary contribution to the life and fabric of our local community. This has become an annual event in our community and, in our view, an important one in terms of honouring those who would otherwise not achieve appropriate recognition. We all read on Australia Day the list of annual Australia Day awards handed out nationally. In each of our communities we recognise also the extraordinary achievements of thousands of Australians throughout their lifetime who receive no such recognition.

In particular, I would like to honour Maude Campbell, Robert Chester-Master, Doris Crocker, Susan Cull, Vic Green, Norm Moore, William Purcell, Shirley White, Heather Barnes, Jeanette Best, Martin Curley, Jacqueline Hobson, Helen Koppenol, Patrick O’Donoghue, Patricia Ryan, Doris Donald, Catherine Fox, Susan Kearney, May Kerr, Margaret McGuire, Peg Parkinson, Olwen Schubert; and, posthumously, Tsampika ‘Betty’ Pippos. Mrs Pippos died recently but was honoured for her extraordinary contributions to the Greek community in the southern suburbs of Brisbane.

It is fair to say—and I said this on Australia Day—that, if we were to try to calculate the financial equivalent of the voluntary contribution of those people who were honoured in our Australia Day ceremony, the contribution by people in our room that day represented something like 500 to 1,000 years worth of combined volunteerism. Each of those individuals represented in their own lives some 30 to 40 years worth of continuing voluntary effort. If we were to factor that out in terms of the dollars saved by the Australian taxpayer with respect to services which would otherwise not have been delivered, we would see the extraordinary contribution which they have made.
I would also like to thank the Broadwater Road Uniting Church in the suburb of Mansfield in Brisbane. For the last two years they have provided an extraordinary musical accompaniment to our day’s proceedings. The professionalism of the young musicians and the singers was an inspiration to all those who attended this year’s ceremony.

When we look at ensuring that we take the spirit of Australian volunteerism seriously, it is important that, across the Australian community—not just in the southern suburbs of Brisbane—we think about instituting comprehensively a set of local awards which recognise volunteerism in our communities. Too many people fail to achieve this recognition. On Australia Day I was pleased to honour these individuals for their extraordinary contribution to their community and their nation.

Corporations Law: Older Australians

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Science and Resources) (9.49 a.m.)—I call today for the parliament’s support to change the Australian Corporations Law. The Australian Corporations Law states that persons who have reached 72 years of age may be appointed to a directorship of a public company only with a resolution passed by a majority of three-quarters of its voting members. For people aged less than 72 years election to the position of director of a public company requires only a simple majority.

This is a ridiculous, discriminatory and outdated law that denies organisations the ability to access the wealth of corporate knowledge and experience that older Australians have to offer. It also runs contrary to government policy, which seeks to maximise the capacity of senior Australians to participate in businesses, associations and the wider community. The government has committed $6.1 million over four years to progress the national strategy for an ageing Australia in our 2000-01 federal budget. This initiative is specifically directed towards developing policies that promote the role of mature aged workers and their contribution to national economic growth and maximising the capacity of senior Australians to participate in and contribute to their communities. The aged care minister has often stated:

Too often older Australians are portrayed in stereotypical ways that bear little relationship to the great diversity of experience and the contributions they have made, and continue to make, to their communities.

I agree with the minister that this must be changed.

This matter was brought to my attention by one of my constituents, Mr Terry Huey, who wished to stand for re-election to the position of director of the Royal Queensland Bowls Association, a position he has held for six years. But Mr Huey turned 72 last year and will be required under Corporations Law to secure a majority of three-quarters of all eligible voting members when he contests the position at the association’s 2001 AGM. This is in spite of the fact that Mr Huey has a lifetime of experience, is very healthy, has a very strong love for his chosen sport of lawn bowls and has plenty of time on his hands to contribute freely to the Royal Queensland Bowls Association. Mr Huey believes that at the age of 72 he is capable of carrying on in the role of director of the Royal Queensland Bowls Association and that it should be left to the members of the Royal Queensland Bowls Association to decide, based on a simple majority vote. The high bar should not be unfairly lifted for Mr Huey, or anyone else for that matter, simply because he is one year older than he was when he stood for office last year.

While it may be too late to assist Terry Huey in time for this AGM, as it is due in March this year, I am determined to see the Australian Corporations Law changed and changed sooner rather than later to put an end to this discrimination. (Time expired).

Charlton Electorate: Australian Sports Medal

Ms HOARE (Charlton) (9.52 a.m.)—Last week I had the honour and privilege to present the Australian Sports Medal to eight very worthy recipients in my electorate of Charlton. The
medal was a once only award made in the year 2000 to Australians who were active in
playing sport and providing assistance to the sports industry. I would just like to mention
those eight people who received their awards last Wednesday.

Mr Albert Roberts received the Australian Sports Medal for his contribution to sailing.
Albert is a founding member of the Teralba Amateur Sailing Club and has been a member for
53 years. He continues to be an active supporting member of the club. Mr Ken Lettice
received the medal for his contribution to soccer. Ken was a member of and player for the
Swansea Soccer Club for 28 years and played over 650 club games. He is a coach and
committee member of the club. Mr Alan Kildey received the medal for his contribution to
sailing. Alan is a founding member of the Teralba Amateur Sailing Club and has been a
member for 53 years. He is still an active supporting member.

Ms Lois Green received the Australian Sports Medal for her contribution to netball. Lois
has been associated with the Newcastle Netball Association for over 50 years. She has
represented Newcastle for 15 years and New South Wales for 10 years. Ms Nola Green also
received the medal for her contribution to netball. Nola has been involved with the Newcastle
Netball Association for over 40 years. She represented Newcastle in an open representative
team for 31 years and has coached Newcastle netball teams for six years. Mr Noel Dunne
received the Australian Sports Medal for his contribution to soccer. Noel has given 40 years
of service to the Toronto-Awaba Junior Soccer Club, maintaining the grounds and coaching
junior soccer teams. He has just turned 80 and is still carrying out these services. Mr Chris
Arnold received the medal for his contribution to AFL. Chris has worked tirelessly to ensure
the successful amalgamation of the Newcastle AFL and the Central Coast AFL with the Black
Diamond AFL. A beneficiary of that is my 10-year-old son, who is now playing Auskick AFL
in school competitions.

Finally, I mention Mrs Julie Andrews, who received her medal for her contribution to touch
football. Julie has been a member of the Wallsend Touch Association for 14 years. During this
time, Julie has been a committee person, a park player, a representative player and an
administrator. Her outstanding efficiency and management skills allowed the association to
become a stand-out club, funding and building its own clubhouse and erecting several sets of
lights. The Australian Sports Medal was a fantastic way to recognise these local people in our
community who have given so much, and my children and I have benefited from this. (Time
expired)

Carruthers, Mr Kristian Brendan

Petrol Prices

Mrs GASH (Gilmore) (9.55 a.m.)—Today, I would like to pay tribute to Kristian Brendan
Carruthers, a young man aged 15 years who met his untimely death in a bus accident in my
electorate of Gilmore last week. I was given leave to attend his funeral yesterday in Ulladulla,
where the church was overflowing and beyond all capacity. The reason I speak about Kristian
is, firstly, to pay my respects to his family—his mother, Bernadette, his father, Steve, and
sisters, Genevieve and Jacinta.

What struck me most was the respect for and admiration of this young man by his peers.
Some 300 students attended his funeral. I say, with kindness and respect, that they came from
all kinds of backgrounds, with all kinds of hairdos. I am sure that many of them would never
have willingly set foot inside a church. Their grief and emotion were so strong that it
empowered the whole congregation to lift itself and extend a hand in support and friendship
to these friends. Never before have I seen such unity among so many young people. I hope
that Kristian’s parents saw and received some solace from this, for it was their son who drew
this enormous respect. I felt somehow privileged to be there and to witness this amazing
energy.
I say to the bus driver: my prayers and thanks go to you for the outstanding job you did in assisting the many young passengers who needed help. Thank you also to the young lady who sang those beautiful, haunting hymns, so appropriate for the day. I say to all the parents of those young people who were injured, some 25 in all: keep strong. We need your continued wisdom and strength as you guide these young people into a future that has such potential. I would like to say thank you to Kristian.

On another note, I notice that the honourable member for Hotham, Simon Crean, is again trying to bring my name into disrepute over the petrol issue. The member for Hotham has not been to my electorate of Gilmore. The member for Hotham would do better to explain exactly what Labor’s policies are in relation to the petrol excise. It would be a whole lot better if the member for Hotham asked the Labor Premier of New South Wales, Bob Carr, what he intends to do with the New South Wales state excise subsidy on petrol, thereby perhaps decreasing the cost of petrol by some 8c, as Queensland has done. I believe the member for Hotham is again trying to scare people. I say to the member for Hotham that it is very easy to do this, but that words do not count; it is actions that count.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! In accordance with standing order 275A, the time for members’ statements has concluded.

COMMUNICATIONS AND THE ARTS LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL 2000

Second Reading

Debate resumed from 7 December 2000, on motion by Mr McGauran:

Mr STEPHEN SMITH (Perth) (9.58 a.m.)—The Communications and the Arts Legislation Amendment (Application of Criminal Code) Bill 2000 does precisely that which its title suggests. The bill amends various pieces of legislation within the communications and arts portfolio to reflect the application of the Criminal Code to all Commonwealth offences. The amendments are intended to ensure that chapter 2 of the Criminal Code Act 1995 is applied to all Commonwealth criminal offences by December this year. This is occurring across all portfolios, and the approach which the government is taking to the application of chapter 2 of the Criminal Code is appropriate and should generally be supported. The government has stated that, subject to several minor exceptions noted in the explanatory memorandum, the bill does not affect the operation of current criminal offences; rather, it seeks to ensure that the current criminal offences are not altered following the application of the Criminal Code to the Commonwealth legislation to which I have previously referred. These items are part of an across-the-board portfolio effort. On that basis, they are supported by the opposition. They provide no difficulty from our perspective.

Mr HARDGRAVE (Moreton) (9.59 a.m.)—The government welcomes the opposition’s support for the Communications and the Arts Legislation Amendment (Application of Criminal Code) Bill 2000. It is essentially a matter-of-fact and procedural piece of legislation to bring the communications and the arts legislation into line with all other government legislation so far as the application of the Criminal Code is concerned. This was brought about by a deliberate change to penalty provisions within the Criminal Code which was introduced by the Attorney-General last year. The consequence of that particular procedure was that other legislation also had to be brought into line to reflect that change.

I do not want to delay the Main Committee for too long, but I would like to raise my concerns about the types of offences that could be subject to penalties under telecommunications acts. On many occasions in this place I have spoken about my concern that the telecommunications industry is not competitive enough. Anticompetitive practices, restriction of access to infrastructure and so forth practised by, in particular, Telstra—and
sometimes by Optus—drive a stake through the heart of competition in telecommunications. We have many providers of telecommunications services in Australia now—dozens of them. Many of them are becoming household names, but many never will because they are providing services behind the scenes, in bulk, mainly to the corporate sector. For instance, many people would not realise that the communications system between Australia’s universities is provided by Optus. Although Optus is a household name, the company—not Telstra—provides the links between universities.

Others in this place have come forward and said that, unless there is a Telstra badge on the box, it is not telecommunications. I think those arguments of 12 months ago—promoted in part by the opposition and in part by some members on the government side—have now been proved to be false. In fact, Telstra is just one of the providers. However, because Telstra is such an established provider of telecommunications and has such an extensive range of infrastructure, its activities are a matter of grave concern to the whole issue of competition. So, when I find in my electorate of Moreton that other providers have to duplicate infrastructure at great cost to the community and also with a great deal of pain in an emotional sense—and infrastructure is located literally down the road from a long-established telecommunications infrastructure owned by Telstra—because Telstra has made access to that infrastructure installation difficult, I start to wonder what the penalty provisions within our acts are actually trying to do.

We can fine Telstra millions and millions of dollars a day, but they are such a big organisation that fines like that are often factored into their corporate plan and so the cost of doing is far greater than the cost of the penalty for not doing, and so Telstra will hold out. In a broad sense, I want to put the case that I believe the penalties that are offered and the application of those penalties often do not meet the cause of good competition in telecommunications.

I also raise the issue of a constituent of mine, Mrs Healy—who, by her own admission, is not particularly good at the English language. She has been having difficulties with Telstra—which is often described in the communications industry as the 800-pound gorilla of telecommunications. Telstra and their contractor, Microtunnelling Pty Ltd, came past Mrs Healy’s house in Fegen Drive, Moorooka. Moorooka is one of the oldest suburbs of Brisbane. In Telstra’s letter to Mrs Healy of 22 January they misspelt the name of the suburb—which I find in itself quite extraordinary. Nevertheless, late last year Mrs Healy had Microtunnelling come through and use a great deal of water to bore underneath her concrete driveway to put in some conduit tubing.

Brisbane was very dry at that time of year. Mr Deputy Speaker Nehl, I am sure that, like me, you would understand a little bit about aquastatic pressure and the way that water can impact upon very dry clay soil in that circumstance. What happened when Microtunnelling introduced so much water in a concentrated way? Mrs Healy’s driveway shifted and sank. It cracked all over the place. Only a couple of thousand dollars at most was involved in fixing this problem, but Telstra has dragged this thing out long and hard. I think they are basically abusing Mrs Healy’s poor English language skills. At first, they said they were not responsible for the damage that happened to her driveway 20 feet away from where they were digging and that there must have been something wrong with the driveway.

Whether there was something wrong with Mrs Healy’s driveway before Telstra arrived has nothing to do with it. The difference in the equation is that the driveway was working fine until Microtunnelling introduced a great volume of water, which spewed clay down and underneath the slope of the driveway and filled the drains at the bottom of the driveway some 20 or 25 feet away from where Microtunnelling was working. I have inspected the site and written to Telstra. Their latest letter to me is very legalistic. Moorooka is misspelt: there is an ‘Ma’ instead of an ‘Moo’. The letter contains the phrase ‘without prejudice’, and says that
Mrs Healy has 14 days in which to respond to their proposal. I call on Telstra to be reasonable and fair and fix Mrs Healy’s driveway.

I have used that example to illustrate my point: while this legislation brings into line the criminal code application of penalties and so forth across the telecommunications field, the shape, size, scope and reasons for applying penalties continue to concern me. I am afraid that Telstra—a great company that is worth a lot of money on the stock market and is highly valued emotionally by many Australians—is letting down its good reputation in their treatment of the industry as a whole, and particularly in their treatment of my constituent, Mrs Healy. I call on Telstra to act. I commend the bill to the Committee but emphasise that we must ensure that the outcomes and the integrity of the system that we are providing and promoting in this legislation are correct on every occasion.

Mr DEPUTY SPEAKER (Mr Nehl)—The chair is grateful to the honourable member for Moreton for turning eventually to the subject of the bill, despite his concerns about his constituent’s driveway.

Mr McGAURAN (Gippsland—Minister for the Arts and the Centenary of Federation) (10.06 a.m.)—in reply—It is appropriate that we conclude this debate with a contribution from the honourable member for Moreton, who has once again demonstrated his fearlessness. His meaningful and constructive contributions to each and every communications and telecommunications bill that comes before the House are extraordinary. At the same time, the honourable member is not hesitant about, or afraid of, demanding better services and business practices from the telecommunications carriers and companies. In this case, the honourable member has strongly pursued with Telstra the interests of Mrs Healy. I commend him for his stand and I trust that, when Telstra receive a copy of the Hansard transcript, they will attend to Mrs Healy’s problems and needs.

This is an important bill as it is part of the government’s reform of the criminal law. The purpose of the bill is to amend offence provisions and acts within the Communications, Information Technology and the Arts portfolio to ensure that they are interpreted as originally intended after the criminal code commences. As part of the development of a national uniform criminal code, the Commonwealth enacted the Criminal Code Act 1995, which contains the Criminal Code. This criminal code establishes general principles of criminal responsibility and will commence on 15 December 2001. From this date, the general principles in the code will apply to all Commonwealth offences. The Criminal Code may alter the way offences are interpreted by the courts.

This bill ensures that, when the code commences, the criminal offence provisions in the acts within the Department of Communications, Information Technology and the Arts will continue to operate in the same manner as they operated previously. It also ensures that the provisions are consistent with the code’s general principles. If these amendments are not made, the Criminal Code could alter the way that criminal offences currently operate. The bill also makes other minor amendments that are not strictly necessary for harmonisation purposes with the code but are consistent with the general criminal law policy to simplify offence provisions and improve their operation. I commend the bill to the Committee.

Question resolved in the affirmative.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

MINISTERIAL STATEMENTS

Defence 2000—Our Future Defence Force

Debate resumed from 7 December 2000, on motion by Ms Worth:

That the House take note of the paper.
Mr LIEBERMAN (Indi) (10.10 a.m.)—I rise today to speak on one of the fundamental duties of government: the defence of the nation’s sovereignty and its people. On 6 December last year, the Prime Minister launched the Defence 2000 white paper, which outlined the government’s commitment to the Australian Defence Force and the security of the Australian nation.

I take particular interest in this subject as I have had a long and strong association with the Australian Defence Force. Great influences on my life were, of course, my father, who served in the British Army in the first war and the Australian Army in the second war; my brother, who was a Rat of Tobruk; and my master solicitor, whom I did articles with, was the late Captain Harry Flood. He was a great lawyer who served very bravely as a commando in World War II, observing the Japanese in Timor, pursued by the Japanese and never caught. He escaped by submarine before they finally could get him. His life was constantly in danger and he observed, and reported on, Japanese movements and saved many lives. He was a mentor to me for my career in law and also generally.

I myself have been a national serviceman and later a major in the Australian Army Reserve. When I was elected to the Commonwealth parliament, I was fortunate enough to become a member of the Joint Standing Committee on Foreign Affairs, Defence and Trade. My own seat of Indi contains major defence establishments such as the Army Training Centre at Bandiana, and the adjoining electorate of McEwen close by contains Puckapunyal, where I did my training in the armoured regiment in the coldest winter ever in the history of Australia. Those two army establishments play a major part in the life of regional Victoria, and the service men and women are important and good citizens of our communities.

I also have a major defence factory, Australian Defence Industries, in Benalla, and share with Tim Fischer at Yarrawonga-Mulwala a major defence ADI factory. Tim and I also share an ADI establishment in Albury-Wodonga. I also, at the present time, have the honour of being the patron of the Bandiana War Museum. I recommend that members visit that area. You will be made very welcome and see one of the most outstanding museums in Australia, which is developing rapidly too. I am also a friend of the Australian War Memorial. So it is a big part of my life, as you can see.

This white paper represents the most comprehensive reappraisal of Australia’s defence capability for decades. It provides major increases in defence funding over a 10-year period. It complements the government’s view of these strategic circumstances in which Australia is now placed in our region and beyond, and it lays down the most specific long-term funding commitment given by any Australian government in over 25 years. I pay tribute to the retired minister, John Moore, for his contribution and efforts, and to John Howard for his chairmanship in that. I also wish Peter Reith every success with the challenging defence portfolio that he now holds.

The white paper importantly reaffirms the defence of Australia as the primary focus of the ADF, yet it also recognises the important changes that have occurred within South-East Asia and the South Pacific. It gives the ADF the flexibility and capability to play a positive role in promoting stability and cooperation in the region and it allows the ADF, where necessary, to be able to contribute to peacekeeping and coalition operations. The white paper provides the crucial strategic guidance that the ADF requires to implement an appropriate, realistic and affordable force structure in the early 21st century. What the government has committed to delivering through this white paper is based on Defence’s own analysis of its needs and requirements. It gives the ADF an unprecedented level of confidence about its future.

The white paper has a number of unique features. It was developed through extensive consultations throughout government and with the National Security Committee of cabinet chaired by the Prime Minister. The National Security Committee is an innovation of John
Howard and has worked particularly well. Without doubt, John Howard’s government is the best informed government on defence issues since the Vietnam War. The committee’s endorsement, and ultimately that of cabinet, demonstrates the whole-of-government commitment to the white paper. The paper also demonstrates the achievements of this government in providing a framework for regional security. By being transparent in producing the white paper, Australia has contributed significantly to building broader confidence in South-East Asian security.

