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Tuesday, 27 February 2001

Mr SPEAKER (Mr Neil Andrew) took the chair at 2.00 p.m., and read prayers.

QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Small Business

Mr BEAZLEY (2.01 p.m.)—My question is to the Prime Minister. Prime Minister, do you recall promising to halve government red tape for small business? Isn’t the fact that you broke your red tape promise one reason why public confidence in you and your government is collapsing?

Mr HOWARD—The government over the last week has taken a number of decisions which are designed to reduce the unnecessarily complicated administrative burden that was placed on small business by the requirements of the business activity statement and the investment activity statement. I say quite plainly that the degree of complexity involved in those was wrong. The government regrets that, and the government has taken action to remedy it.

Papua New Guinea: Bougainville

Mr LINDSAY (2.02 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House about the consultations taking place today in Parliament House between Australia and Papua New Guinea ministers? Would he also update the House on negotiations aimed at bringing peace to Bougainville?

Mr DOWNER—Can I thank the member for Herbert for his question and recognise the great interest that he has shown in the peace process in Bougainville—and also, for that matter, in the Solomon Islands—and as the member for Herbert having encouraged the government to use Townsville as a base for peace talks on two occasions. And I thank the member for Herbert for his strong advocacy of his own electorate, and we have responded positively to him.

I am delighted to be leading the Australian delegation to the 13th Australia-Papua New Guinea Ministerial Forum, and I welcome the Papua New Guinea delegation, who are in the House at the moment, led by the foreign minister of Papua New Guinea, Bart Philemon. We have as a government given a very high priority to our relationship with Papua New Guinea, from building personal relationships through to working very closely with Papua New Guinea on some of its great national challenges.

We welcome the Morauta government’s commitment to economic reform and its re-engagement with the International Monetary Fund and the World Bank. We know that economic reform, whilst the right thing to do, is not always the easy thing to do. The Papua New Guinea government has shown great courage in its commitment to reform and has eschewed expediency in the interests of the nation, and that is something that on this side of the House we admire. We also are very pleased to see the commitment of the Papua New Guinea government to reform of its defence force. The downsizing and reorientation of the defence force is going to be, in the end, very much to the benefit of the people of Papua New Guinea.

The member for Herbert also asked about the Bougainville peace negotiations. Clearly, our discussions today have included already considerable discussion about the peace process in Bougainville. We certainly congratulate the Bougainvilleans and the Papua New Guinea government on the Kokopo agreement of 26 January. That was a major step towards achieving peace in Bougainville. The talks in Townsville, which ended on Sunday night, focused on two aspects of the peace process: weapons disposal and the terms for autonomy for Bougainville. This was the largest gathering of Papua New Guinea and Bougainville leaders, including around 130 ex-combatants, of which there were a number from Francis Ona’s group.

After eight days of intensive negotiations, although there was no final conclusion reached, there was great progress made, particularly on the question of weapons containment and disposal. We are delighted that all of the parties to the Bougainville conflict are committed to the containment of weapons—that is, putting weapons into containers, secured and perhaps administered by the
United Nations. This is a very big step forward. Let me just say that the Australian government will continue to do all it can to help the parties as they move towards another round of negotiations in Port Moresby on, I think, 8 and 9 March.

Lasting peace in Bougainville has been an objective of this government, and we are proud of the role we have been able to play, along with our colleagues in New Zealand, in helping the Papua New Guinea government and the Bougainvilleans move towards peace. Many more people have died in the Bougainville war than have died in Northern Ireland since 1969. It has been a brutal and bloody process, and this government has worked very hard to try to contribute towards the peace process. Today has been a good day in Australia’s relationship with Papua New Guinea. We have built strong personal links with ministers. We have been very pleased with the progress of the Morauta government, and I think Australia and Papua New Guinea can be proud of the very close relationship that they have built up in recent times.

DISTINGUISHED VISITORS

Mr SPEAKER—The minister’s response to that question gives me an opportunity, on behalf of all members of the parliament, to extend a welcome to Mr Philemon and his ministerial colleagues to the floor of the chamber—we are very pleased to have you with us—and also to extend a welcome to those in the Speaker’s gallery as delegates to the 13th Australia-Papua New Guinea Ministerial Conference.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Morgan and Banks Survey

Mr CREAN (2.07 p.m.)—My question is to the Prime Minister. I ask the Prime Minister: do you recall promising that no-one would lose from the GST except tax cheats? Have you seen the latest Morgan and Banks survey showing that most people feel they are worse off because of your GST? Isn’t the fact that you broke your no-GST losers promise just one more reason why public confidence in you and your government is collapsing?