However, the most innovative thing about the white paper was the public consultation process led by my good friend Andrew Peacock. It is with great pride that I reflect upon the fact that the white paper was written with the informed consent and input of the Australian community. The government took the unprecedented step of conducting a broad public consultation process to ensure that the Australian people were directly involved and able to be better informed about the security of the nation and the issues facing us. We sought their wise counsel on the way in which they would like the government to shape the future defence policies of this nation. Through this process there was an unambiguous signal from the Australian public that we should preserve our military capabilities and increase our defence spending—the message was loud and clear. Defence is one of the most expensive national undertakings, and this government has ensured that it is done effectively and efficiently. As a former health minister, I often wonder which is the more expensive portfolio: defence or health. I think defence probably is the more expensive on balance, and will remain so.

In recent years the government has given high priority to reforming the defence organisation. We have a responsibility to the Australian public to continue to ensure that taxpayers’ funds are spent wisely. For the past 12 years Australia’s defence spending has been flat in real terms, and indeed fell slightly in the early 1990s. Over the same period, costs have increased in many areas of the defence budget in real terms. This produced a long-term squeeze on our capabilities and on the people in uniform. This government became concerned that our defence budget was no longer adequate to sustain the existing set of capabilities in the uncertain strategic environment we faced. Without action, defence spending as a percentage of GDP would have continued to fall, and with it our military capabilities.

The Howard government is determined to ensure that the ADF will have the capability to fight and to win. To do this we need to maintain the full range of military capabilities we have today and significantly enhance many of them over the coming decade. Through the implementation of the white paper we will increase the readiness, deployability and combat weight of our land forces, which were long neglected by the previous Labor government. Progressively, we will upgrade our air and naval forces to keep pace with evolving technologies and capabilities.

The defence capability plan, which was developed as part of the white paper, sets clear goals for the development of each major group of capabilities and provides detailed, costed programs for their development. It, too, is a unique aspect of this defence white paper. The defence capability plan covers the next 10 years and takes account of the need to invest in new capabilities, which will come into service in the decade commencing 2010. Within the disciplined framework of the plan, the government has made important decisions about the future of all our major capabilities. To achieve the capability enhancements set out in the defence capability plan, the government will increase defence spending by $500 million in the financial year 2001-02 and by a further $500 million in 2002-03, providing an additional $1 billion that year. This initial funding boost will be further supplemented in following years. The net result is an increase in defence spending that averages three per cent per year in real terms for a decade.

The capability plan is underpinned by important strategic decisions taken by government on what it wants the Defence Force to be able to do. It is easy to lose sight of these beneath
The lists of equipment to be acquired but they are very significant. The government wants the Army to be able to respond swiftly and effectively to any credible armed lodgement on Australian territory and provide forces for the more likely types of operations in our immediate neighbourhood. To do this the Army will be structured to ensure that we are able to sustain a brigade on operations for extended periods and maintain a smaller battalion group for simultaneous operations elsewhere.

Our air combat capability will be kept at the leading edge of capabilities in the region and have a sufficient margin of superiority to provide an acceptable likelihood of success in combat operations. It will be backed by capable naval forces able to operate throughout our maritime approaches and beyond. Australia will also maintain the most potent submarine and strike capability in the region. All of this will be backed by systems and structures that will exploit the advantages available to modern militaries through developments in information technology.

The white paper also recognises the crucial importance of people with a commitment to raise the level of the ADF to 54,000 personnel and to make sure these people are trained to the highest ability. First class defence capability requires first class defence personnel. The white paper provides for recruitment and retention strategies. These strategies include restructuring the ADF’s remuneration, superannuation and compensation arrangements to make them more effective, efficient and flexible to better accommodate individuals’ needs.

At the same time the white paper has given particular attention to the reserves and the cadets—very important components of the nation’s community. The white paper supports a number of policy initiatives which enhance the contribution of the reserves to ADF capability. These initiatives provide greater options for the employment of reserves whilst also giving the reserves a greater level of community support. The white paper also commits the government to expanding the Australian Services Cadet Scheme with an increase in funding to $30 million by 2002. Cadets engender community involvement and support for the ADF and represent a crucial link between regional and rural communities with the defence forces. Of course we know the Prime Minister was a cadet in his youth, General Cosgrove started his career as a cadet and the Deputy Speaker was a cadet as well. The cadets have played an important part in helping to shape not only their own lives but also the community and the nation. Many go on and serve permanently in the defence forces.

The capability enhancements in this white paper will result in a $23.5 billion increase in defence funding over the coming decade—a significant increase in defence funding by any standard. This increase in funding keeps the faith with the Australian people and reflects their views as expressed through the public consultation process. We have listened and acted. This is a much more specific funding commitment than in any white paper over the last 25 years. It will provide the first significant real increases in defence spending in 15 years. We have taken the unprecedented step of providing detailed funding projections in the paper over the entire decade—a refreshing, transparent indication of the government’s approach and how it will deliver.

I am delighted that much of the extra funding that the white paper provides will go to regional Australia. The regional development of Australia is an issue that I have always supported. I have consistently argued that regional development was an unrecognised issue in Australian politics. It is one of the reasons why I wanted to serve in the Commonwealth parliament. I am glad to see members on both sides of parliament wanting to take a greater interest in the life of regional Australia and forging a stronger partnership between city and country people. Well done!
I hope the defence expenditure is the beginning of a greater recognition of Australia’s regions and their future role in this great country. The seat of Indi, which I represent and will be retiring from when the election is called, is of great importance to the Victorian economy. It is a federation seat—Sir Isaac Isaacs was the first federal member for Indi. As I have already mentioned, Indi is home to significant regional defence establishments and their families. I am very proud of those people.

This white paper provides numerous benefits to regional Australia. The upgrade of the 350 M113 armoured personnel carriers brings joy to my heart as a former member of the armoured corps. It will provide more employment within my seat of Indi in Albury-Wodonga, because that is where the work will be carried out by the skilled technicians who work and live in regional Australia. Other parts of regional Australia will benefit from the decision to construct in Australia three air warfare destroyers, as well as the replacements for the Fremantle class patrol boats. The expansion of the Army’s high readiness force from four to six infantry battalions and a number of other initiatives will ensure that Australia is well looked after, protected and ready to face the challenges of the future. (Time expired)

Ms ROXON (Gellibrand) (10.25 a.m.)—I would also like to make some comments on the defence white paper—Defence 2000: our future Defence Force—that we are discussing at the moment. I guess it is important for me to give some background about my electorate of Gellibrand in order to explain why there are particular aspects of the defence paper that I would like to concentrate on today. Much of what previous speakers have already mentioned related, of course, to initiatives that the Labor Party has stated on the record that they support. There are a number of initiatives with regard to which there is bipartisan support and, in this defence area, it is clearly in the nation’s interest for us to identify common goals for the country and to plan 10 years into the future. I think it is a shame that we do not plan 10 years into the future for many of our other areas of public policy, but it is an initiative that has been supported by us.

In explaining my electorate’s interest in the defence white paper and defence issues in general, I remind the House that my electorate of Gellibrand has a very proud history of involvement in the defence industry. It has played a key role in the defence industry by being the home to the ammunitions factory and the explosives site. Both these sites have been in operation since shortly following Federation. They have employed, over the years, thousands and thousands of constituents in my electorate. They have trained, in trade skills and many other skills, probably somebody related to every person who still lives in my electorate. They have also had a major impact on the way in which the area was developed and a major impact on the sorts of equipment and provisions that we have been able to provide to our defence forces in the past.

In addition, many Defence Force personnel live in my electorate. There is still a significant amount of defence housing on the old rifle range. Fort Gellibrand, although it has some historical significance, is still home to the current commando unit that trains there. Jacks Magazine remains and, hopefully in the future, will be a historical site that is open to the public to visit. Of course, I could not ignore the fact that the Williamstown Dockyards remain in my electorate—the home of the Anzac frigates. It has a significant impact in my electorate—such a significant impact that it would be hard to understate it.

I would like to express my concern that the defence white paper does not perhaps provide quite enough security for the ongoing viability of the dockyards in Williamstown. There has been some public speculation about the future closure of that site. I would have grave concerns about that, as would many of the employees, including my constituents who work at that site and who rely on it.
In addition to the Tenix dockyards at Williamstown, AMRL still has significant operations in my electorate, although a decision has been made that they will relocate to Fishermens Bend so that DSTO is based in the one place in Melbourne. The Army engineering facilities remain there, and are also scheduled to move. I must say that this is rather sad for my electorate because it is signalling the end of some of our lasting connection with the defence industries.

The discussion paper that was released by the government last year was welcomed by and debated in my electorate. We held a community consultation and I submitted, on behalf of the electorate, a submission to the consultation team. One of the very important aspects that was discussed at this community meeting was that the discussion paper had absolutely no reference in it to industry policy and the importance of defence industries. I have already indicated to the House why that is such an important issue for us. I was pleased to see that the white paper does contain a detailed section on defence industries. It is an indication that the public’s role in raising these issues was taken into account. Defence industries and DSTO are both the subject of a detailed section in the white paper, which I would also like to talk about.

Other issues that were raised during the public consultation in my electorate were issues of morale and the role that our forces should play in the future of the region. Whilst those issues are obviously the key to some of the recommendations that are made about the sort of capability that we want for our defence forces in the future, that is not the aspect of the paper that I will be speaking on.

When the white paper was issued, I was delighted to find that there was actually a whole chapter on industry. I am pleased that the government is making some noises to indicate that it does support the defence industry. In several places it says that its preference is that the equipment and needs of our defence forces be met in Australia where possible. It does not go that further step and actually propose any sorts of initiatives or planning that would guarantee that that would happen. Nor does it make it a specific requirement that the impact on jobs or the importance of having trained staff and personnel in Australia be of value. I am concerned that the statements with respect to industry perhaps do not go far enough.

Obviously, this concern was heightened in my electorate by media reports over the Christmas break that the federal government may not contract to Tenix Defence Systems for future shipbuilding requirements. I think there may have been a little misreporting in that. Of course, all of us, sadly, are aware that the Anzac frigate project will eventually come to an end, and that has been scheduled over time. We are aware that by the middle of this decade that project will be finished, but we are hopeful that ongoing projects will be committed to and that there will be a long-term viable future for the dockyards in Williamstown in my electorate.

If future work commitments are not made to these areas, the impact on jobs really will be quite significant. I have some estimations from the Tenix group themselves, who employ 1,300 people directly. In Victoria, you will be staggered to know, the Tenix group employs 13,809 people—the figures are here—directly and indirectly. A large amount of work has been done on that. The Australian Industry Group did some research using the Anzac frigate project to study the flow-on impact for employment if you do commit to such a large project. Obviously, the effect is not just on the direct employees; it is on all the contractors and support personnel that are associated with it. That impact cannot be underestimated.

There are some interesting figures as well about the tax revenue generated by building these frigates within Australia. I think we do not take that into account when we look at the cost of committing to major construction projects in Australia. We also do not take account of the fact that, if we have close to 2,000 people out of employment and who are looking for
alternative employment, that also creates a cost for the Commonwealth. So it seems to me that we need to be much more proactive in how we support our industry.

That does not necessarily mean that we should be looking at protection. The government can play a role in trying to assist our Australian shipbuilders to get contracts overseas. I understand that in the past years there have been a number of overseas projects for which providers such as Tenix have been amongst the leading two or three bidders, particularly patrol boat type projects, and the government has pretty much refused to play an active role in promoting our industry overseas. That is obviously something that we really must take seriously. The government does have a role to play in promoting our industries, in advertising the strengths that we have and in encouraging overseas governments to be aware of the skills and services that we can provide. It does not mean that we have to pay for protection within industry. There is some cost in that promotion but it seems to me that the Australian public can expect the government to play a role in championing our leading industries in this way.

In the white paper, at page 104, paragraphs 9.28 to 9.30, there is some discussion of the importance of the initiatives that the government says ‘will help naval shipbuilders retain their physical infrastructure and some of their existing work force skills’. This seems to me to be glossing over the key issue. We would not know from this statement that we are talking about actually retaining people with those skills, and retaining them in positions where they can use, maintain and develop those skills. The skills cannot be held somewhere outside the people who own them, who have obtained and developed them. It is very important for us to take seriously the need to plan for those staff to stay in some appropriate employment lest we lose them overseas—to our competitors in America, Germany and elsewhere. There is a need for more than a 10-year plan; we need to look at how this will have an impact on industry.

The government also claims that it is committed to the engineering and design capabilities that we currently have in Australia. Tenix Defence Systems, which I use as an example because they are the ones in my electorate and I am probably most familiar with them, employ a lot of their staff in surveillance and imagery, intelligence systems, and we have some of the leading technology in the world. Whilst it is good to recognise that and to have the government say that it is committed to valuing them, it does not seem to me that it takes the next step: to ensure that we are actually going to build upon that. The government, in a number of places in the defence white paper, alludes to the fact that in the new year it is going to announce—as it has now done, last week—its innovation action plan, and it says there will be a number of initiatives to assist the defence industry and the DSTO in this area. Try as I may to go through the extremely impressive, glossy and seemingly detailed innovation action plan, I cannot find a reference anywhere in it to defence industry. I cannot even find any reference that would necessarily apply to an organisation like Tenix. There are a number of initiatives in research and development; however, they are for new, start-up companies, for new industries and for new technology. They are not for any of our existing cutting edge industries.

Innovation does hold a lot of appeal; it is something we should encourage. I would not like the parliament to think I was saying that we should not support innovation in new areas. But at the same time we should be building on our strengths. Yet I am afraid that there is nothing in the innovation action plan that appears to be doing that. We even have specific little flyers in the innovation action plan about how—using our migration program—we will entice people who have specific IT, engineering and design skills from other countries. But we say nothing of how we might keep those whom we already have here employed in vital industries of significance to the country in the future.

I am critical of the fact that the defence white paper holds out the innovation action plan as providing some solace to defence industry, when it does not. We have world-class centres of excellence being promoted in information and communications technology and in
biotechnology, but we do not have them in our defence surveillance areas. They are not even available, it seems to me from the descriptions that the government has already put forward, to a company that uses technology but in a defence industry. If it is an existing business, it seems, it will get knocked out on every front.

I am hopeful that my interpretation of the information that we have from the innovation action plan is wrong and that perhaps there is some scope in the future for companies such as Tenix to use some of these new initiatives to obtain some support for its development and its existing businesses. I will certainly be making representations in the hope that that will have some impact on the way the innovation action plan is applied.

In respect of technology and public consultation, the defence white paper clearly states that there is value in keeping alive in Australia the knowledge, skills and technology that have been generated from Australia’s defence industries. But it seems to me that there is a risk that they will go unless we do something more active. I have referred to the report of a study that the Australian Industry Group undertook. That report estimates that 20 per cent of the businesses involved in the Anzac ship project obtained new technologies as a result of the project. So the flow-on in terms of skills, jobs and developing technology is quite dramatic. It is something that we really must pay more attention to.

While I am disappointed that the Aeronautical and Maritime Research Laboratory will be moving from my electorate of Gellibrand in the next few years, the role of DSTO is very significant, and many of the staff and personnel will transfer to Fishermens Bend. Although they are worthy of a specific chapter in the defence white paper, there is nothing in the innovation action plan that allows DSTO to take proper advantage of some of these new initiatives. I am hopeful that the government will see fit to amend some of the guidelines to ensure that our very skilled people employed in the defence area are encouraged to continue to work in Australia and make the most of the innovation action plan initiatives.

Mr HARDGRAVE (Moreton) (10.40 a.m.)—I am very pleased to associate myself with the Defence 2000: our future Defence Force white paper, which was presented to the parliament by my close friend the honourable John Moore, the former member for Ryan—the electorate next to mine—who was my colleague for a number of years. I think the white paper will stand as testimony to John Moore’s great abilities as an administrator of important issues and important portfolios during his time in parliament and to his understanding of key aspirations in our community.

The white paper was prepared by a consultation team that went into the community to seek their aspirations and record them accurately. And what a consultation team it was, comprising the honourable Andrew Peacock AC as chair and another friend, former colleague and in fact employer, Dr David MacGibbon. He is a former Queensland senator of long standing and a tremendous advocate of the need for proper defence facilities in Australia. I am sure that David MacGibbon feels very pleased about being associated with a report that pulls all of these vital elements together and illustrates clearly a future direction for defence. A former Labor senator, Stephen Loosley, was also on that team.

Community consultation is very important in these sorts of processes. One of the things that came out of that process—it has been very obvious to me and, prior to the 1996 election and since then, I have advocated that this suggestion become a reality—was the proposal to give cadets some of the standing and purpose that they deserve in the defence vote. One of the key tasks that John Moore undertook when he became defence minister—aided especially well by his parliamentary secretary, Eric Abetz, who has now been appointed Special Minister of State—was to have cadets drawn out and specifically allocated funds as a line item in the Defence Force budget so that the Defence Force could give cadets not just what was left over but specific resources.
The white paper points out that 25,000 cadets in 417 units are established in communities throughout Australia. Page 73 of the report quite rightly points to a tangible link between the ADF and the Australian community at large. The cadet system, in reality, is very patchy. In my electorate the cadets rely heavily upon the good deeds of and donations from Yeronga-Dutton Park RSL or Sunnybank RSL—$100 here or $300 there—to help them meet costs. The 12th division cadet unit, which operates across the southern suburbs of Brisbane, is split into three separate groups. If it were at full strength, it would have 150 cadets plus staff. At present there are 120 cadets plus nine staff. There are three separate units in three separate areas and they come together only on weekends. One of those units is located at Nyanda State High School in my electorate, and it is coming under pressure from one man opposite the school who complains about the noise that the cadets make over a couple of hours each week as they meet and practice marching, parading and other such things.

Mr Deputy Speaker, like most members in this place, you will appreciate how vital the cadets are as a signal to young people. As the report says, ADF cadets have been a valued and strongly supported commodity within the Australian community. I am very pleased to be part of a government that realises the importance of cadets by allocating $30 million by 2002 specifically for cadet purposes and providing them with a direct capital injection. That is certainly very necessary. The 1999 ADF census showed that 22 per cent of full-time ADF personnel and 25 per cent of reservists were once cadets. The cadet system is worth supporting when one considers the amount of money that is spent on advertising to get people to join the armed forces. Cadets constitute roughly one in four of our Defence Force personnel and are a worthwhile investment from a recruitment point of view—not to mention the personal discipline and responsibility that inspires young people to join the cadets.

I think of 1st Flight, which meets at Macgregor State High School but has been shuffled from one room to another. Its armoury is being moved here to there; its meeting places have been moved from here to there. I am left feeling very disenchanted with the approach of the Queensland government, and particularly its education department officials, who basically see cadets as a warmongering facility instead of a great operation for young people. The old leftie style approach to the cadets which seems to pervade the Queensland government is something which I think would be condemned by everybody.

The cadets part of the white paper is, to my mind, a fulfilment of a policy that I was very proud to espouse prior to my election to this place in 1996. I am frustrated that it took a white paper and a defence minister having to assert his complete control over a department to bring about this kind of development and to beat back the very defensive attitude to change that the Department of Defence had.

One of the other matters I want to raise in connection with the Department of Defence and matters contained within this report is the disposal of defence department properties. I believe fully that there needs to be a change to the Defence Act to force defence department officials to consult far more widely than they currently do when they are disposing of properties. Essentially, what happens now is that the Department of Defence is obliged to consult with the community only when something with a heritage value listing is involved. In my electorate, when the long established, heritage listed property of the old 1st Military Hospital base at Yeronga was disposed of a few years ago, Defence went into overdrive as far as consultation was concerned and a fine process of public consultation brought about a pretty good result on the site. But when you contrast that with what is happening with the disposal of the former Annerley Army Reserve depot, in Dudley Street East, you are left scratching your head in wonder. Defence is not consulting widely. Rather, it is doing all it can to avail itself of the sale of the property and is disputing claims of any heritage value associated with the site. When I first raised this issue with my local community, I believed the consultation process that had been undertaken at Yeronga would have occurred with the sale of the Annerley site,
but it has not. I am left very disappointed by what has occurred. But the Defence bureaucracy is simply administering the act—an act which desperately needs a change.

I pay tribute to the members of the Supporters Protecting Annerley’s Culture and Environment, SPACE, a group which grew out of concern that the disposal of this site in Dudley Street East was the last straw. The suburb of Annerley has had a noble history. It is quite inner-city, in Brisbane, but it has been under huge pressure over the past decade by a city council in Brisbane which has set about intensifying the density of housing in the area, essentially loading more and more people into less and less space. People are fed up with clogged streets and with other facilities being under pressure from having too many people in too small a space. This group said, ‘We do not want high density housing on this army site. We want to keep it. We want to save it.’ That is a view that I support wholeheartedly, as I have said on the public record on many occasions, including just the other week before a Senate hearing in Brisbane on this matter.

But when the Lord Mayor of Brisbane appeared before that committee he basically let down the local community. Prior to the Brisbane City Council election last year the council had been working very hard to continue to intensify the housing density approach on the town plan on this particular site thus leaving Defence no other alternative when they sold the site but to seek its sale to some housing development proposal. I felt the Lord Mayor had a great opportunity at the most recent Senate hearings to put the case for what the local community wants. The local community would like to see the site preserved as a defence establishment while bringing together a number of the strands contained within the white paper for the proper commemoration and remembrance of defence history in Brisbane and also defence future in Brisbane, namely the cadets. This is a matter I intend to talk about with the new parliamentary secretary for defence, our friend and colleague the Hon. Dr Brendan Nelson, in about 40 minutes. I have an appointment to see him this morning and I want to raise this matter directly with him.

I would like to tell the House what SPACE’s proposal is. It brings together a number of groups in our community who are desperately looking for space of their own to do things in. It wants to bring in the Victoria Barracks Historical Society, a group which has had a long association with the Annerley site and believes a great deal in its value as far as cultural and social history is concerned. A constituent of mine, Leo Walsh, has spoken to me about a proposed Queensland military memorial museum and that four other groups would come to a museum on this Annerley site. It is envisaged that the museum would become a tourist and education attraction in combination with re-enactment groups and that there would be a gun park on the site. A number of guns would be located there—I am talking big guns, cannons.

The Living History Federation is a group with 19 groups within it. It covers a wide variety of military history. It needs space for training facilities. It receives no government funding. It plays at festivals and medieval tournaments. Any earnings are donated to charity. The old drill hall on the site at Annerley is tailor made to suit the group’s needs. Open days and fairs on-site would also be possible.

As I have just told the committee, the 12th Division at full strength would have 150 cadets but currently it has 120 and is operating across three different sites and there are problems associated with each of them. There is a need for unity of those three groups. The Annerley site would allow for the amalgamation of those three groups and for a great sense of purpose to develop from there. This site has a parade ground. It has storage facilities. It has an old drill hall where generations of soldiers have come and gone over the years and until a few years ago called the place their home.

This is a site that has a very fond connection with the Department of Defence. The Department of Defence tends to be a very good neighbour indeed, and the local community
would much rather see the site continue in that particular vein. So they are heartened by the $30 million commitment from the Howard government to cadets. They are heartened by what is contained within the defence white paper. The community group understands that the Department of Defence does not want to have to take money away from its true purpose in order to maintain old buildings and the community is looking for ways to form some sort of community trust to take over from the Department of Defence. Frankly, if this site is costing Defence $20,000 a year to maintain—$20,000 negative dollars if you like—a $1 a year rent to the Department of Defence means that the Department of Defence is $20,000 and $1 in front on its current position. In other words, if the local community are prepared to take over this site, maintain it in proper repair, ensure that all of these different groups can come in there and grow it into something that gives some benefit to the local community, then we have got the best result. We have got the local community feeling that the Department of Defence is keeping something of value in their local community.

We have also the potential for young people and other generations to come to understand a little bit about our history, to understand that the muster which came from Warwick in the First World War and marched through my electorate into the City of Brisbane to go and fight at Gallipoli and other places camped in the area around this site. This sort of history should be preserved and also passed on to other generations. I believe that, all round, the community proposal is one that should be looked at. I believe that there needs to be flexibility brought into the process of disposing of defence properties, that the Defence Act needs to be changed, that consultation with the community needs to be a reasonable demand met by the Department of Defence and that it should not just simply be established heritage value with a site that triggers such consultation.

The regard that the community has for the Department of Defence should not be completely lost by the wholesale disposal of property. This property could turn out to be a windfall to the government. As a responsible member of the government parties, I would be happy to see proper allocation of funds that came from that windfall used to the benefit of the broad community.

But it seems to me that there is a growing concern about the loss of our cultural and social history associated with defence facilities that should not be traded off just for a dollar today. We should not turn our backs on those who have passed through the doors of the drill hall at Annerley, those who have marched and paraded on the grounds at Annerley. We should not turn our backs on their memories. We should have regard for them and consider what could be, for today and tomorrow. This defence white paper, to my mind, opens the door to those possibilities. I welcome what Minister Moore did. I welcome this white paper. I commend it to the House.

Mr HORNE (Paterson) (10.55 a.m.)—I rise to welcome the long awaited and certainly overdue white paper on defence. I support comments made by the opposition leader, the Hon. Kim Beazley, in the House yesterday that this white paper follows closely a pattern established in defence white papers when he himself was Minister for Defence. I make no bones about: defence is a very important industry to the electorate of Paterson. The RAAF base at Williamtown is one of the biggest and most important in Australia and hopefully it will get bigger. It is a vital part of the Hunter’s economy. I believe that Headquarters Australian Theatre should be established there and I urge the government to make an early announcement to that effect. I welcome the news that the early warning aircraft will come to Williamtown but I am critical that this is a watered-down version of a program that promised so much yet will not deliver the full promise.

When we consider the Prime Minister’s innovation statement of last week and we look at the proposal of the AWACS, we see that this is a government that says one thing and practises another. In my opinion, the strength of the original AWACS proposal was that Australian
service people and Australian industry would be involved in developing new technology. Australian industry has as a strength that it has always displayed a flair for this sort of thing, an ability to think outside the square and an ability to develop new techniques. The watered-down program that has been announced in this white paper probably means that we will be doing less developmental work in Australia. We will be purchasing aircraft in a fitted out form and it will simply be maintenance work that will be done in Australia. That is a lost opportunity.

I would also like to mention the patrol boats that have been identified in this white paper. Once again we can identify the stop-go policies of the Howard government. I would remind members that in the Hunter region over the past five years minehunters have been constructed for the Royal Australian Navy by Australian Defence Industries. Just one year ago on a study tour in Italy, I visited the headquarters, the place where these vessels were designed, the parent company, in La Spezia in Italy, Intermarine. As I toured their plant and looked at what they were doing there, the management of Intermarine strongly supported the opinion that the ADI plant in Newcastle was the best in the world, producing the best product and having the best technically trained staff in the world. I advise members that this was a purpose-built facility with a specially trained staff, and now we find that with the last hull completed and being fitted out this specialist team is being disbanded because of lack of work and that plant is being mothballed.

A quick decision on the patrol boats would not only give this high-tech and specialist industry the opportunity to survive but I believe it would also be of economic benefit to the defence forces. Surely an established industry with plant and staff in place could be more competitive than a contractor that has to develop a new site and a new work force. The Hunter has the potential to become a centre of excellence in defence industries. I call on the government to recognise this and reward our community with some positive decisions. Production figures at the British Aerospace plant show that Australian craftsmen are producing a better product with the Hawk lead-in fighter for the Royal Australian Air Force, and they are also doing it quicker. This backs up my earlier comments about Australian ingenuity.

I would like to take this opportunity to raise another issue that is really not addressed in this white paper: the effect of Air Force operations on the surrounding community. Already, I have identified a number of areas where RAAF Williamtown is expanding and has the potential to expand. With major investments there, by both the former and the current government, the importance of RAAF Williamtown to both the Hunter economy and the defence forces of Australia is expanding. It is important that the integrity of the future of this base be put beyond doubt. Yet what do we find? We find that there are pockets of opposition to this RAAF base because some areas and a number of people are adversely affected by operations.

I am talking about the people who live in Steele Street: over the main Nelson Bay road from the runway of the RAAF base, but only a few hundred metres from the end of the runway. Every day there are hundreds of aircraft movements directly over their roofs. We are talking about families who are trying to rear young children; we are talking about elderly people. I believe it is important that Defence enter into negotiations with those people to acquire those properties because it will indicate that Defence is concerned about maintaining that base and that those properties are not going to get any cheaper.

The other thing is the Salt Ash weapons range that was established in the forties. It continues to be in operation and continues to be a bone of contention with a lot of people. A couple of hundred families are affected by the continual noise of the aircraft gunnery operations and the low flying aircraft and the very high-powered aircraft that are accelerating at specific places in their operation—they come in low, fire their weapons and then accelerate as they climb away from the weapons range. If any of you have not been close to a couple of
FA18s—and they seem to operate in pairs—with their afterburners on. I can assure you that you need your hands over your ears. It is very important that any families which are adversely affected be given the opportunity to negotiate with Defence.

A committee has been established by the Mayor of Port Stephens, Councillor Steve Busteed—and I believe that Councillor Busteed should be complimented on this. The committee is made up of members of the council, members of the Defence Force and members of the community. They sit at regular intervals, look at complaints and then decide on a course of action. I believe it would be wise for Defence to continue expanding the role of that committee so they could go out and identify whether there is a genuine grievance, and they could make a recommendation as to whether or not the acquisition of that particular property should be included in defence activities. I believe that this will remove a genuine objection to RAAF operations in the area, and that it will guarantee that the future of RAAF Williamtown is secure and that this industry, which is vital to our area, is ongoing.

As I have indicated, we welcome the white paper. It is long overdue. It does set out the future of defence in Australia. I would also like to point out that one of the greatest things that was done for the defence industry in Australia was in the early days of the Hawke Labor government when a definite decision was made that defence industries be established and expanded in Australia. Defence, as an industry, is one of the high budgetary items. It makes a lot of sense that defence industries should be onshore. I know that the new minister got up in the House yesterday and was critical of the submarines. Personally, I am very proud of the fact, and I am sure that members opposite are also proud of the fact, that Australia is capable of building submarines. There is no guarantee that we could have gone overseas and purchased submarines, brought them back here and found them trouble free. None at all. The point is that we have developed the technology. We have built them; there were problems with them but, because of Australian industry and ingenuity, we have overcome those problems and there is no doubt that the Collins class submarines are now a world-class item. There is also no doubt that the frigates that we are building at Williamtown—and I am pleased to say that many of the components of those frigates were constructed in the Hunter region—are also world-class. There is no doubt that the Lead In Fighter aircraft that is currently being constructed at RAAF Base Williamtown in the electorate of Paterson is world-class and that those craftsmen are doing it better and quicker than anywhere else in the world where that plane is being built. There is no doubt that the minehunters that have been constructed in the Newcastle region over the past five years are also a world-class vessel. The skills of the tradesmen again put a stamp of authority on the fact that our tradesman are very capable and can produce a world-class vessel. These are the strengths that our defence industry must grow on.

I believe we should not get into that frame of mind where we, as a nation, feel inferior and that regularly our defence minister has to go overseas with a big chequebook and an open order to purchase defence items. I believe it is vital for our country that we use our own ingenuity, personnel and specific needs to design and build the weaponry that we need for our own defence. I also believe that that opens an opportunity for major exports for us. If we develop a name for quality items of defence, a market for the sorts of things we can produce will develop in the expanding southern Pacific area, and I believe we can produce them very competitively.

I welcome the white paper. I sincerely hope that the decisions on a number of things are made quickly, such as Headquarters Australian Theatre to be established at RAAF Base Williamtown, and that Australian industry is given the opportunity to get on with the construction of the patrol boats identified in this paper as quickly as possible because, while various ministers can stand up and boast about unemployment, I can assure them that in one of the greatest industrial areas in Australia—that is, the Hunter—unemployment is still
unacceptably high. The shame of it is that, at the same time, we are seeing the decline and the winding back of the minehunter industry. People are being laid off and a very important and successful team of people are being disbanded simply because the decision to allow this industry to continue to flourish has not been made. If the money is there, if the determination is there, this government needs to make the decisions quickly so that we can get on with the job. I hope that is what the white paper says. I hope that is what the government does. (Time expired)

Mrs HULL (Riverina) (11.10 a.m.)—The government’s defence white paper, Defence 2000: Our Future Defence Force, outlines Australia’s need to invest in a capable and deployable Defence Force that has the resources to effectively protect our nation in air, sea and land combat. By increasing spending to the defence forces, we create the opportunity to upgrade our land, air and naval forces to keep pace with evolving technologies and capabilities. We also possess the opportunity to foster the skills of our defence personnel; they are our national asset.

The Defence Force is very important to my electorate of Riverina and, in particular, to Wagga Wagga, as we play host to the Kapooka Army Recruit Training Centre and RAAF Base Forest Hill, both of which are centres of training excellence. The Army Recruit Training Centre, known within the Army as the ‘Home of the Soldier’, is located at Blamey Barracks, Kapooka, and is under the command of Colonel Mike Crane. The barracks were named after one of Australia’s most distinguished soldiers and the only Australian ever to hold the rank of field marshal, Sir Thomas Blamey. Blamey was born in Wagga Wagga on 24 January 1884 and commenced his military career there when he was appointed second in command of the school cadet unit at Newton Public School, which is now called South Wagga Public School, where he was a teacher.

The land was originally acquired in 1942 to establish an army engineer training camp. In 1947, the camp was handed over to the Department of Immigration and used as a migrant centre until November 1951, when 1RTB, the 1st Recruit Training Battalion, was raised. The barracks were initially created to cater for the reintroduction of national service and Australia’s involvement with the Vietnam War. During national service, four intakes were received each year at 1RTB, as well as continuing intakes of Regular Army recruits. Since the abolition of national service in 1972, 1RTB has been the sole recruit training battalion in the Australian Army. In 1985, it became responsible for the training of female recruits, whose training previously was conducted at Georges Heights in Sydney.

In 1993, 1RTB took on the additional responsibility for training all Ready Reserve recruits and for the conduct of the occasional two-week General Reserve recruit course. In 1997, recruit training underwent a dramatic change resulting in the implementation of the current 45-day common induction training, which sees full-time and part-time recruits undertaking training together and, consequently, graduating with the same military skills, qualities and knowledge. On 1 December 1998, 1RTB changed to an individual training centre and its name was changed to the Army Recruit Training Centre.

Kapooka is home to the soldiers chapel of the Australian Army. This chapel belongs to all soldiers—past, present and future. For this reason, it has been located at Wagga Wagga, Kapooka—‘Home of the Soldier’. The chapel consists of three separate sections—the Catholic chapel, the Anglican chapel and the Protestant denomination. The design of the chapel is based on a white dove in flight. The white dove generally symbolises peace and for Christians it also represents the presence of the Holy Spirit. The right wing of the dove is the Catholic section of the chapel, the left wing is the Anglican section and the body and the tail are the Protestant denomination sections of the chapel. The neck and head of the dove face the valley.
The chapel was opened on 1 October 1993 and it cost $1.8 million to build, of which $1.2 million was obtained from Defence Force members through public appeals and donations. This cost accounted for materials and fittings only, as it was built by Army engineers, mainly from 21 Construction Squadron. The glass doors of the chapel have been reserved for the embossing of the insignia of the various corps of the Army. In front of the soldiers chapel is the memorial wall. This wall is designed to carry bronze plaques for units, corps and associations of the Army in memory of soldiers who have served in the armed forces, and especially those who have made the supreme sacrifice.

At the entrance to the chapel you will see the upturned rifle. This symbolises a soldier who has fallen in battle, either wounded or dead, and who needs help. It is embedded into a piece of rock that was brought back from Gallipoli after the 75th anniversary of events there. Other features distinguishing the chapel are: the angular ceilings representing the draped canvas of tentage used by soldiers in the field; the wooden cross made of dark Australian wood and light New Zealand wood representing the Anzacs; the wooden altar made of timber taken from planks used on the Bailey bridges, being a double symbol representing both the engineers and the altar bridging God and us; and the large stained-glass windows made by two resident padres who, to save costs, did a window making course and then trained 40 volunteers from Wagga Wagga over 12 months. After more than 5,000 hours of work, they constructed the windows for about $30,000 instead of around $250,000.

The Army Recruit Training Centre has been served by a full-time military band since 1952. The Australian Army Band Kapooka, led by Major Patrick Pickett, has a presence in the region that adds significantly to the entertainment, educational and cultural life of the Riverina and surrounding districts. In addition to their military and ceremonial roles, the band members formed several highly skilled ensembles, including a concert band, a big band, a Dixie band, a brass choir, woodwind and brass quintets, and vocal ensembles. Countless charities have benefited substantially from the band’s concert programs, both directly and indirectly, with tens of thousands of dollars being raised with their assistance. Over 100 engagements are performed annually for the civilian population, ensuring the survival of valuable charity programs that service our communities. In off-duty hours, several members of the band and their families volunteer their time and services to assisting the development of regional musical and social organisations.

By promoting local talent and through participation in the work experience program, a large variety of artists are offered the opportunity to gain valuable experience and the exposure necessary for success in the entertainment industry. On the day that I was sworn in as the member for Riverina, I was overwhelmed when, on entering the Members Hall on the way into the Senate, I was greeted with a fanfare from the Australian Army Band Kapooka. I cannot explain the pride that I felt that day on seeing my very own band. It was also a proud day for me when the Minister for Veterans’ Affairs chose the Australian Army Band Kapooka to travel to Borneo with him. The band serves as a fine example of the many contributions that the defence forces make to the electorate of Riverina.

RAAF Base Wagga Wagga has been a training base since 1940 and is currently under the leadership of Wing Commander Ron Hodges and Wing Commander Rob Scrivener. The two main training units at RAAF Wagga Wagga are the RAAF School of Technical Training and the RAAF School of Management and Training Technology. The RAAF School of Technical Training provides basic training for cadets. It takes on an average of 435 students and is substantially supported by civilian instructors of TAFE New South Wales. Having the training contract for RAAF Base Forest Hill largely underpins the Riverina TAFE’s activities right across the electorates of Riverina, Hume and Farrer. The School of Management and Training Technology provides train-the-trainer courses and is responsible for teams of management and training consultants located RAAF-wide. These are both part of a larger organisation called
Ground Training Wing, the headquarters for which was formed at RAAF Wagga Wagga in January 1999. The airmen leadership flight unit maintains an average of 62 students and is responsible for providing promotional courses designed to produce airmen and airwomen with leadership and management skills.

The RAAF base meets the government’s aspirations by providing employment opportunities to civilians as well as defence personnel through employing local contractors. The defence forces in Wagga Wagga are an essential and integrated part of the community—so much so that the RAAF Base Wagga Wagga was granted freedom of the city of Wagga Wagga in 1961, while Kapooka was granted the honour in 1962. Both the RAAF base and Kapooka have a major impact on the economy of my electorate. As they are both located in Wagga Wagga, this is where the majority of the benefits are felt. I am proud of the substantial contribution the armed forces in the Riverina have made to the security of Australia in the past and of their added responsibilities that will spread out into the future.

A project of interest has been initiated by Jack Mullins and Lee Wright and students of Wagga Wagga High School. These people have devoted many thousands of hours compiling a CD-ROM of the memories and history of our returned soldiers and their families. This project is vital in documenting the past before it is lost through our veterans passing away. This CD-ROM is a fabulous walking, talking history. It has brought together the old and the young to ensure that as a people Australians have never and should never take their freedom for granted.