Mr HOWARD—I am aware of the Morgan and Banks survey. I am also aware of other surveys. Like any person who has been in politics for a long time, I see surveys which cover a wide range of subjects. All I would say about the excitement of the Labor Party about surveys is to remind them that these things tend to ebb and flow. If the Deputy Leader of the Opposition is trying to make the point that we are behind in the opinion polls at the moment, he is right. I do not think there is any argument about that. Let me say—and the Deputy Leader of the Opposition allows me to do so—that the government remains very proud of the significant improvement to the Australian tax system that has flowed from the introduction of the new taxation system. In so many areas, the Australian economy is stronger and better. Taxation reform is another reason why, when decisions come to be made by the Australian people, they will remember the 17 per cent interest rates, the 11 per cent unemployment and the $80 billion of government debt, which were hallmarks of the last time the Deputy Leader of the Opposition and the Leader of the Opposition had senior positions in a government in Australia.

There is, of course, criticism of one or two aspects of changes that have accompanied the introduction of the new taxation system. One of them relates to the business activity statement; another relates to petrol prices. In anticipation that the opposition might not bother to ask me about petrol prices, let me take the opportunity to say one or two things about them. Everyone is aware that they are painfully high at present. Sensible people are aware that the high price of petrol is due overwhelmingly to the high world price of crude oil. I have been asked on a number of occasions whether the government is willing to make reductions in petrol excise. I notice that the Leader of the Opposition was asked about a windfall at the weekend. The reason why the Leader of the Opposition would not give Laurie Oakes a straight answer is that
the Leader of the Opposition knows there is no windfall.

Let me return to the issue. The government is currently examining whether there is scope to provide what, against the vast increases that have occurred due to world oil prices going up, would be very modest relief. The government is nonetheless examining the scope that might exist for that. We are constrained by the reality that next year’s budget position, although still very strong as a result of the reforms and measures taken by this government over the last four or five years, is necessarily not as strong as it is this year because there is going to be a moderation in growth, of which the Treasurer and others have already spoken. We remain willing to examine what scope may exist against the background of those realities. But I repeat: when confronted with an opportunity to make a commitment about an alleged windfall, in the words of the person interrogating him—Mr Laurie Oakes—the Leader of the Opposition simply waffled. The reason the Leader of the Opposition waffled is that he knows in his heart there is no windfall.

Economy: Growth

Mr ROSS CAMERON (2.13 p.m.)—My question is addressed to the Treasurer. Would the Treasurer inform the House of any data indicating continued solid growth in the economy? How has the government’s economic management contributed to raising the living standards of Australian families?

Mr COSTELLO—I thank the honourable member for Parramatta for the question. It makes me think of a fact which he shared with me when I was in his electorate some weeks ago that, when the government came to office in 1996, unemployment in Western Sydney was 14.9 per cent and that in December last year it was 3.9 per cent. I am not sure whether the member for Parramatta is solely responsible for the drop in unemployment from 14.9 per cent to 3.9 per cent, but members of the House would certainly agree that, being part of a government which has reduced interest rates and created jobs, he has made a stunning contribution in Western Sydney. We congratulate him for it.

The ABS company profit survey for the December quarter was released today, showing that, in seasonally adjusted terms, company profit before income tax, interest and depreciation increased 3.1 per cent in the December quarter. Company profits are now 9.7 per cent higher than a year ago. Growth in company profits before tax reflected increased profits across a number of industries—wholesale trade and retail trade were up 67.7 per cent in the quarter. Similarly, there were strong profits in the mining and construction sectors, the mining sector in particular helped along, one must observe, by its export orientation and a competitive exchange rate. The profit share of total factor income rose to 24.9 per cent in the September quarter of 2000—the highest level on record. That compares with an average under Labor of 22.3 per cent. Company profits, seasonally adjusted, showed good growth. The company profit share is the highest on record. As people know, mortgage interest rates are now as low as they have been in the last 30 years. For example, somebody with a mortgage of $100,000 is, because the interest rate was 10½ per cent when the government came to office and is now 7½ per cent, saving $3,000 per year. That is money in people’s pockets.

I was interested to see a very astute observation reported on the AAP wire today:

Inflation is under control, there hasn’t been a wages blowout, there hasn’t been a mad credit binge, there hasn’t been an asset price explosion and corporate profits are at historically high levels.

So said Michael Egan, the New South Wales Labor Treasurer when talking about the benefits of the current economic situation. We would recommend that some of the federal Labor Party go around for a tutorial with Mr Egan. Some of their claims, which are absolutely false, could be corrected by him.

The profit which has been announced today, coming with continuing good economic management is delivering real outcomes for real people, reflected in better job opportunities.
**Goods and Services Tax: Petrol Prices**

Mr BEAZLEY (2.17 p.m.)—My question is to the Prime Minister. Prime Minister, do you recall promising all Australians that petrol tax would not rise as a result of the GST? Isn’t the fact that you broke your petrol promise just one more reason why public confidence in you and your government is collapsing?

Mr HOWARD—I have already indicated the reasons the price of petrol in Australia at the present time is unacceptably high, and I have also mentioned the fact that the government is examining the scope, consistent with the fiscal responsibilities we have, for any relief. I remind the House that, when invited to make a commitment about what he might do if he were to become Prime Minister, the Leader of the Opposition, in the words of Laurie Oakes, simply waffled.