This government believes that Australia’s armed forces play a vital and pivotal role in our overall strategic and foreign policy. It is incumbent on us to ensure that we have forces to protect us. I am proud to have a major part of this strategic strength housed in Wagga Wagga in the Riverina electorate and I look forward to the increasing role that our bases will play into the future. I commend the government’s initiative in this defence white paper. I commend the government’s initiative in this significant defence expenditure and I look forward to the Riverina being able to inject into Australia the very strong assets that it has in the past and that it will continue to inject in the future through our defence forces.

Mr PRICE (Chifley) (11.22 a.m.)—Madam Deputy Speaker, it is a pleasure to speak on the white paper, particularly with you in the chair because we all know of your great interest in defence matters. I understand you chair a coalition backbench committee, so it is an added pleasure to make a contribution. I had better be on my toes in what I say.

There is nothing worse than listening to whining opposition members that want to take a point to make a small point. I certainly will try to avoid splitting hairs as I do not have too many. I think there are some good things in this white paper. I do not know that I can be as enthusiastic as Professor Dibb has been in welcoming the white paper. Firstly, let me make the point that the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade brought down a very significant report into the Army. One of the things we were waiting for was the white paper so that we could see what the strategic guidance in the white paper would be. That was not to be, so we had to pick our own strategic guidance. In that report we indicated that Australia, in a significant departure particularly clarifying the role of the Army, had to be prepared to be involved in a brigade level operation as well as one battalion level operation. Of course there is nothing in the white paper that acknowledges that contribution by the committee. But, whilst this was a sensible decision by the government, a decision I strongly endorse and support, I think there ought to be a little bit of credit go to the committee for being the first to put it in the public record. A lot of my remarks about the white paper are going to be oriented towards Army. I actually think that of the three services this is the area in need of greatest reform.
I have noted some of the contributions by coalition members, so I suppose I should lead off with some of the nasties. There are two significant black holes in this white paper. I do not think there is any member of parliament that has not welcomed the additional money being spent on defence. I say that unreservedly. However, we also need to put it in perspective: at the end of 10 years, we are actually going to be no better off than we were at the beginning. So although there is significant expenditure over the 10 years, if it is adhered to by successive governments, we still will not solve all the problems.

What are the two black holes to which I refer? Firstly, there is a nasty one involving Army. As you know, Madam Deputy Speaker, supplementation is provided to Defence for our troops in East Timor—as there should be; there is no argument about that. I understand that the Secretary to the Department of Defence, on a radio program, indicated that 50 per cent of that supplementation has gone to force generation in Australia. In round figures, $500 million—more precisely, probably about $470-odd million—has gone to force generation.

Why is this a black hole? What is unclear, now that the white paper is out and the six battalions are a matter of policy, is when the force generation expenditure will need to be met by Army. Will the current situation continue? That is, once troops are finally out of East Timor, the supplementation will finish and Army will have to pick up that force generation cost from whenever that point may be; hopefully, it will be very quickly. Or is it already the case that, because the white paper is out, and it is government policy, they are meeting that particular cost of about $500 million in round figures?

What is the second black hole? It is clear in the white paper that there are quite a number of initiatives that the government proposes to take on the personnel front. Again, I do not think this is an issue of partisanship or political bickering. But what is disturbing is that there is a two per cent differential. In other words, what is proposed in the white paper is two per cent below the increase in average personnel costs over the last 10 years. So here we have a government that is outlining a number of initiatives that it wishes to take, with the support of the parliament as a whole, but in the white paper it proposes to provide two per cent less money than the historical 10-year average. I wish it were otherwise, but I cannot see how the government is going to be able to meet this ambitious target in the white paper. So those are the two black holes.

Let me turn to Army. We know that the reserves are going to be rerolled and retasked. Firstly, we know that, through exercise Tandem Thrust, the 11th Brigade in Townsville has been rerolled, and the extra training, with no additional investment, is going to be tested in Tandem Thrust. I hope I am not divulging highly confidential Defence Subcommittee business; but, in fact, we discussed this matter last night.

Secondly, we know that there was a reserve conference in Canberra late last year but we do not know what came of it. I think the government is buying a huge argument with its reserves. We know from the report From phantom to force that there is a huge hollow in the reserves as well as in the regulars. There is inadequate provision of equipment. If we wanted to fully equip the reserves today, the Treasurer would have to write a cheque for a lazy $4 billion. In the From phantom to force report we said that we needed four brigade-type units with an ability to cascade within two years to an additional eight units, making a total of 12. When we bring down the follow-up to that report, we might be tempted to blow out the three-year period and reduce the number of brigades that we suggest should be cascaded.

This means—and I am indebted to Major General Warren Glenly for organising a meeting with the Defence Reserves Association in January this year—that we are going to cut reserve numbers significantly. But the point is that the reserve that we will be left with is a real reserve. We are cutting through a lot of the political crap—if I may put it that crudely. The
reserves will be fully equipped—not half equipped with antique equipment—fully trained and deployed in formed units.

The government has demonstrated the utility of the reserves through what I call slot theory: using reservists to slot into regular positions. By and large, they have done very well; I am an admirer of the reservists. However, the reservists have a passion—which is, I think, understandable—to be deployed in formed units. Neither the former Minister for Defence nor his junior signed up to deploying reserves in formed units and, unless that is done, I think the government will buy into a huge political argument. The library research section has demonstrated that, if we are looking at block obsolescence and the opportunities to move around that over the next 20 years, we have a window of opportunity of about five to six years to reform our Army and see whether they are capable of doing the things that we want them to do. If we do not take up this opportunity now and over the next several years, we will be postponing reform of the Army until the end of 2020.

I think it is dishonest for a government not to be open, particularly on defence matters. What is the reserves’ new role? In Townsville we were told, ‘Well, they’re going to be second-class citizens. They’re not going to be able to do all the things that a regular soldier will be required to do—in fact, we won’t train them to the level of a regular.’ We should debate this point because there are some pros and cons. However, if that is the case—and I appeal to my coalition colleagues opposite—the government is reversing policy for the first time. There has been a lot of movement—and we can be critical of both sides—towards saying that there should be one Army. This is the first time that we will say officially that reservists are second-class citizens and that, in this protection role, they will not be able to fulfil all the requirements that we would expect of regular Army personnel. It is a big call: you are heading down the track of being tested in Tandem Thrust and, when the reserves find out, I think there will be a bit of a revolt.

I want to say just a couple more things. The days of talking about a technological edge for our ADF are rapidly dwindling. I have said that a technological edge is like a boxer’s glove: it is not the glamour of the glove that counts, but the punch that you pack. What we should be aiming at with our services is not to consider them individually. If there is an edge that we require in the future for our defence forces, it is a capability edge. It is the way in which our three services manoeuvre and operate together. A lot has been done in terms of joint operations, as I would happily acknowledge, but we have a long way to go before we have our three services operating the way we would want, giving us a significant capability punch in our region. To be a little bit political, for which I apologise: I noticed that a couple of the coalition contributions, in particular the one by my friend the member for Indi, referred to the lethal force that the submarines are going to provide. It is good to see that the coalition, instead of demonising the submarines, is now starting to recognise their capability. After all, in exercises one of our unmodified submarines took out an American aircraft carrier. You can just imagine how the Americans love 5,000 to 6,000 people being taken out by a ‘dud sub’. These are far from dud subs. I agree with the honourable member for Indi that they are going to give us lethal force and force projection.

There is a lot more that I would have liked to contribute in this debate. I thank the Leader of the House for allowing at least some of the backbench members who have an interest in defence to make a contribution on this important white paper. (Time expired).

Mr Lloyd (Robertson) (11.37 a.m.)—I am very pleased to be able to associate myself today with the Defence 2000 white paper. It is a very important document for the future of this country. To be able to provide an efficient and well-resourced defence force is one of the...
basic principles of a strong, civilised country such as Australia. It is not inexpensive. It costs a huge amount of money. Before I go into the details of what the government is planning for defence, it is important to remember that none of this would have been possible if this coalition government had not taken the very difficult steps to address the financial position that this country was in when we took government in 1996. It is very easy for people to forget the position that this country was in, with an $11 billion deficit that the Labor Party said did not exist before the 1996 election. Labor Party members certainly want the Australian community to forget that sort of thing but, if we had not addressed that deficit and put our economy in shape, it would not have been possible to have money available—as we have now—to put into our defence forces. That is one of the major initiatives that this coalition government has undertaken and one of the greatest initiatives for our defence forces that this country has seen for many decades.

One of the key planks of the white paper is an increase in defence funding of an average of three per cent per annum in real terms over the coming decade, with an immediate increase of $500 million in 2001-02 and $1,000 million in the following year. These are quite mind-boggling amounts of money. In all, the defence spending over the next decade is expected to increase by a total of $23.5 billion in real terms—a very significant amount of funding. In fact, it is the biggest increase in funding for defence in over 20 years.

The key points of the white paper include the enhancement of land force readiness and sustainability. Firepower logistics and mobility will be improved. The number of battalions held at high readiness will be increased from four to six. There will be two squadrons of armed reconnaissance helicopters and an additional squadron of troop lift helicopters will be purchased. The reserves will play a far more important and challenging role in the direct support of our deployed forces and, given the likelihood of deployment by the ADF, the reserves will become an increasingly important element of force sustainment and a source of additional specialist skills. We will also be maintaining Australia’s air combat capability as the best in the region. We will acquire four AEW&C aircraft, with the option of three more later in the decade.

The FA18 upgrade program will continue, and the government has made provision for the acquisition of up to 100 new aircraft to replace the Hornets and possibly the F111s. We will have an enhancement of Australia’s strike capability with the improvements to the F111 electronic warfare self-protection systems. The strengthening of the maritime forces will be very welcome. All six of the now famous Collins class submarines will be brought to a higher level of capability and a new class of at least three air warfare destroyers will replace the FFGs. It is also important that we will maintain our commitment as a government to the knowledge edge—the recruiting and retention of skilled personnel—and to retaining Australia’s alliance architecture with the US as a key strategic asset.

One of the important parts of the white paper which I want to speak about in more detail today is the expansion of the cadet units and the cadet scheme, because I believe it is a great initiative and a great thing for the young people of our country. It is something which I think has great support throughout this country. Currently, 25,000 young people are members of 417 units. Certainly, the government wants to create more opportunities for young people to be involved in the cadet units. I was a member of the Army cadets in high school and it certainly did me no harm. I had no career ambitions to go into the armed forces, but what the cadet units taught me was certainly very useful in later life. Teaching people self-discipline, pride in themselves, how to understand a chain of command and how to work within that chain of command are very important matters, no matter what career you go into in later life.
Cadet units are not just for people who want to have a career in the armed forces. In many areas, such as in my electorate of Robertson, the cadets are the public face of the Defence Force, because we do not have a defence base situated on the Central Coast of New South Wales. At special ceremonies such as those that occur on Anzac Day, Remembrance Day and at other events on the Central Coast, the armed forces are often represented by our cadet units.

On the Central Coast, we have three cadet units—all fine units. We have the TS Hawkesbury, the naval cadet unit, whose commanding officer is Pat Marsh. We have 11 Flight Gosford, the air training corps, whose commanding officer is Neal Rogers. We also have 25 RCU Erina Army cadets, whose commanding officer is Craig Wood. So we manage to cover all the branches of the armed forces. I would like to commend all the cadet units on the Central Coast. They do a magnificent job.

The government is looking to put more resources into the cadet units. I know that from time to time they have had difficulties with resources. The publicity at the moment is helping to promote cadets and a lot more young people are looking at cadet units as providing a way of obtaining some skills and an enjoyable time. For many young people, it also gives them an opportunity to have a look at going into the armed forces as a career.

As I said earlier, cadets represent 23 per cent of Australians wearing the military uniform. So in people’s eyes they are the visible and public presence of the ADF. Approximately 30 per cent of young people who have been in the cadets for more than two years go on to join the ADF. That is a very high figure. They provide nine per cent of the entrants to the permanent ADF, who remain there for comparatively long periods. The figures show that cadet units are an important training ground and a key area from which the Defence Force can source young people who are already experienced in the basic ideas of what a defence force is about—the chain of command, for instance—and what they are looking for in life. Many of those I have spoken to have said, ‘I really didn’t know whether I wanted a career in the Defence Force; the cadets were almost a form of work experience’. Cadet units allow young people to put their toes in the water and see what the Defence Force and the cadets are about. Many young people have said that they love the idea of that lifestyle and, as I have said, nine per cent of entrants to the Defence Force come from the cadets.

There are clear indications that the cadets significantly benefit the community. It is not just a matter of training young people to become members of the Defence Force. Cadets enjoy friendship and derive a sense of pride in themselves—which, unfortunately, is lacking in some young people—a sense of discipline, a sense of achievement and an understanding of the role of command and how to achieve things in life through a process. I think that is very important. As young people, we all have dreams and aspirations. However, in all walks of life—even as a member of parliament—trying to achieve our goals can be very frustrating and we must understand the process through which that can be done. It is the same in the Defence Force and in the cadets: you must understand the chain of command and how you can go forward in life and achieve your goals. That is another significant area.

Turning to the white paper, it is great that a substantial amount of money has been spent on and will continue to be injected into our defence forces over the next few years. It is a significant step forward. That news has been very well received by the Australian community. The actions of the ADF in East Timor lifted the morale of Australians and gave them a greater pride in their country. Last year was a wonderful year for this country, with the Olympics and our pride in the achievements of the Defence Force. We went to East Timor not as the region’s policeman but to assist an emerging democratic nation and to do what was right.

When I talk to veterans groups many of the older veterans say to me, ‘Australia has changed and I’m not sure about our young people anymore.’ There is often discussion about putting people into the military. Attitudes have changed a lot because of the media: we can see on the television in our lounge rooms, night after night, an Australian soldier in uniform
carrying a young East Timorese child, for example, and Australian soldiers working with the people of that region within their community. That is what Australia is all about. That is what these older veterans remember but they have not seen for many years. It shows that today’s generation of young Australians has lost none of the spirit or the larrikinism that Australians are famous for. Even though we have moved on—we are a modern country and a multicultural society—we have not lost the essence of being Australian and believing in and doing what is right.

The Defence Force action in East Timor brought that home to Australians, particularly many older Australians who had started to lose faith and to feel that this country was not going forward. It reinforced to them and to all Australians that this is one of the greatest countries on earth. It is a country to which many people from all over the world want to come. That is why we have difficulties with people coming across by boat and claiming refugee status, and many other people trying to come to this country: they know that this is one of the best countries in the world. We have one of the best living standards. In this year of the Centenary of Federation we have a lot to celebrate, in that this country was formed in peace and is one of the few countries in the world to have had a democracy for 100 years without interruption or bloodshed. It reinforces why we have to spend this very significant amount on ensuring that we have a defence force that is capable of not only defending this country if it needs to do so but also playing a role in the Pacific region to ensure that we are a strong and vital force in our community. The world has become a lot smaller and we cannot live in isolation. We cannot just put up barriers around Australia, whether they be physical barriers of defence forces or whether they be tariff barriers. We cannot do that anymore. The world is much more a global world. We have to have an interest in our region. We have to play a leading role in our region, in the defence of our country and also in what is happening in neighbouring countries.

It is important that the government now has given the Defence Force the resources it needs, giving it the impetus that the country needs to continue to have a strong and viable defence force. As I said in the earlier part of my speech, none of this would have been possible if the coalition government had not taken this country and its economy and got it back into shape. We would not have the money to spend on defence forces, we would not have the standard of living that is the envy of the world so that we have to defend it, if we had not taken the hard decisions to address the $11 billion deficit, to have changed the direction of this country, to take it forward, to give us a great future. Many people forget that, and we have to remind them of the anger they had when they threw out the Labor government. (Time expired)

Ms GILLARD (Lalor) (11.52 a.m.)—I welcome the opportunity today to speak to the motion to take note of the Defence 2000 paper and the accompanying ministerial statement. The Defence 2000 paper offers an analysis of our strategic environment, deals with the size and shape of our Defence Force and addresses equipment and capability issues. I intend to make some comments today about each of these matters.

I start by addressing issues of force morale, recruitment and retention. It often seems to me that there is a schism in our national psyche when dealing with defence issues. On the one hand, we venerate our defence forces. Our chests swell with pride when we think of the contributions that our defence forces have made, most recently in East Timor and Bougainville. We even define what it is to be an Australian through the prism of the Anzac legend at Gallipoli. On the other hand, we struggle to treat our Defence Force personnel properly and nurture them in the way they deserve. My electorate of Lalor is home to two
Defence Force bases, RAAF Laverton and RAAF Williams at Point Cook. It is also home to a sizeable retired defence community. As a result, my office constantly deals with problems faced by our serving personnel, particularly in relation to the treatment of family matters, the lack of understanding of the impact on families of changes in defence postings and the inadequacy of defence housing. My office also deals with large numbers of veterans who struggle for fair treatment, notwithstanding the fact that they have faithfully served their country.

The fact that Australia often does not value its Defence Force personnel in these very practical matters is one of the matters, it seems to me, that is militating against Australia reaching its Defence Force recruitment targets. People in our community understand that message. As we know, the Howard government was happy to slash the number of full-time Defence Force positions by approximately 8,000 as part of its cynical so-called defence reform program. This Defence 2000 white paper marks an inelegant backdown from that position, as the numbers in our defence forces are to be expanded to 54,000. We should note that, like a number of Howard government backdowns, this backdown only delivers a proportion of what was taken away. So having lost 8,000 personnel, 4,000 will be put back.

Anyone watching the television over the summer period during the tennis, or any of those other big screen events that we have looked at during the recess, would have been well aware of the Defence Force recruitment campaigns, as they were bombarded at almost every turn, it seemed to me, by Defence Force advertising. But, as our Defence Force is finding, getting recruits and retaining personnel is about more than glossy advertising. In picking and planning a career, people are smart enough to look beyond the packaging and analyse what is in the box. In the week in which every member of our entire Defence Force was stood down in order to be addressed on issues of bastardisation and bullying, we need to face the fact that what is in the box is not enough to attract new recruits and retain personnel.

I urge this government and our Defence Force management to make a concerted effort to address the question of conditions and the question of culture within our defence forces. Until we do so, all we are doing is undermining the community imagery of our Defence Force and undermining its ability to recruit and retain. I think some of those questions are very important when we consider issues of morale within our Defence Force.

On the question of morale, I would like to turn specifically to an issue of morale in our Air Force. It seems to me that the new Minister for Defence, Peter Reith, has a perfect opportunity to send a clear message to our RAAF that it is valued, that its history is valued, and to bolster morale within the RAAF by announcing at the upcoming Avalon International Airshow that the government intends to save Point Cook. As I said earlier, the RAAF Williams base at Point Cook is in my electorate and is marked for disposition by the Commonwealth. Currently there is no plan or strategy to make sure that the key heritage issues at Point Cook are looked after.

In the coming week, the Avalon International Airshow 2001 will be held. Its theme is ‘Celebrating a Nation and its Airforce’ and the publicity for the show tells us that, in 2001, Australia is celebrating the Centenary of Federation, as we all know, and the 80th anniversary of Australia’s Air Force. The Avalon International Airshow is dedicated to commemorating both these events and will be the aviation centrepiece of Australia’s celebrations. But it seems to me a sad irony that, as Australia prepares for this major event, the future of the birthplace of Australia’s Air Force, the Point Cook air base, remains under a very dark cloud.

As I have said, the Howard government has determined that Point Cook is to be disposed of by the Commonwealth and it has no real strategy for preserving this historic site. How historic is it? The answer is: you could not get anything more historic than the Point Cook air base. The Point Cook air base is the oldest operational airfield in the world and it still has
many of its original features, including hangars and buildings. It was established in 1913 as the Central Flying School and the airstrip has been in continuous usage ever since. Point Cook is the birthplace of the Australian Flying Corp and the Royal Australian Air Force. It was the departure point for the first north-south and the first east-west crossings of this continent by air and the first aerial circumnavigation of the continent. Recognising its historic nature, Point Cook is home to both the RAAF museum and the RAAF chapel.

Whilst there are questions, obviously, about the need for the RAAF to retain direct involvement at Point Cook, it seems to me that the Commonwealth, in addressing the disposition questions, needs to ensure that this very historic place is not spoiled and that RAAF morale is not caused to suffer as a result. Having been involved in the campaign to preserve Point Cook’s heritage for more than two years, and having talked to serving RAAF personnel, whilst they observe the strictures of not campaigning publicly on what could be viewed as political questions, I have never in my life met an Air Force officer or serving personnel who did not have an emotional view about Point Cook, who did not want to see it preserved, its heritage truly valued and the RAAF museum and the RAAF chapel remain there. Showing that we care enough about the Air Force and its history to do something good for Point Cook would be a real boost for RAAF morale.

There stands ready to take over the management of the Point Cook air base a community based company called Point Cook Operations Ltd. That is a not-for-profit company which is in a position to say to the Commonwealth that it would take over the recurrent costs of the air base—at least alleviating that burden on the Commonwealth. It has a vision for the site which includes preserving all of the heritage of the air base and expanding, over time, the RAAF museum. I take this opportunity to say to the new Minister for Defence, Peter Reith, that there is a real opportunity in the coming week for him to make his mark in that portfolio and to do the right thing for Australia by deciding to preserve Point Cook. The Avalon International Airshow 2001 is the perfect time and the perfect place for the minister to make this announcement, and I would urge him to do so.

I will now turn from the morale issues—of which Point Cook is one, and the recruitment and retention matters I spoke about earlier are also aspects of the morale issue—to the strategic analysis proffered in the Defence 2000 paper. As the futurist, Peter Ellyard has said, ‘As the world is globalising, it is also tribalising—with individuals seeking security amongst race, cultural and language groups in part as a reaction to the insecurity that they feel as a result of globalisation.’

We are witnessing this phenomenon in our own region, and it has created what is referred to in defence parlance as the ‘arc of instability’. Even a cursory look by anybody in Australia at today’s newspapers would reinforce the concern that we have about stability in our region. Our near neighbours, most particularly Indonesia and the Philippines, face real stability issues with governance matters and, of course, there is Indonesia’s case with the integrity of the Indonesian state and various secessionist movements.

In that situation, where we do face what is referred to as the ‘arc of instability’, it is welcome that this Defence 2000 paper marks a return to recognising the primacy of defending Australia and, in doing so, defending the approaches to Australia, whether they be by sea or by air. Hopefully this brings to an end the dangerous drift there has been under this government to a defence perspective where Australia was cast as the deputy sheriff to the USA—the USA presumably playing the role of the world’s policeman and Australia volunteering for the role of deputy sheriff. I think we are all well aware that the drift into that defence doctrine caused great alarm in our region and that it did damage to regional relationships. However, even though this Defence 2000 paper moves back to a perspective of the primacy of defending Australia, I remain concerned that this government has an emotional attachment to the concept of playing the deputy sheriff role and that there are members of this
government who continue to be attracted to having such a forward defence role. As members of this place may recall, the former defence minister Ian McLachlan used to openly muse about Australia being involved in operations on the Korean Peninsula or in defence of Taiwan.

The Howard government is facing a real test on its attitude to these questions as the new Bush administration in the United States moves towards implementation of the national missile defence plan or, as it is more commonly referred to, the Son of Star Wars plan. Clearly, such a proposal is viewed with very deep concern in our region, particularly by China, which views it as a breach of existing ballistic missile agreements and fears that the so-called NMD could be used in a future conflict over Taiwan. Australia needs to avoid creating difficulties in our relationship with China as a result of being seen to slavishly follow the American view on this question. The Minister for Foreign Affairs, on last night’s 7.30 Report, said:

We’re an ally of the United States. And we obviously want to see a strong United States. We don’t want to see the position of the United States in the world progressively weakened by the proliferation of missile technology into other parts of the world.

Of course, I do not think anybody would suggest that anyone would endorse a position where the United States is progressively weakened by the proliferation of missile technology. But we need to note that the Son of Star Wars technology is not about the United States keeping up with other countries in terms of having a nuclear arsenal; it is a reaction where they seek to develop a device to prevent incoming missiles landing in the United States and, as a result, gain global supremacy in the nuclear arms race. So it is not about keeping pace; it is about winning the end game. In terms of a strategy of winning the end game, Australia needs to be very clear that it is not in our strategic interests to be disturbing our regional relationships, particularly our relationship with China, by slavishly following the United States of America down this path.

The Minister for Foreign Affairs and Trade also said last night during the 7.30 Report that ‘if there were no missiles there would be no need for a missile defence system.’ I am sure we would all say amen to that. We would urge the government to pursue—in relation to this question—in a concerted way continuing pressure for disarmament on a worldwide basis so that hopefully we get to a stage where at least there are fewer missiles, even if we cannot reach the stage where there are no missiles.

The strategic analysis and doctrine put forward in the Defence 2000 paper—that there be a move back to the primacy of defending Australia—is very welcome, but I remain concerned that, given some of the earlier utterances of this government, there could continue to be a drift on this question. It is a drift we cannot afford when there are propositions like that of the NMD being injected into the global debate on defence by the incoming Bush administration.

Mrs GASH (Gilmore) (12.07 p.m.)—I am delighted to speak in the debate on the government’s white paper on defence policy, and on the implications for Australia and especially my Gilmore electorate. As colleagues will know, many of my constituents work at or provide services to HMAS Albatross, just south of Nowra, and HMAS Creswell situated in the Jervis Bay territory. While the Shoalhaven area in particular in my electorate has been more than happy to embrace the benefits and advantages of a defence establishment, the mood in the past has not been so welcoming in many other parts of Australia. I applaud the Prime Minister and our former defence minister in their determination to hear and be guided by the people of our great nation. For the first time, a federal government has gone to the Australian people to ask if, in fact, they want a defence force and, if so, what kind of a defence force they are willing to pay for. Now it will be the Australian people who will once again own the Australian Defence Force and not the government.
During the information stage, the people were told of the difficult circumstances the Australian Defence Force finds itself in. The kinds of decisions that had to be made will bring financial and strategic costs, not just to this generation but to our children's generation as well. Overwhelmingly, the people of Australia endorsed their Defence Force. In fact, in our area, about 200 people attended the community consultation in order to participate and air their concerns. I thank my constituents for that, and I thank all of our veterans, the RSLs and the chairs of local associations and committees who attended on behalf of their respective members. They told us of their pride in a force that is strong, flexible and innovative enough to provide protection to the nation, while also playing peacekeeping roles in the neighbouring areas. The Australian people have told us that they want a defence force that they can be proud of, and that they are prepared to pay good money to see our servicemen and women well equipped, well trained, well paid and well managed. The defence white paper, entitled *Defence 2000: Our Future Defence Force*, represents, as the Prime Minister said in the tabling of this report:

... the most comprehensive reappraisal of Australian defence capability for decades. It announces major increases over a long time scale in defence funding, and it complements the government's strategic view of the circumstances in which Australia is now placed in our region and beyond.

Not only is this good news for Australia but it is great news for Gilmore. An extra $23.5 billion in real terms over 10 years means a great future for HMAS *Albatross* and its defence personnel.

Already this government has spent, in my electorate of Gilmore, $126 million on extensions to the base, with the final stage now under construction. The Navy is a major beneficiary, with increased spending, new equipment and increased personnel. A major upgrade of the Seahawk helicopters based in Nowra will commence in 2003. This means a boost for our local defence industries, which will be tendering for projects that are now confirmed and guaranteed.

Cadets’ training will now be fully accredited and recognised by new spending of $30 million, with a separate command structure funded to ensure it is properly managed. Already the member for Bradfield, the new Parliamentary Secretary to the Minister for Defence, has assigned himself to visiting our cadets at Ulladulla later this month. We need him to see that we already have several large and very active cadet groups in Gilmore, some with waiting lists containing as many names as the groups currently undergoing training. Full-time personnel will be increased overall from 51,000 to 54,000. I will certainly be recommending that HMAS *Albatross* in Nowra be considered as the location for headquarters of the Australian theatre.

As the placement of forces is rationalised and industry seeks to establish hubs of specific expertise, it is entirely possible that our local bases will grow and that our industry partners will grow alongside them. More personnel also mean more training facilities, and HMAS *Creswell* is well placed to expand its role in this field. Similarly, there are opportunities for more partnerships with local university and TAFE campuses, to better manage training resources and the sharing of research—and what better opportunities than at our Nowra campus of the University of Wollongong and our West Nowra TAFE campus, both funded by this federal government to the tune of $12 million.

We in Gilmore look forward to the impact of the decisions of the white paper. We see ourselves particularly well placed with Main Road 92, the Shoalhaven Highway, recently being announced by this government, in the process of connecting our naval bases directly with Canberra and providing good transport links to associated industry partners. Similarly,
our community has worked very hard to attract the right mix of industry partners, education and telecommunications infrastructure to ensure that we can offer attractive packages to business, unrivalled by other centres.

Across Australia everyone now understands that it was necessary to properly align our aims, our capability and our spending. It simply does not make sense to say, ‘We want to be able to help our neighbours,’ if we do not have the transport or training, not only to get there but to be useful as well; or to say, ‘We can’t help because we can’t afford the cost.’ We have to be realistic about what can be achieved in the short and longer term. What this government is all about is good long-term and financially viable policy, not ad hoc policy on the run that is simply aimed at buying votes or announced because it is popular. We must take account of the associated upgrading and maintenance costs, so that we do not get into another situation where all our equipment needs replacing at the same time.

No matter what strategy and equipment you have, the most important asset of any defence force is its personnel. Our service men and women have been very patient and have worked long and hard in often very trying circumstances that at times have lowered general morale. The defence white paper has recognised this and has been prepared to address it. We the community understand full well that it costs a lot of money to select, train and equip each person in the ADF. It also presents a large social cost to that person and to his or her family and friends. It would be futile to throw all of this away through neglecting our service people to the degree that they give up and leave the force.

We need to foster partnerships that we can form with others who regularly headhunt defence personnel for the private sector. I see this as an opportunity rather than a battle. Well-managed career paths with flexible crossover opportunities and good recognition of skills will assist in the re-establishing of the Australian Defence Force as one of the places to be.

It will obviously take careful planning and time to achieve our objectives. However, through the community and service consultation processes I believe that now, for the first time in a long time, we will all be paddling in the same direction. We can achieve much more together—and we will need to achieve much more if Australia is to become more self-reliant. Recent events have shown the reluctance of allies to become involved at an early stage. Australians have become aware that we might have to take some local initiatives alone and that assistance from others might come later. We obviously need to ensure that our trade and foreign affairs policies are in logical sequence with our defence policies. We need to work hard on our relationships with other nations to foster goodwill amongst our neighbours and allies.

Although many of us saw Australia as a very small player in the global arena, I think people forgot our responsibilities as a major player in the Pacific and South-East Asian contexts. Events in East Timor, Bougainville, the Solomons and Fiji soon changed our perceptions, and Australians now want a force that can support this nation’s various roles in our region of the world. In all my years in Australia I have been aware of the proud traditions of our defence forces, but I never realised just how good our service men and women are. As chair of the coalition committee on defence and veterans’ affairs, I attended part of the Crocodile 99 exercises in and around Townsville, experiencing our service people and their work at first-hand. It was a real eye-opener. Everyone I met at the exercises was entirely focused. Employers would give their eyeteeth for that kind of concentration and dedication.

As I have detailed in the House, the United States forces brought absolutely everything with them to these exercises—not just one of each, but hundreds or thousands of whatever. There was certainly plenty of defence equipment, and all of it was the latest technology.
However, with fewer resources, our service personnel work harder and smarter and have a more positive outlook than many others I have met. It is said regularly that our greatest asset in the defence of Australia is our personnel, and this is very true. One of our greatest strengths by far is communications. There is envy at the level and amount of equipment and resources available to the United States forces. Yet our troops took almost particular delight in using their initiative, inventiveness, innovation and sheer cunning to ensure that they got much more out of their supposed lesser equipment. There was a fierce loyalty to each other, to Australia and to our safety as occupants of this great country. Never have I met such a friendly, courteous, committed and disciplined force. While we continue our political point-scoring, they are embarrassed. They have a job to do and we should be standing alongside them. Our troops have a responsibility to do the best for our country and we need to encourage them and applaud their magnificent efforts in adverse circumstances.

Last year I travelled to Western Australia with other members of the coalition defence and veterans’ affairs committee to visit defence facilities and associated industry partners. I was absolutely bowled over by the high morale of the ADF personnel stationed with HMAS Waller, a Collins class submarine. They spoke with pride about their vessel and appreciated the chance to get their points across, emphasising the submarine’s advantages and benefits. In the media I have heard and seen only negative things, none of which were obvious during our inspection. Yes, there are hitches, but everyone was very positive.

Our service personnel work hard and remain very focused and positive while under enormous strain. They need our backing, and this government is going to provide that support—not just with lip service until the next election but throughout the coming decade—with increased levels of equipment, training and career prospects, regardless of the political flavour of governments to come. There has been a cycle in defence spending. We have seen white papers prepared by experts at great expense only to have them overturned by the next financial crisis. We, as a government, have now filled Labor’s $13 billion black hole and repaid $50 billion of Labor’s $80 billion in overseas debts. This federal government has restored some sense to the economy in spite of the doomsday prophets. Now we are positioning Australia’s defence spending on a sound economic footing so that our service men and women can believe that they, too, will have a secure future for decades to come. There will be no more fast talking, vote buying or boom-and-bust cycles, but sound, steady management of resources to ensure that our future Defence Force will be one that Australians can be proud of and proud to join.

Mr RIPOLL (Oxley) (12.20 p.m.)—I am pleased to be speaking in this debate on the Defence 2000 white paper as I have been very keen on most defence matters. It is opportune for me to be speaking today as I have just recently visited a couple of defence bases in south-east Queensland: during the summer recess I was fortunate to visit, with my colleague the shadow minister for defence, Stephen Martin, the Amberley RAAF Base and RAR1 at Oakey. This visit has reinforced my personal commitment to good defence policy.

As many of my colleagues have remarked in this debate, the Australian Labor Party has continued to support the government when defence policy has been good. The defence white paper presented to parliament in November 2000 has been a reassuring return to structured defence policy that reflects Australia’s capabilities to defend itself. It is also gradual recognition by this government of our regional position and commitments. This defence white paper is a broad document that, used correctly, will rectify the government’s denial of our role in Asia and bring our alliance with the United States back into perspective.

With the white paper in hand, the government has a number of challenges ahead of it. In the context of our role in international affairs, the government must develop a foreign affairs policy that repairs the ‘deputy dawg’ image that the Howard doctrine implied. The government must also use this document as a guide to reassure those in the ADF of a long-
term understanding of defence needs and commitment. Australia needs to be ready for any defence call-out, whether it be a peacekeeping role offshore, emergency relief assistance domestically or overseas, or a realistic national security strategy. Personnel are the ADF’s greatest asset, and the redevelopment of career recruits and reservists is a good step towards rectifying the low morale and job insecurity the ADF currently faces.

Over 12 months ago it became evident to this House that there were serious problems in the Australian Defence Force recruitment and retention, particularly in that of reservists. As with so many defence matters under this government, Labor’s concerns fell on deaf ears. Two separate amendment bills proposed by Labor to rectify employment and entitlement anomalies for reservists were allowed to lapse in the Senate last year. The proposed amendments to the Defence (Re-establishment) Act and the Workplace Relations Amendment (Australian Defence Force Service and Training) Bill were not fanciful attempts from this side of the House to whinge about government policy. These amendments were developed to remedy immediate problems the Australian Defence Force was facing in the replacement and relief of INTERFET troops in East Timor. Labor’s amendments were motivated by the overwhelming evidence that the ADF could not guarantee personnel for Australia’s commitment to East Timor.

The proposal that reserve forces be called out to support the rotation of East Timor forces was also under threat because the ADF could not provide sufficient guarantees of reserve personnel. There was significant speculation at the time of how ready Australia was in times of national security threats. It was evident that a shortfall in reserve recruiting targets in 1998-99 had directly impacted Australia’s readiness for conflict. Reserve recruitment targets were overwhelmingly down. We saw, for the first time, the RAAF down 44 per cent on targets, the RAN down 80 per cent and the Army down 49 per cent. These are extraordinary figures, which are a direct reflection of this government’s policies and short-sightedness about the ADF.

Since 1996, the government has abolished the Ready Reserve Scheme, which was widely acknowledged as producing committed soldiers trained to a very high standard. It has removed leave for Defence Force reservists as an allowable matter under the Workplace Relations Act. It has failed to meet reserve recruitment targets. It also introduced a six-week common induction training program which failed. From 1996 to 1999 the government slowly but surely reduced the ADF reserve force to a bare skeleton. With no guarantee of job security for reserves during and/or after service, policies this government has implemented have literally prevented any potential defence reserve recruit from working full-time.

The defence white paper is the first step in actually rectifying these problems, but I am loath to commend a government that is merely undoing its own bad work in the first instance. Over 12 months ago this government had an opportunity to prove a commitment to the Australian defence reserve and reservists, and it failed miserably. What was the government’s reaction to calls, not only from the opposition, but also from the Australian Defence Reserves Association and other interested parties to sort out this immediate problem? Its reaction was just complete inaction; there was no action. Two amendment bills proposed by Labor were allowed to squander in the Senate only to be practically reinvented, rebadged and retitled, if you like, by this government a year later. As in so many areas, the coalition is suffering from policy inertia. Despite its resistance, it has been forced to accept the defence strategy that Labor has upheld since being in government.

Denial just does not work at all times. The government’s about-face on BAS, for example, has proven that sticking your head in the sand and hoping that everyone will just get used to what you are doing just does not fool the average Australian. The government’s response to a defence force in crisis was not granted any better understanding either. Twelve months after everyone was demanding remedial changes to defence reserves, the government sauntered
A commitment of $20 million was made in the 2000 budget to defence reserves. Unfortunately, there is no indication of any solid investment in the reserve scheme beyond this financial year. Understandably the implementation of these amendments may determine the long-term strategy of the Department of Defence. I believe there is genuine cause to question the legitimacy of the government’s dedication to the budgetary needs of the reserves and of the ADF as a whole. One only needs to consider the government’s preference for fiscal policy over defence strategy to reinforce this notion. While it takes 12 months for the reserve program to be overhauled and nine months for the defence white paper to actually be released, it takes only a few months for the allowances and benefits of regular defence personnel to actually be rescinded.

My colleague from the Northern Territory, Warren Snowdon, can attest to the underhanded way this government has adjusted entitlements such as recreation leave, free travel, remote locality, leave travel and the removal of travel on posting. Despite the protestations at the most senior levels of defence forces, the government has done nothing to redress these decisions and these issues.

There are defence personnel who have returned from active duty in East Timor, as an example, to be told that they are not entitled to defence housing loans. It is like the coalition’s version of mutual obligation, with the unemployed being expected to do reverse double backflips to prove they are looking for work. But it just never seems to be enough.

This government will give soldiers the fanfare heroes welcome after serving active duty. It will even make one of them Australian of the Year, but do not expect any long-term security for services rendered. When it comes to putting money where the platitudes have been exhausted, the coalition are the masters of splitting bureaucratic hairs.

In my visits to many defence bases, I have had the opportunity to talk to many of our fine personnel right across the country. The message that is coming through loud and clear is that, unless the government does something and does something quickly—and hopefully the white paper will actually address these issues, which I expect it to—we will have a real crisis in defence that will be out of control.

That crisis is a crisis of losing our best people, the people that we have invested in, the people that we have trained and the ones that have the skills and the knowledge base. We will lose those people and we are currently losing them now. What is happening, as in many industries but this should not happen in the ADF, is that those people who are highly skilled and highly valued are snapped up by private industry. They might finish on a Friday afternoon, maybe at Amberley at 501 hangar, but they will be back there the following Monday with a different uniform, just a different set of clothes. They are doing the same job, but the reason they have left the Defence Force is because they were not being looked after. They are not being looked after properly and so they are taking options to go somewhere else.

If members had a close look at the evidence, I think all members would ask: when did this real exodus start happening? It started happening in the last few years. There was a time when there was a bit of fat in the ADF that needed to be trimmed. I think everybody would agree that that took place, but the pendulum has now swung too far. If you talk to anyone on any of our bases across Australia or anyone associated with the Defence Force, they will tell you that it has gone way too far. We need to turn that around quickly because, if we do not, we are going to lose control of our best asset—people.

We were lucky in East Timor that we could manage with the resources that we had at the time. Had it gone further, had something else flared up, we would not have had the resources,
we would not have had the personnel on the ground, we would not have had those essential people. The reason is that government policy has failed. The Defence Force have not been able to recruit and they have not been able to retain people. They are losing people at a very fast rate.

The government needs to seriously look at the recommendations of this white paper and implement them as quickly as possible. I would particularly like to point out defence industry. I think defence industry is one of the keys, not only to jobs in rural areas but also to defence itself. There is a good example of it in my area in the Ipswich region, and that is through RAAF Base Amberley.

There is also the airborne early warning and control system that the government have been postulating over for some time. This is a system that basically was given the go-ahead and the tick many years ago. When the government had the opportunity to actually say, 'Let's go for it now,' they did not. They waited and they kept waiting. The result of that wait is that, instead of having seven of the Boeing 737 Orions built in Australia, we are going to have those aircraft manufactured and assembled in Seattle in the US. So we lose the work here.

Let us talk about regional jobs and about what all of this means. What should a white paper mean? What should this mean for defence? It should mean jobs—that is the first thing. Of course, it should also mean strategic defence, and it does, but if it does not mean jobs in those rural areas then the rest of it is not going to fall into place either. We had an opportunity to build seven of those aircraft. The government has signed off and said, 'We'll take seven.' We are only going to take four up-front, but the cost is the same. Because of poor process in decision making, the government has lost a region like Ipswich the opportunity to have something like half a billion dollars invested in the assembly of these aircraft.

I support many of the things in the white paper, and I actually think the white paper is quite good. The reason I think it is good is that it includes many of the ideas that Labor has. The government has actually gone out there and sought some community consultation, albeit not always in the right areas. What we have now is a paper that actually has some good ideas in it, particularly in defence industry, because I think that is a key for us in the future and a key for defence.

Another area I wanted to briefly talk about is what we are actually providing our defence personnel. As I said earlier, these people are highly skilled, highly trained and highly valued, and we should be doing everything we can to ensure that we actually retain them. Seeing what we have seen in the last few years, particularly with the reservists, I think the government needs to look at much broader policy than just defence policy. It needs to look at its workplace relations policy and look at how it is actually treating those people. These people are not ordinary citizens in terms of their work because they have a special task. Therefore, there should be special conditions.

The government had a closed mind and the blinkers were on. In particular, the minister for workplace relations at the time could not see past the fact that you need to look at the working conditions of these people. Maybe their conditions need to be looked at separately or maybe they should be given extra benefits compared to what some others might be enjoying. But that was not the case. What the government did was just take away conditions carte blanche: 'We're not going to do it any more; in fact we'll go from there.' There were only 20 allowable matters. What we have ended up with is people in the Defence Force saying, 'I've had enough. I can get more money somewhere else. I can get the same work'—because in the end they are doing the same work—but I can do it under better conditions.' So we have people actually leaving the Defence Force. If the government is serious about doing something for defence, doing something for the country and doing something for defence personnel, then it ought to read this Defence 2000 white paper very carefully and have a look at its own policy ideas and
implement, particularly in those areas in defence industry, reforms that can help defence personnel stay in the Defence Force.

Mr HAWKER (Wannon) (12.35 p.m.)—I am very proud to be able to join in this debate and support the discussion on the defence white paper. I think this is an outstanding document. It is another example of the Howard government getting on, doing things and achieving things and showing real leadership for Australia. It is to be commended. It is something that most thinking Australians certainly support.

Having said that, I must admit I was somewhat disappointed to listen to the member for Oxley, who seemed to be somewhat confused in what he was saying about the defence white paper. On the one hand he seemed to want to support it, but on the other hand he was then trying to find holes that do not really exist and to create straw men to knock over. I think if he wanted to make a really good contribution to this debate, he ought to be not only wholeheartedly supporting this instead of having a half-hearted approach but also taking up the points on the importance of the very high degree of professionalism that we see amongst our Australian Defence Force personnel. They are people whom all Australians should rightfully feel proud of, and to listen to him talking one would think that is not the case.

His comments were obviously fairly confused. He said that he was loath to commend what he somehow had to agree with, and then he talked about undoing some bad work. The point is that the one thing that the Howard government has done, despite the economic difficulties that it faced when it came into power following the irresponsible budget deficits of the previous government, is to maintain defence spending. In other words, despite inheriting the Beazley black hole, the $10 billion black hole, the one area that the Howard government was adamant about was that it would not cut back on defence spending. The member for Oxley talked about the need to spend more money, but if he had looked at the white paper he would have found that one of the immediate consequences of it is that the government is going to increase defence spending by $500 million.

I would like to pick up on another point that I think ought not to go unmentioned. The member for Oxley was trying to make some point about the lack of future for reserves, but if he had looked at page 81 of Defence 2000 he would have found a comment in paragraph 823 that states:

The key to our sustainment capability in future will come from our Reserve forces.

I would not have thought that it could be any clearer that the future of the reserves is assured. The paragraph continues:

In line with the new emphasis on a small, high-readiness army ready for deployment, the role of our Reserve forces will undergo a major transition.

If you go over to the next page, you will see the statement:

Reserve service will therefore be a more serious commitment than it has been in the past, but also a more rewarding one.

You could not be any clearer that the future role of the reserves not only is assured but, I would have thought, is going to become a far more important one. I do find that rather hard to understand, and I think maybe the member for Oxley had not really done his homework.

If we quickly go through some of the background to the white paper, following the last election the Howard government made a commitment to develop and release a white paper. It has certainly delivered on that, as it has delivered on many other very good programs. This white paper was delivered just before Christmas. Clearly, without any question, it is the most significant statement on defence policy for more than 25 years.
That comment on the defence white paper can be reinforced—it is not just the government saying it—if we look at some of the public comment. For example, Alan Dupont, a well-known, well-recognised expert, stated in the *Australian*:

The White Paper is a clear and outstanding work. This is the best white paper on defence in the past 25 years. It provides a clear and strategic road map for the deployment of the Australian Defence Force ...

Those are pretty strong words. It is not often that we would hear people say ‘the best in the last 25 years’. That shows just how important and significant it is. We may look also to the comments of the *Australian Financial Review*:

What is more significant is that the strategic planning outlook and the financial planning outlook in the new White Paper perhaps have more prospect of measuring up than has been the case in the past.

I guess that is a backhanded way of saying that various white papers were produced in the days of the Labor government but often they were not acted upon. These are examples of a government that gets on with the job. The Howard government deserves to be commended for that.

It is also important to look at some of the ways that the government has approached this matter and the importance of the consultation process. A draft paper having been produced, there was then widespread community consultation. Clearly, from that the white paper was refined and developed, and the outcomes very much reflected a taking account of what the public was saying.

More specifically, the white paper addresses a number of issues such as Australia’s strategic environment, our national defence and strategic interests, and our important strategic relationships. It also outlines the key roles that the Australian Defence Force must focus on in the future, it provides a comprehensive plan for the future capability development of the Australian Defence Force and it increases the number of full-time Defence Force members to 54,000. These are all clear commitments which are all about delivering on what is recognised as the best white paper in 25 years. An increase in defence funding is provided—an average three per cent per annum in real terms over the coming decade, with an immediate increase of $500 million in the coming financial year and $1,000 million in the following financial year. Defence spending over the decade is expected to increase by a total of $23½ billion in real terms—$23,500 million—so it is the most specific long-term defence funding commitment given by any Australian government in the past 25 years. The white paper indicates that there are no further efficiency savings to be achieved in defence and that the government is strongly committed to improving defence and to ensuring that the money is expended wisely.

One of the key differences between this white paper and its predecessors is the fact that the federal government’s long-term funding commitment is specifically tied to a defence capability plan. That is very significant. While previous defence papers have addressed some very important points, the commitment to funding has not always been there or it has tended to fall off. It is a fair criticism of the previous government that, when it needed a bit of money for something else, defence was always an easy chop.

Another important point is that the capability plan will give greater predictability in acquisition, planning and contracting. Not only will this mean a more certain basis for business but, equally importantly, it will allow industry, which is often described as the fourth arm of the services, to plan with some predictability for the future. That will lead to greater efficiencies and savings, and not only will Australian taxpayers get better value for their
money but they will see the development of some very important strategic industries in Australia. I do not think anyone should underestimate the importance of that.

I could talk about a number of other areas. One, specifically, is enhancement of the land forces’ readiness and also their sustainability. Firepower, logistics and mobility will be improved, the number of battalions held at high readiness will be increased from four to six, and two squadrons of armed reconnaissance helicopters and an additional squadron of troop-lifter helicopters will be purchased. The reserves will play a more important and challenging role. The importance of maintaining our air combat capability as the best in the region is underlined. For example, we are going to get four AWACS aircraft, with the option of three more, and the FA18s are to be upgraded.

The government has made provision for the acquisition of up to 100 new aircraft to replace the Hornets and possibly the F111s. In the meantime, strike capability will be improved by way of the F111s’ electronic warfare self-protection system. In the maritime forces, all six Collins class submarines are to be brought up to a higher level of capability and a new class of at least three air warfare destroyers will replace our ageing FFG destroyers. Obviously, the maintenance of our commitment to the knowledge edge, and the recruiting and retention of skilled personnel, are very much at the forefront of these matters.

Clearly, this is a very significant white paper. In the short time that is available to me, I would like to touch on a couple of related issues. I am very proud to have the opportunity and the privilege to chair the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade. Last year, we released a report on the Army which was titled *From phantom to force: towards a more efficient and effective army*. This report was very well received. It has created a lot of discussion. It talks about ways and means of improving the effectiveness and readiness of our Army. It addresses some of the current shortcomings in the Army. For example, some of our units are down to 50 per cent of staff at the moment. We talk about facing up to the reality of what we should be doing about the future of the Army. The report was designed very much to dovetail into this defence white paper.

The committee is holding some follow-up hearings on the report and will be producing a further report on the basis of those community consultations. The joint committee is not only a committee of both houses of parliament; it also obviously comprises both government and opposition members. I commend all members of that committee because we do work together very much in the interests of Australia and partisan politics do not enter into our deliberations.

I welcome the opportunities that arise from this commitment to industry, because it is not just the traditional areas of defence force industry that can benefit from this white paper. There will be all sorts of opportunities for regions to develop niche players in supporting some of the major defence suppliers. Obviously, the major ones will continue to operate in areas in which they are already located. I think the opportunities for regions—obviously, for example, in my electorate of Wannon—are to be welcomed and I am certainly keen to support those.

Another area of the defence white paper that I think is very important is the commitment to provide a $30 million boost for cadets. The fact that we will now be increasing spending on cadets to $30 million a year is very welcome. In my area there are two cadet units. The first,
School Monivae, at Monivae College at Hamilton, has all its students, male and female, involved in the cadets. There is no doubt that all the students are very supportive of that and believe they get a lot of value from it. We also have TS Henty at Portland, which has for many years been operating as a separate unit and has done Portland very proud. I hope that more schools and others will take up this opportunity to introduce new cadet units, and I am keen to support that.

In conclusion, the white paper is a major development by the Howard government. It is something of which all members of the government are very proud. I think it is very encouraging to see that most members of the opposition strongly support it. I believe that the future of Australia depends on our having a strong Defence Force. I believe that, having regard to the commitment that this government has made, we can be confident that this will continue to be the case in the future.

Mr BARTLETT (Macquarie) (12.50 p.m.)—I appreciate this opportunity to add my expression of support to the excellent initiative contained in the defence white paper. We would all agree that that the prime responsibility of the government of any country is national security: the protection of its citizens. In recent years, perhaps even in the last couple of decades, there has been no perceived direct threat to Australia’s security. As a result, recent governments placed a relatively low priority on defence spending, and we have seen a substantial and ongoing decline in defence spending in this country. The figures clearly show a decline, particularly over the years of Labor government. Defence spending declined steadily from 9.4 per cent of government spending in 1981 to 7.8 per cent of government spending in 1996.

In those years of Labor administration there were a number of quite obvious effects of this steady erosion of the relative importance of defence spending. One obvious effect was the relative decline in our defence capability, with a reduced number of full-time personnel, increasingly aged equipment and a reduction in our technical superiority over the emerging powers in our region. A second, equally alarming effect was the decline in morale of our defence personnel with the ancillary problems associated with this decline. I know there were numerous attempts to increase efficiency: the restructure of our defence spending, the application of commercial market testing programs and so on. While some of these were of benefit, what they largely did was disguise or delay the need for a substantially increased financial commitment to our defence forces, and it is that increased financial commitment that we see in the initiatives outlined in this white paper.

It is important to note that the Howard government had already acted to halt the decline in defence spending that had been occurring during the 1980s and the first half of the 1990s. You will remember that in the 1996 budget, in the context of a legacy of massive debt and deficit, when there had to be widespread budget cuts, the Howard government quite wisely acted to quarantine defence spending from those cuts. So, from 1996 over the next three years, we saw an increase in defence spending as a percentage of total government spending from 7.8 per cent—that several-decade low—to 8.6 per cent.

But this white paper goes dramatically further. It takes a very substantial step not by just halting that long-term decline but by reversing it dramatically with a large injection of funds over the next decade. Four relevant points need to be made in that context. First of all, the white paper reflects the increased commitment to spending on defence and the awareness of the growing instability in the South-East Asia-Pacific region. The events in East Timor, Indonesia generally, Papua New Guinea, the Solomon Islands, Fiji and so on are specific examples of that growing instability for which Australia needs to be prepared. Australia’s very proactive and extremely successful effort in East Timor was indicative of the need for us to be able to respond quickly and effectively to crises within our region.
Secondly, the white paper reflects widespread community support for the enhancement and rebuilding of our defence capability. The widespread community consultation process that took place last year in the lead-up to this white paper involved 28 meetings attended by over 2,000 people and some 1,150 submissions from interested groups within our community overwhelmingly in support of the enhancement and rebuilding of our defence capacity.

Thirdly, it reflects the strong commitment of the Howard government to rebuilding our capability and rebuilding the morale within the Australian defence forces. Fourthly, I might add a point made by earlier speakers: that this increased commitment to defence spending reflects our economic capacity to do that, a capacity which, sadly, had been depleted in the years of Labor mismanagement. Labor could not afford an increase in defence spending because they had so badly mismanaged the financial affairs of this country.

The Howard government has rebuilt our economic capacity and is therefore able to rebuild our defence forces through a greater monetary contribution. This is a very welcome turnaround in commitments to our defence forces. It involves the most detailed and specific long-term funding program for defence that we have seen from an Australian government in the last 25 years. Importantly, it does not mean just throwing more money at defence. It certainly involves a lot more money—I will come to that point in a moment—but the program is based on a clear enunciation of Australia’s defence priorities, in terms of both defending Australia and taking a leadership role in maintaining stability within our region. It involves greater accountability, and therefore greater effectiveness, in the use of defence funds—and ultimately taxpayers’ funds. The new approach will focus on output based funding—that is, funding aimed at clearly prioritised targets and identified needs.

We have already heard about the substantial funding commitments. We will see in the next budget an increase of $500 million in the 2001-02 financial year, a funding increase of $1,000 million the year after and funding increases of three per cent in real terms every year over the next decade. That will mean a total increase in defence spending of $23.5 billion throughout the next decade. That funding will increase the current level of $12.2 billion a year in real terms in today’s dollars to $16 billion by the end of this decade. That is the greatest commitment we have seen for decades by an Australian government.

The main features of the white paper include increasing full-time Australian Defence Force personnel to 54,000; increasing spending on RAAF capacity, including two squadrons of armed reconnaissance helicopters, up to 100 new replacement strike aircraft, four airborne early warning aircraft and improved F111 electronic warfare systems; strengthening maintenance forces, including at least three new air warfare destroyers for our marine forces; upgrading all six Collins class submarines; increasing the Army’s capacity from four to six full-time battalions with enhanced readiness, firepower and mobility; and increasing the number of reserves—an important element in contemporary military operations—and spending $30 million to strengthen and expand the Australian Service Cadet Scheme. That is of benefit to my local region: we have an Army cadet unit at Katoomba and an Air Force cadet unit at Richmond. It is a substantial and tangible recognition of the importance of encouraging young people who are interested in defence issues.

The white paper has some very important implications for our local area, including RAAF base Richmond. As well as the general increase in support for our defence forces, RAAF and airlift group—which is pivotal to our air force—there are some specific programs targeted at our local area. The airlift group based at Richmond plays a pivotal role in our defence forces. The No. 36 Squadron has 12 of the C130 H Hercules aircraft, the No. 37 Squadron has 12 new J-model Hercules, and the No. 33 Squadron has five 707s used for airlift refuelling. In addition, the base serves as a vital depot for deeper level maintenance of Hercules and our PC3 Orions.
At the centre of these roles are the 1,750 uniformed personnel stationed at RAAF Richmond in addition to several hundred civilians in support roles. The men and women of RAAF Richmond, like all our Australian Defence Force personnel, do us proud. They form a committed, professional team without which our technical hardware would be impotent. A couple of hundred local RAAF personnel were involved in the extremely successful operations in East Timor. The increased defence spending that is part of this white paper will provide a much needed morale boost for our personnel. It will specifically involve the upgrading and refurbishment of our 12 C130 H-model Hercules based at Richmond, which is estimated to occur by about 2008. This will increase the capacity of the airlift group as well as boost local employment and the morale of our local defence personnel.

It is opportune for me to stress again the extremely important role that RAAF Base Richmond plays in our local community. The Hawkesbury community are immensely proud of our local RAAF personnel—our RAAF men and women—and the local community are very appreciative of the pivotal role that RAAF Base Richmond plays in our local economy—injecting some $100 million a year into our local economy. We are all very proud of RAAF Base Richmond and we are committed to seeing its security and future strengthened in coming years.

I know that time is getting away, but this defence white paper is an exciting, strategic and extremely valuable policy initiative by the Howard government. It provides a much needed and substantial boost to our defence forces, a much needed turnaround of the decline in defence spending that has been occurring over two decades and a boost both in physical capacity and in rebuilding the morale of our defence personnel. We can be justifiably very proud of our ADF personnel. They continue to add immense value to the physical and technical capacity which has allowed Australia for years to punch well above its weight in the local region. The increased government commitment outlined in this white paper will greatly build on their capacity to continue to play such a pivotal role in the defence of Australia and the security of the South-East Asia-Pacific region.

Like so many in my community, I warmly welcome the government’s initiative. I warmly welcome what it means to the security of Australia, what it means to helping us play a pivotal role in maintaining regional stability and what it means for my own local area.

Debate (on motion by Mr Neville) adjourned.

Main Committee adjourned at 1.02 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

National Insurance Scheme: Employee Entitlements

(Question No. 1734)

Mr Bevis asked the Minister for Employment, Workplace Relations and Small Business, upon notice, on 14 August 2000:

To ask the Minister for Employment, Workplace Relations and Small Business—Has he or his Department received a report on the feasibility in each State and Territory of a national insurance scheme to protect employee entitlements in cases of business insolvency; if so, (a) who compiled the report, (b) what was the cost, (c) to whom has the report been provided and (d) will the report be tabled or made public; if so, when; if not, why not.

Mr Reith—The answer to the honourable member’s question is as follows:

The Government has considered a report on the possible use of insurance for the protection of employee entitlements on employer insolvency, which considered options and issues including the feasibility of a compulsory insurance scheme.

(a) The report was prepared by an interdepartmental committee comprising the Department of the Prime Minister and Cabinet, the Treasury and the Department of Employment, Workplace Relations and Small Business. The committee consulted with the insurance industry for the purpose of preparing the report.

(b) This was undertaken as part of the normal business of the Departments concerned and costs have not been separately identified.

(c) The report was prepared for and provided to the Government.

(d) I announced on 27 April 2000 that the Government had accepted the findings of the interdepartmental committee, that an insurance scheme is not a viable option. I publicly announced the reasons at that time.

Aviation: Aircraft Emergency in Botany Bay

(Question No. 1787)

Mr McClelland asked the Minister for Transport and Regional Services, upon notice, on 14 August 2000:

(1) Where are the locations of access points to Botany Bay in the event of an aircraft emergency in the Bay.

(2) What are the evacuation points for vessels to unload injured passengers who may be rescued from the water and how far are those access points from the St George Hospital.

(3) Has the Government considered the need for additional access points.

(4) Has his attention been drawn to Rockdale City Councils proposed repairs and modifications to the Brighton Jetty which would make the structure wider than normal to enable a vehicle such as an ambulance to drive down the jetty and then turn around at the end and to allow boats to come alongside in various weather conditions.

(5) Is the jetty ideally located as an emergency access point to the Bay; if so, will his Department investigate the proposal with a view to the Commonwealth providing financial assistance for the project.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) to (5) Marine emergencies in the Botany Bay/Port Hacking area are dealt with under the NSW State Emergency and Rescue Management Act. I understand that the locations of all access/evacuation points, types, sizes, length of wharf face and depth of water at low water are contained in the Botany Bay/Port Hacking Marine Emergency Plan developed by the Botany Bay/Port Hacking Marine Emergency Management Committee. The Committee is chaired by the NSW Police Service and the honourable member may wish to raise these issues with the State Government.
**Multicultural Arts: Funding**

*(Question No. 1802)*

Dr Theophanous asked the Minister for the Arts and the Centenary of Federation, upon notice, on 15 August 2000:

1. What major developments have taken place in the field of multicultural arts since the election of the Howard Government in 1996.
2. What resources has the Government provided specifically targeted for multicultural arts since its election in 1996.
3. What action has he taken to ensure that the Australia Council and other funding bodies give equal access to artists from non English speaking backgrounds.
4. What direct funding is being made to ethnic community organisations through his Department to maintain the diversity of cultural traditions within a multicultural Australia.

Mr McGauran—The answer to the honourable member’s question is as follows:

1. The Australia Council, the Commonwealth Government’s arts funding and advisory body, values the diversity of the community and aims to ensure that this diversity is reflected and expressed in all areas of arts practice.

   Cultural diversity was a key theme in the Council’s first corporate plan, 1996-1999. Relevant activity during this period included publication of ‘The World is your Audience’, a collection of best practice case studies of arts organisations responding to our multicultural makeup, and preparation of a detailed response to the Commonwealth’s discussion paper, ‘Multiculturalism: the Way Forward’.

   This year the Council has adopted a new Arts for a Multicultural Australia (AMA) Plan, which aims to involve artists from diverse backgrounds and all areas of arts practice. The Plan’s objectives are to:

   - achieve high quality and well profiled multicultural artistic content;
   - achieve inclusive attitudinal change within the arts sector itself;
   - achieve sustainable infrastructure for the multicultural arts sector; and
   - produce effective change in Council’s ability to implement the AMA policy.

   The Council has allocated $1.5 million over five years to achieve these outcomes. This funding will not be used to establish grants program restricted to applicants with a non-English speaking background, but will ensure that such applicants can compete equitably in the Council’s standard grants programs: measures include a leadership development program for curators and programmers from a non-English speaking background. This in turn will stimulate cultural interactions which will be of benefit to the arts sector generally.

2. (2) It is important to note that applications to the Australia Council for grants dealing with multicultural Australia or with multicultural arts are not limited to any one specific budget or funding category. Every program of the Council is open to arts organisations and/or Australian artists of all backgrounds, no matter what the artist’s creative vision.

   In addition to grant programs, the Australia Council has invested in a range of strategic initiatives promoting the engagement between cultural diversity and the arts. These range from an innovative cross-cultural training package for arts agencies to Multicultural Arts Marketing Ambassadors in Victoria to new conferences and publications.

   The Playing Australia, Contemporary Music Touring, Festivals Australia and Visions of Australia programs administered by the Department of Communications, Information Technology and the Arts welcome applications from a wide range of cultural organisations including Aboriginal and Torres Strait Islander community groups and ethnic cultural societies. While no specific percentage of funds is targeted for multicultural arts, the programs encourage activities which develop opportunities for people from non-English speaking backgrounds, women, people with disabilities and Aboriginal and Torres Strait Islander people.
(3) Cultural diversity is one of the factors I take into consideration in making appointments to the Australia Council and other funding bodies. The Australia Council annually reviews its accessibility to people from non-English speaking backgrounds. The Council’s Access and Equity reports outline not only outcomes but the work done to promote equal access. This includes:

- Promotion of translating and interpreting services with its annual “Support For the Arts Handbook”;
- Regular advertising in ethnic media;
- Provision of cross-cultural training for Council staff;
- Continuing monitoring by the Australia Council Multicultural Advisory Committee (ACMAC);
- Ongoing dialogue with the field.

(4)

Australia Council (Community Cultural Development Fund) grants for 1999-2000

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Amount ($)</th>
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<tr>
<td>African Australian Visual Artists Network (Vic)</td>
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<td>Daguragu Community Council (NT)</td>
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<td>Horn of Africa Project (Vic)</td>
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<td>Julalikari Council Aboriginal Corporation (NT)</td>
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<td>Kurdish Women’s League of Australia (Vic)</td>
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<td>Reconciliation Footway Project (SA)</td>
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<td>The Multicultural Choir (Vic)</td>
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<td>Tiwi Land Council (NT)</td>
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<td>Timorese Association of Victoria (Vic)</td>
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<td>Aboriginal Dance Theatre Redfern (NSW)</td>
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<td>Northern Metro Migrant Resource Centre (Vic)</td>
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<td>South Region African Youth Network (Vic)</td>
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<td>Sudanese Women’s Cultural Information Centre (NSW)</td>
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<td>Nexus Multicultural Arts Centre Inc (SA)</td>
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<td>Yirra Yaakin Noongar Theatre (WA)</td>
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<td>Portuguese Educational Association (WA)</td>
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<td>TOTAL</td>
<td>722,987</td>
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Playing Australia grants for 1999-2000

The Anthos Theatre was funded $11,185 for a bi-lingual performance of “Odyssey” (Greek and English), which examined the experience of cultural and geographical dislocation. After success at the Melbourne International Festival and the Tasmanian Estia Greek Festival, new audiences were able to experience “Odyssey” as the tour moved between Sydney, Albury/Wodonga and Canberra over a six week period in September and October 1999.

The Victorian Arts Council was funded $55,383 for “Drum Drum”, which was an explosive percussion and dance troupe from Darwin, using traditional and contemporary instruments to create a fusion of village rhythms and urban sounds. The production toured the Australian Capital Territory, New South Wales and Victoria over three weeks in October 1999.

Festivals Australia grants for 1999-2000

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<td>Ethnic Communities Council of Newcastle (NSW)</td>
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Visions of Australia grants for 1999-2000
While no specific grants were made directly to ethnic community organisations during 1999-2000, Visions of Australia funded five multicultural exhibitions to the total amount of $287,164. In assessing grant applications the Visions of Australia Committee takes into consideration community involvement, particularly in relation to exhibitions with significant ethnic content.

Perc Tucker Regional Gallery, Townsville (Qld) received a grant of $51,500 to tour the exhibition, Roses and Red Earth: Polish Folk Art in Australia.

The Golden Dragon Museum, Bendigo (Vic) received a grant of $65,000 for the development of the touring exhibition, Showing Face – Chinese Identity in Regional Victoria from 1850 to Federation.

New England Regional Art Museum, Armidale (NSW) received a grant of $44,000 for the exhibition, Our Chinese Heritage, Our Museums.

Albury Regional Museum (NSW) received a grant of $42,329 to tour the exhibition, From the Steps of Bonegilla.

Art on the Move (WA) received a grant of $84,335 to tour the exhibition, Kimono as Canvas.

**Commonwealth Employees: Compensation Payments**  
(Question No. 1977)

Mr McMullan asked the Minister for Employment, Workplace Relations and Small Business, upon notice, on 3 October 2000:

1. Are compensation payments to some former Commonwealth employees still frozen at pre-1988 levels as a result of the Commonwealth Safety and Rehabilitation Act 1988.
2. How many former employees are affected in this way.
3. What is the annual value of the payments made to those affected public servants.
4. Did he or other representatives of the then Opposition promise to change the Act prior to the 1996 general election; if so, what action has been taken to implement the decision.

Mr Reith—The answer to the honourable member’s question is as follows:

1. Yes. The Safety, Rehabilitation and Compensation Act 1988 (SRC Act) introduced by the then Labor Government froze payments to certain former employees on compensation benefits.
2. Approximately 750.
3. $8.45m in 1999-00
4. Changes to compensation benefit payments to former Commonwealth employees affected by sections 135 and 136 of the SRC Act would need to be considered in the context of any review of the overall generous level of benefits paid under the Comcare scheme.

**Taxation: Deductions**  
(Question No. 2042)

Mr Kelvin Thomson asked the Treasurer, upon notice, on 11 October 2000:

1. In the event that a person or company pays a large amount of money, for example $38 million, for exclusive access to another person’s or company’s private golf club, under what circumstances would that payment be (a) tax deductible for the person making the payment and (b) taxable for the person receiving the payment.
2. If the payment was considered to be tax deductible for the payer would it necessarily be considered taxable for the payee.

Mr Costello—The answer to the honourable member’s question is as follows:

1. and (2) In accordance with established practice, answers are not given to hypothetical questions.

**Taxation: Transfer Pricing Practices**  
(Question No. 2053)

Mr Latham asked the Treasurer, upon notice, on 12 October 2000:

Did the Australian Taxation Office conduct a major audit of transfer pricing practices in 1998, if so, what information and conclusions did the audit reveal.
Mr Costello—The Assistant Treasurer has provided the following answer to the honorable member’s question:

The ATO conducted a Transfer Pricing Record Review in 1998 during which the ATO reviewed the transfer pricing processes and documentation of 190 taxpayers.

Information about the ATO’s general conclusions and follow up action by the ATO was included in the Annual Report of the Commissioner of Taxation for 1998/1999 at page 40. The Commissioner of Taxation also issued a press release on 5 July 1999 following the review.

Taxation: Tax Returns
(Question No. 2054)

Mr Latham asked the Treasurer, upon notice, on 12 October 2000:

What proportion of Australian individual taxpayers complete their tax returns without professional assistance?

Mr Costello—The Assistant Treasurer has provided the following answer to the honourable member’s question:

For the 1997/98 tax year, 24.7% of individuals completed their tax returns without professional assistance. This percentage increased to 25.5% of individuals for the 1998/99 tax year.

Health Expenses Refund Scheme
(Question No. 2070)

Mr Bevis asked the Minister for Health and Aged Care, upon notice, on 12 October 2000:

(1) Has he made written determination that the Health Expenses Refund Scheme carried out by Hay Point Services Pty Ltd is not an employee health benefits scheme under the National Health Act 1953.

(2) What determinations has he made since 1996 that a scheme is not an employee health benefits scheme under the National Health Act 1953 and when were such determinations made.

Dr Wooldridge—The answer to the honourable member’s question is as follows:

(1) I have not made a determination that the Health Expenses Refund Scheme carried out by Hay Point Services Pty Ltd is not an employee health benefits scheme under the National Health Act 1953.

(2) A schedule of schemes that I have determined not to be employee health benefits schemes since 1996 and the date these determinations were made is attached.

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<tr>
<th>Schemes Determined not to be Employee Health Benefits Schemes</th>
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**Canberra Electorate: Aged Persons Savings Bonus**

*(Question No. 2071)*

**Ms Ellis** asked the Minister representing the Minister for Family and Community Services, upon notice, on 12 October 2000:

1. How many persons registered with the Centrelink offices in (a) Tuggeranong, ACT, (b) Woden, ACT and (c) Conder, ACT, (i) applied for and (ii) received the Aged Persons Savings Bonus.

2. How many pensioners registered with the Centrelink offices in (a) Tuggeranong, ACT, (b) Woden, ACT and (c) Conder, ACT, received an Aged Persons Savings Bonus between $1 and $50.

3. How many persons registered with the Centrelink offices in (a) Tuggeranong, ACT, (b) Woden, ACT and (c) Conder, ACT, received an Aged Persons Savings Bonus of less than $1.

4. How many persons registered with the Centrelink offices in (a) Tuggeranong, ACT, (b) Woden, ACT and (c) Conder, ACT, received the maximum Aged Persons Savings Bonus of $1,000 for pensioners and $2,000 for self-funded retirees.
(5) What was the average Aged Persons Saving Bonus paid to (a) pensioners and (b) self-funded retirees registered with the Centrelink offices in (i) Tuggeranong, ACT, (ii) Woden, ACT and (iii) Conder, ACT.

(6) How many persons living in the electoral division of Canberra (a) applied for and (b) received the Aged Persons Savings Bonus.

(7) How many persons living in the electoral division of Canberra received the maximum Aged Persons Savings Bonus of $1,000 for pensioners and $2,000 for self-funded retirees.

(8) How many persons living in the electoral division of Canberra appealed to have their Aged Persons Savings Bonus payment adjusted.

(9) What was the average Aged Persons Saving Bonus paid to (a) pensioners and (b) self-funded retirees in the electoral division of Canberra.

Mr Anthony—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

1)(a) 1,058 persons living in the area serviced by Centrelink Tuggeranong applied for and received the Aged Persons Savings Bonus, through a claim made with Centrelink.
(b) 1,713 persons living in the area serviced by Centrelink Woden applied for and received the Aged Persons Savings Bonus, through a claim made with Centrelink.
(c) 296 persons living in the area serviced by Centrelink Conder applied for and received the Aged Persons Savings Bonus, through a claim made with Centrelink.

2)(a) 156 persons living in the area serviced by Centrelink Tuggeranong, who claimed their bonus with Centrelink, received an Aged Persons Savings Bonus of between $1 and $50.
(b) 227 persons living in the area serviced by Centrelink Woden, who claimed their bonus with Centrelink, received an Aged Persons Savings Bonus of between $1 and $50.
(c) 61 persons living in the area serviced by Centrelink Conder, who claimed their bonus with Centrelink, received an Aged Persons Savings Bonus of between $1 and $50.

3) No bonuses of less than $1 have been paid, as that is the minimum amount payable to anyone who qualifies for a bonus.

4)(a) Of persons living in the area serviced by Centrelink Tuggeranong, who claimed their bonus with Centrelink: 517 received the maximum $1,000 of Aged Persons Savings Bonus; and 8 received the maximum $2,000 of Self Funded Retirees Supplementary Bonus.
(b) Of persons living in the area serviced by Centrelink Woden, who claimed their bonus with Centrelink: 870 received the maximum $1,000 of Aged Persons Savings Bonus; and 41 received the maximum $2,000 of Self Funded Retirees Supplementary Bonus.
(c) Of persons living in the area serviced by Centrelink Conder, who claimed their bonus with Centrelink: 141 received the maximum $1,000 of Aged Persons Savings Bonus; and 3 received the maximum $2,000 of Self Funded Retirees Supplementary Bonus.

5)(a) Of persons living in the area serviced by Centrelink Tuggeranong, who claimed their bonus with Centrelink, the average: Aged Persons Savings Bonus was $641; and Self Funded Retirees Supplementary Bonus was $1,288.
(b) Of persons living in the area serviced by Centrelink Woden, who claimed their bonus with Centrelink, the average: Aged Persons Savings Bonus was $676; and Self Funded Retirees Supplementary Bonus was $1,580.
(c) Of persons living in the area serviced by Centrelink Conder, who claimed their bonus with Centrelink, the average: Aged Persons Savings Bonus was $614; and Self Funded Retirees Supplementary Bonus was $1,554.

6) An estimated 7,629 persons living in the electoral division of Canberra applied for and received the Aged Persons Savings Bonus, through a claim made to Centrelink, the Department of Veterans’ Affairs or the Australian Taxation Office.

7) Of persons living in the electoral division of Canberra, who claimed their bonus to Centrelink, the Department of Veterans’ Affairs or the Australian Taxation Office: an estimated 4,288 received the
maximum $1,000 of Aged Persons Savings Bonus; and an estimated 1,117 received the maximum $2,000 of Self Funded Retirees Supplementary Bonus.

(8) This information is not available.

(9) Of persons living in the electoral division of Canberra, who claimed their bonus from Centrelink, the Department of Veterans’ Affairs or the Australian Taxation Office, the average: Aged Persons Savings Bonus was $736; and Self Funded Retirees Supplementary Bonus was $1,583.

Note: Data provided for questions 6, 7, and 9 are estimates only. Data is not available by electorate so information is drawn from postcodes data. Where postcodes cover more than one electorate the data for the postcode is proportionalised.

**Australian Taxation Office: Advice**

*(Question No. 2074)*

*Mr Rudd* asked the Treasurer, upon notice, on 12 October 2000:

(1) Is he aware that ATO customers are having to wait for up to 90 minutes on the telephone before reaching ATO staff in order to obtain advice on PAYG and other tax policy changes.

(2) What is the average time delay for ATO customers between a customer initiating a telephone call to the ATO and calls being answered by ATO staff.

*Mr Costello*—The answer to the honourable member’s question is as follows:

(1) and (2) For the week ended 20 October 2000, the average speed of answer for calls to ATO Call Centres was 3 minutes 13 seconds and the average for the month of October was 2 minutes 21 seconds. During periods of high demand some callers experience longer waits.

**International Labour Organisation: Occupational Health and Safety Conventions**

*(Question No. 2084)*

*Mr Bevis* asked the Minister for Employment, Workplace Relations and Small Business, upon notice, on 30 October 2000:


*Mr Reith*—The answer to the honourable member’s question is as follows:

Australia has not ratified any of these Conventions. Australia’s treaty-making policy, adopted in 1996, requires compliance to be established prior to ratification of a treaty. This principle reflects usual practice in relation to ILO Conventions, in that they are considered for ratification by Australia only when law and practice in all relevant jurisdictions is in compliance with the provisions of the Convention and when all State and Territory governments that have an interest in the Convention have formally agreed to ratification.

The Commonwealth, States and Territories demonstrate varying degrees of compliance with each of the Conventions listed in the question. Compliance by all jurisdictions would have to be established, and formal agreement to ratification obtained prior to any consideration by the Commonwealth Government of ratification.

**Family Court: Rockhampton**

*(Question No. 2106)*

*Ms Livermore* asked the Attorney-General, upon notice, on 1 November 2000:

(1) On what date does the term of the Family Court’s lease over its premises in East Street, Rockhampton, expire.

(2) What is the sum of rent paid (a) annually and (b) monthly by the Family Court to lease its premises in Rockhampton.
(3) What is the sum budgeted for Family Court counselling in Rockhampton for the period 1 January to 31 December 2001.

(4) What is the sum of the wages to be paid to the receptionist/filing clerk employed in the Rockhampton registry of the Family Court for the period 1 January 2000 to 1 September 2001.

Mr Williams—The answer to the honourable member’s question is as follows:
I am advised by the Family Court as follows:
(1) 12 March 2007;
(2)(a) $110,679;
   (b) $9,223;
(3) An estimated $101,000, excluding rent and property costs;
(4) An estimated $53,610.

Wine Society: Funding
(Question No. 2111)

Mr Fitzgibbon asked the Minister for Employment, Workplace Relations and Small Business, upon notice, on 1 November 2000:

(1) What sum is to be provided to the Wine Society to set up a wine centre at The Rocks in Sydney through the Growing Regional Opportunities for Work program.

(2) What is the purpose of the project.

(3) In providing this funding, is he confident there are tangible spin-off benefits for regional tourism, particularly regional wineries, and how will the Government measure or track these benefits.

Mr Reith—The answer to the honourable member’s question is as follows:

(1) The Australian National Wine Society, the project proponent, received $300 000 of funding from the Regional Assistance Programme (RAP).

(2) The purpose of the ‘Australian Wine Industry Centre – Sydney’ project is to establish the Australian Wine Centre which will:
   - profile and promote emerging wine regions;
   - provide industry education courses;
   - enhance the knowledge and skills of regional tourism officers;
   - promote and market on behalf of new and small enterprises;
   - encourage overseas investment in local wine industry product; and
   - develop web-site networks to directly benefit producers.

(3) I am advised that the project was endorsed by the local Area Consultative Committee due to the significant potential benefits for the regional wine industry through greater exposure to tourism and export markets. In approving RAP funding, the department assessed the project and accepted the ACC’s advice on the potential employment and regional benefits.

My department will track the progress of the project via monthly progress reports from the proponent that will identify progress of project objectives. State office staff within my department, in consultation with the GROW Employment Council, the endorsing Area Consultative Committee, and the Australian National Wine Society, will complete a two stage internal evaluation process following the completion of the project.

In addition, the proponent will provide annual reports outlining outcomes generated over the first three years of the project.

DMG Industries Pty Ltd: Financial Assistance
(Question No. 2118)

Mr Bevis asked the Minister representing the Minister for Industry, Science and Resources, upon notice, on 2 November 2000.
(1) Is DMG Industries Pty Ltd, or any associated entity, located in Keysborough, Vic., currently in receipt, either directly or indirectly, of any Federal Government financial assistance; if so, (a) what is the sum being received, (b) under what program is the funding delivered and (c) what are the criteria for receipt of the funding.

(2) Has DMG Industries Pty Ltd, or any associated entity, received any direct or indirect financial assistance since June 1996; if so, (a) what was the sum received, (b) under what program was the funding delivered and (c) what were the criteria for receipt of the funding.

(3) Has DMG Industries Pty Ltd, or any associated entity, applied for any direct or indirect financial assistance since June 1996; if so, (a) what was the sum applied for, (b) under which program was the application made and (c) what are the criteria for receipt of the funding.

(4) If the application was unsuccessful, on what grounds did it fail.

Mr Moore—The Minister for Industry, Science and Resources has provided the following answer to the honourable member’s question:

(1) No.

(2) Yes, DMG Industries Pty Ltd has received direct financial assistance since June 1996.

(a) DMG Industries was issued duty concessions in the form of export credits to the value of $735,107.

(b) The export credits were issued under the Passenger Motor Vehicle (PMV) Export Facilitation Scheme (EFS) administered by the Administrative Arrangements to the Year 2000 for the Automotive Industry.

(c) Applications for export credits under the Export Facilitation Scheme are approved with reference to the criteria in Part C of the Administrative Arrangements for the Automotive Industry to the Year 2000. Export credits are earned based on the level of Australian value added in export sales of automotive vehicles, components, tools and tooling, and design and development services. The standard criteria for the approval of export credits are that: goods are eligible, manufactured in Australia, have been exported prior to 31 December 2000 (the closing date of the scheme) and monies have been received. Export credits may be used to offset Customs Duty on eligible automotive imports.

(3) Refer to the answer to question 2 above.

(4)AusIndustry is not aware of any unsuccessful applications made by DMG Industries or its associated entity, DMG Tools Holdings Pty Ltd.

Wine Society: Grant Application

(Question No. 2149)

Mr Fitzgibbon asked the Minister for Sport and Tourism, upon notice, on 9 November 2000.

(1) Has the Sydney-based Wine Society applied to her Department for a regional tourism grant to establish the Sydney Wine Society Centre in The Rocks, Sydney; if so what (a) decision was made on the application and (b) what were the reasons for the decision.

(2) Has her attention been drawn to reports that (a) the Wine Society was formed by a group of winelovers to create purchasing power for its members so that they could enjoy fine wines at more affordable prices and (b) the NSW Government declined to offer the project funding under its Regional Business Development Scheme on the basis that it was unconvinced it would deliver any benefits to regional areas.

Miss Jackie Kelly—The answer to the honourable member’s question is as follows:

(1) Yes

(a) The proposal did not attract a grant.

(b) The project was not rated, by my Department, as strongly as others against the selection criteria.

(2)(a) Yes
I am advised that the NSW Government provided a total of $29,500 cash funding to the project through the Department of State and Regional Development ($24,500) and Tourism NSW ($5,000). Tourism NSW also contributed $60,000 by way of in-kind marketing.

**Australian Competition and Consumer Commission: Made in Australia Label**

*(Question No. 2181)*

Mr Andren asked the Minister representing the Minister for Industry, Science and Resources, upon notice, on 27 November 2000:

(1) What was the original intent of Division 1AA—Country of Origin Representations of Part V of the Trade Practices Act, in force since 13 August 1998?

(2) Why is it that if a qualified claim such as ‘Made in Australia from imported goods’ is made then the Australian Competition and Consumer Commissioner does not require the producer of the good to meet the substantial transformation or 50% safe harbour test.

(3) Does the ACCC’s treatment of qualified claims effectively allow products made anywhere in the world, but packed, bottled or assembled in Australia, to be labelled as “Made in Australia”; if not, (a) on what basis is this treatment justified and (b) how is it consistent with the original intent of the legislation.

Mr Moore—The Minister for Industry, Science and Resources has provided the following answer to the honourable member’s question:

(1) The 1998 amendments to the Trade Practices Act 1974, as contained in the Trade Practices Amendment (Country of Origin Representations) Act 1998, came after a period of significant uncertainty as to the application of s52 and s53eb of the Trade Practices Act 1974 to country of origin claims. The judiciary, in a series of decisions, had resisted establishing general compliance guidelines for country of origin labelling, preferring, as is their right, to consider each matter on its own merits. Firms found assured compliance with the Trade Practices Act 1974 difficult, as there were no guidelines as to how country of origin labels were to be interpreted. Such guidance was only obtainable through court decisions on specific goods and specific claims.

As a consequence, many firms were reluctant to provide country of origin information on their goods, denying themselves an important marketing tool and not providing information which a number of consumers were seeking. In addition uncertainty was preventing industry-led initiatives to re-launch the ‘Australian Made’ logo (the well known green triangle with a gold kangaroo).

The 1998 amendments sought to provide some certainty on this issue, by establishing ‘safe harbour’ defences which, if met, protected firms from prosecution under s52 and s53eb of the Trade Practices Act 1974. In effect, the amendments provided a minimum legal certainty, which, if met, avoided the risk of adverse judicial interpretation of country of origin representations.

(2) As noted above, the offence provisions of the Trade Practices Act 1974 which most directly impact on country of origin labelling are s52 (misleading and deceptive conduct) and s53eb (false and misleading representations). In assessing whether a firm should seek to avail itself of the ‘safe harbour’ defences offered by Division 1AA, consideration needs to be given as to whether the representation is potentially misleading and deceptive.

Qualified claims, such as “made in Australia from imported materials” provide more information than an unqualified ‘made in Australia’ claim. In some circumstances, this additional qualification is sufficient to ensure that the representation is not misleading and hence unlikely to breach either s52 or s53eb. In other circumstances, such as where little or no substantial economic activity has been undertaken on the good in Australia (ie. where the good has simply been packaged in this country) the representation is still likely to be misleading, in respect to that part of the representation that purports that the good is “made in Australia”. In the latter circumstances, the firm making the representation would not meet the requirements of the Division 1AA ‘safe harbour’ defences, and would remain at risk of legal action under s52 or s53eb.

(3) The ACCC’s treatment of qualified claims does not allow goods that are simply packaged, bottled or assembled in Australia to be labelled with an unqualified “Made in Australia” label. As noted above, qualified claims are subject to all the requirements of s52 and s53eb, without recourse to the ‘safe harbour’ defences of Division 1AA. It is unlikely that a court would find that a good that is
only packaged, bottled or assembled in Australia from imported components could satisfy a 'made in Australia from imported components' representation with respect to s52 or s53eb. The ACCC's treatment of qualified claims is entirely consistent with the original intent of the 1998 amendments. In determining whether the provisions of Division 1AA are applicable, consideration first has to be given as to whether the representation potentially breaches either s52 or s53eb. Qualifying a country of origin claim can reduce the risk of potential breach. If, however, the qualification does not remove the risk of a representation being misleading or deceptive, and the goods do not meet the requirements of the 'safe harbour' defence established in Division 1AA, then the firm making the representation remains at risk under s52 or s53eb.

**Defence: Anzac Rifle Range, Malabar**

(Question No. 2193)

**Mr Brereton** asked the Minister for Finance and Administration, upon notice, on 29 November 2000:

1. Has the Commonwealth land including the Anzac Rifle Range at Malabar been listed by the National Trust as a most important natural and cultural site on the Sydney Coast.
2. Will the Government honour its September 1998 commitment and dedicate the site for passive recreation following the relocation of the Anzac Rifle Range to Holsworthy.
3. Will the Government ensure Malabar Headland remains open space and is available to the public for recreation.
4. Will the Government institute a plan of management for the site; if so, when; if not, why not.
5. Will the Government remediate damage to the site’s wetlands caused by the Commonwealth’s contract bulldozers during drainage work for a new leachate pond in October 2000.
6. Will the Government ensure that any future work on the site does not damage endangered plant communities and the site’s fragile wetlands.
7. What additional steps, other than signposting, will the Government take to prevent damage to parts of the site as a result of trail bike riding.
8. What are the Commonwealth’s plans for addressing site contamination including leachate.
9. Will the Commonwealth release scientific data on core samples taken from the site.
10. Will the Commonwealth agree to regular public consultations between government and local community representatives, The Friends of Malabar Headland and ensure that the future of the site is considered in an open and transparent manner.

**Mr Fahey**—The answer to the honourable member’s question is as follows:

1. The National Trust of Australia has advised that it has not classified the Commonwealth land including Anzac Rifle Range at Malabar. The site is included in the National Trust Industrial Archaeology sites index list.
2. The then Minister for Sport and Tourism and I issued a press release on 19 September 1998 that announced a $9m Federation Fund grant for the construction of new rifle range facilities at Holsworthy and “the provision of public open space at Malabar”. The press release also announced that future ownership of the Malabar site was subject to negotiations with the State Government. The Commonwealth has not altered this position and is undertaking discussions with the State Government.
3. The Commonwealth is currently discussing the future of the Malabar site with the State government.
4. The Commonwealth is currently undertaking environmental and heritage studies in order to develop a plan of management for the site.
5. There are no listed wetlands on this site. The “wetlands” referred to in the question are man-made pollution control ponds and stormwater collection ponds. The recent works undertaken by the Commonwealth were to upgrade the current capacity of the leachate collection system and enhance environmental management of the site.
The Commonwealth will continue to ensure that works undertaken on the site do not significantly impact on the environment.

The Commonwealth has implemented several measures to protect the site from trail bike riding in addition to signposting. These include daily patrols and the installation of gates across site access points.

The Commonwealth has undertaken works that have significantly improved the leachate collection and stormwater management of the site. In addition to these works, the Commonwealth is preparing a Remediation Action Plan for the remainder of the site.

No core samples have been taken from the site.

Opportunities for stakeholder and community input in the future use of the site will be provided through the appropriate planning regime.

**Rural Financial Counselling Service: Funding**  
*(Question No. 2206)*

Mr Andren asked the Minister for Agriculture, Fisheries and Forestry, upon notice, on 4 December 2000:

1. Will the Commonwealth’s funding for the Rural Financial Counselling Service under the Rural Communities Program end at 30 June 2001.
2. Has his Department undertaken an assessment of the Rural Counselling Service as part of its review of the Rural Communities Program; if so, (a) what were the findings and recommendations of that review and (b) how does the Government intend to respond to them.
3. In light of his Department’s review will Commonwealth funding for the Rural Counselling Service continue past 30 June 2001; if so, in what form will the service continue; if not, why not.
4. Since its inception 15 years ago, has the Rural Financial Counselling Service provided a valuable range of educational and advisory services to farmers and rural businesses, particularly in times of economic crisis like the floods that currently afflict farmers and businesses in the electoral division of Gwydir; if not, why not.
5. Is the uncertainty surrounding future funding arrangements for the Rural Counselling Service creating great anxiety in rural communities throughout Australia, and can he outline what steps the Government will be taking to ensure this important service to rural and regional Australia remains intact.

Mr Truss—The answer to the honourable member’s question is as follows:

1. No. On 21 December 2000 I announced the continuation of funding for current services to 30 June 2002.
2. Yes. The Bureau of Rural Sciences (BRS) has completed a review of the entire Rural Communities Program (RCP) to examine its effectiveness. The review was published on 21 December 2000 and makes a number of recommendations on how the delivery of the Rural Financial Counselling Service can be enhanced. Over January and February 2001, all stakeholders will be encouraged to participate in a public consultation process on the future shape of the RCP. I have asked for submissions from interested parties to be provided by 20 February 2001. The Government will consider the recommendations of the review after the submissions have been received.
3. The Government will extend funding for current services to 30 June 2002.
4. Yes.
5. See answers to questions 1 and 2.

**Illegal Immigration: Assessment**  
*(Question No. 2210)*

Mr Danby asked the Attorney-General, upon notice, on 4 December 2000:

1. Has his attention been drawn to remarks made by the Inspector-General of Security, Mr Bill Blick, on the 7.30 Report on 29 November 2000.
(2) Was a refugee at a detention centre incarcerated for 2 years on the basis of an assessment passed to Australian security from a Middle East country with a dubious human rights record.

(3) Was Mr Blick's assessment correct that this was in violation of the internal guidelines laid down in his Department for making assessments about the security risks of refugees.

(4) Are there any other assessments of refugees that have been reviewed on the basis of abrogation of internal guidelines laid down by his Department after taking advice from security agencies in countries with dubious human rights records.

Mr Williams—The answer to the honourable member’s question is as follows:

(1) Yes

(2) It is not appropriate for me to comment on immigration matters. Questions about protective visa applicants and individuals in immigration detention should be referred to the Minister for Immigration and Multicultural Affairs.

(3) I agree that the security assessment procedures in that case were inadequate, however changes to ASIO procedures have been made to ensure that the situation is not repeated. The Inspector-General stated in his Annual Report that ASIO’s review of the original assessment was rigorous and critical, and he is satisfied with the manner in which ASIO has dealt with this issue.

(4) No.

Australian Taxation Office: KPMG
(Question No. 2211)

Mr Kelvin Thomson asked the Treasurer, upon notice, on 5 December 2000:

(1) Is it a fact that a KPMG partner has on 8 separate occasions succeeded in having tax officers removed from audits or reviews of his corporate clients.

(2) Is it also a fact, as claimed by a senior taxation office (ATO) Executive, that this partner has been successfully playing ATO staff off against each other and misrepresenting the position of ATO staff involved in tax audits of the partners clients.

(3) If so, what action will he take to ensure that KPMG clients are not able to escape paying their fair share of tax as a result of bullying and intimidation.

(4) Did the ATO remove senior tax auditor Mr Bob Fitton from an audit of Daihatsu Australia, after KPMG protested about remarks Mr Fitton made following Daihatsu’s announcement that it would cease distributing vehicles in Australia.

(5) Was it appropriate for the ATO to apologise to Daihatsu and to remove Mr Fitton from the case.

Mr Costello—The Assistant Treasurer has provided the following answer to the honourable member’s question:

I have responded previously to a number of questions concerning allegations of a KPMG partner asking for ATO officers to be removed from audits, and in the course of my answers I have stated the grounds upon which the ATO might consider removing an officer from an audit. I refer the honourable Senator to my previous answers.

Beyond that, it is inappropriate for me to comment on matters concerning individual taxpayers, their advisers, or ATO officers.

Rural Financial Counselling Service: Funding
(Question No. 2218)

Mr Andren asked the Minister for Agriculture, Fisheries and Forestry, upon notice, on 4 December 2000:

Further to question No: 2206 regarding the future of Commonwealth funding for the Rural Financial Counselling Service, can he confirm that the Government intends to announce a further year’s funding to allow the Service to remain intact until after the next election, but will make no commitment about long term funding for the Service; if so, why has that decision been made; if not, and given funding for the Service has in the past been budgeted for on three year cycles, what guarantees can the Government give before the next election that funding for the Service will continue in the long term.
Mr Truss—The answer to the honourable member’s question is as follows:

The Federal Government will extend funding to rural financial counselling services for a further 12 months until 30 June 2002.

Long term funding will be settled in the budget context, in light of the recommendations contained in the Rural Communities Program Review and consultations with stakeholders.

**FarmBis**  
**(Question No. 2239)**

Mr Latham asked the Minister for Agriculture, Fisheries and Forestry, upon notice, on 7 December 2000:

1. What financial support has the Government given to the FarmBis program.
2. Does the program provide subsidies to farmers and their families to participate in a range of adult and community education activities: if so, what are the details.
3. In what other parts of the economy does the government subsidise the adult learning activities of Australian workers and their families and what are the details of such activity.

Mr Truss—The answer to the honourable member’s question is as follows:

1. The Federal Government has provided 37.894 million dollars to the current FarmBis program for the three years from 1998/99 - 2000/01.
2. Yes. Assistance is provided through direct financial contributions towards the cost of training activities undertaken by eligible participants. Members of the farm management team comprising principal operator, spouse, family members, partners and staff employed in a management capacity may be eligible.

   The Commonwealth/State component can help a farm management team meet identified training needs and provides funding for training activities including:
   - financial management;
   - marketing;
   - human resource management; and
   - natural resource management.

3. Adult learning subsidies in other parts of the economy that exist for workers and their families are outside my area of responsibility. This question should be directed to other relevant Ministers.

**Child Support Scheme: Outstanding Payments**  
**(Question No. 2254)**

Mr Murphy asked the Minister for Community Services, upon notice, on 7 December 2000:

1. What percentage of monies due for collection under Child Support assessments are currently not being paid by the payer.
2. What is the total amount of money outstanding for child support payments.
3. Is the percentage of non-payment of child support payments increasing or decreasing since the introduction of the child support assessment and collections and registration legislation.
4. What steps are being taken to decrease the incidence of non-payment of child support payments.
5. Will he increase resources for the prosecution of non-compliance of child support payers.

Mr Anthony—The answer to the honourable member’s question is as follows:

1. The Australian child support scheme leads the world in the percentage of child support paid by parents (92.85%). Since the inception of the Scheme to 30 September 2000, a total of $8.24 billion has been transferred between parents for the benefit of their children. This includes payment made directly between parents and payments collected by the Agency. The total amount that should have been paid during that time is $8.875 billion. This means that only 7.15% of child support assessed has not been paid.
Of the total amount transferred, the Child Support Agency has collected $4.186 billion from a liability of $4.82 billion (86.85%) leaving 13.15% unpaid.

(2) There is a gross debt amount of $635 million that has accrued over the 12 years of the Scheme’s operation. An amount of $83 million has been written off as irrecoverable, leaving a net debt of $552 million.

(3) The rate of collection of child support through CSA is steadily increasing. In 1988-91 the collection rate through CSA was only 65%, leaving 35% unpaid. Collections increased to 75% by 1994, 85% by 1999 and is now 86.85%.

(4) CSA uses a number of administrative measures to collect outstanding child support. These include intercepting tax refunds, collection from third parties holding money on behalf of a parent and making deductions from a parent’s salary to settle arrears. The CSA may also take recovery action through the courts if it is believed that the parent has sufficient funds or assets to satisfy any judgement made. The CSA’s approach to enforcement activity is to encourage voluntary compliance but where this fails the CSA has dedicated resources in each region to focus on collecting child support where the parent has the capacity to pay but does not do so.

(5) CSA funding arrangements and requirements are constantly monitored to ensure adequate resources are available for all aspects of the assessment, collection and enforcement of child support liabilities.