**Defence: Collins Class Submarines**

Mr PYNE (2.19 p.m.)—My question is addressed to the Minister for Defence. Is the minister aware of commitments which have been made with respect to submarines in the defence portfolio and what costings have been made on these commitments?

Mr REITH—I thank the member for Sturt for his question. Members might recall that yesterday I took them back to the 1998 election defence policy of the Labor Party, which costed their commitment then and their commitment now for two additional submarines at a total of nought. In fact, for the four forward years it was nought, nought, nought and a total of nought. These are the free submarines which come courtesy of the Leader of the Opposition. The shadow minister jumped to the defence of the Leader of the Opposition and said, ‘Minister Reith needs to do his homework.’

Dr Martin—Correct!

Mr REITH—Thank you very much for that invitation to do my job. I was well ahead of you because we had in fact—

Dr Martin interjecting—

Mr REITH—I take the rebuttal seriously.

**Mr SPEAKER**—The member for Cunningham is choosing deliberately to defy the chair.

Mr REITH—We sought from the Department of Finance and Administration some information about the processes followed during the 1998 election under the legislative framework provided for this matter, namely, the Charter of Budget Honesty Act. I asked whether there were requests made by the Leader of the Opposition under the act for a costing of his defence policy. Under the act, the requests are not made available to the government—they are provided direct to the department of finance. But we do know that the secretary of the department of finance, under the act, made a number of statements about the fact that he had received requests from the Leader of the Opposition. We also have, and I table the document for the information of honourable members, details of every response by the secretary of Finance to the request lodged by the Leader of the Opposition. In the event that requests are lodged very late and the department of finance has no time to provide a response in any detail, they are still to refer to the requests. So we have on the public record a fairly clear statement of what transpired during the election campaign in respect of costings on the defence side. I can inform the House that five times during the 1998 campaign, Labor submitted envelopes of policies for costings—submarines were deliberately left out of the five requests. I put a simple proposition yesterday and that is that you cannot have two submarines for free. This idea is from the man who gave us a $10.3 billion deficit, who was one of the greatest bunglers in the defence department this country has ever seen and who today has a policy which says to the Australian public, ‘Two new submarines—you can have them for nix.’ This is yet another area where Labor has a policy but they do not have the leadership to actually tell you how they can afford it.

**Business Tax Reform: Trusts**

Mr CREAN (2.23 p.m.)—I ask the Treasurer: do you recall giving your personal
guarantee to deliver the proposal to tax trusts as companies, as part of business tax reform? Do you remember last year promising to deliver on that promise in full and with no less revenue? Treasurer, can you still give that guarantee and, if not, how do you propose to fill the $1 billion hole it will put in next year’s budget?

Mr COSTELLO—Again, the question is premised on a falsehood and a falsehood which the deputy leader knows quite well. He works off the proposition that if you state something false enough times then people will begin to believe it. I have already dealt with the question of costings in relation to entity tax proposals. The $900 million that he has referred to, as I have already pointed out, was in fact a bring forward under the PAYG system which has actually been put in place. He keeps misreporting that but it does not make it any truer.

The government in October of last year released exposure draft legislation providing for a new model of taxing trust-like entities. The government asked for submissions in relation to that and received many submissions pointing out numbers of technical problems with the draft legislation—in particular, the technical problems which could not be overcome, or were not properly overcome in that legislation, related to distinguishing the source of different distributions and the compliance and valuation requirements that would have been required.

The submissions made the point that the legislation in its current form was not a workable model for legislation and as a consequence of that the government will not be proceeding with that legislation. The government will be consulting with business in relation to future proposals to ensure that when trusts are used for small business, farmers and the like, they can be confident in their business arrangements, but those elements where tax avoidance occurs will not be allowed to continue. The government has also discussed this with the Board of Taxation which has given similar advice and I can indicate that, after revamping proposals and changing concepts very significantly, we will be discussing that further with the board and with the business community.

Mr Crean—I seek leave to table a letter that the Treasurer wrote to me back in November promising to introduce all of the business tax changes.

Leave granted.

Defence: Collins Class Submarines

Mrs ELSON (2.25 p.m.)—My question is addressed to the Minister for Defence. Will the minister inform the House how much two new Collins class submarines would cost? Minister, how much would such a purchase impact on Defence portfolio priorities?

Mr REITH—I thank the honourable member for her question. The cost of another couple of submarines would be in the vicinity of $1 billion to $1 ½ billion—probably on the higher side of that, obviously. It is a relevant question because we have a commitment from the Opposition for an additional two submarines but we do not have from the opposition any idea of how they may proceed to finance those additional submarines and, obviously, this is a significant amount of expenditure. However, we do have from the Leader of the Opposition a commitment and endorsement of the government’s white paper.

In the sense of a bipartisan approach to Defence issues, we obviously welcome the commitment and therefore the certainty ahead for the Defence organisation in terms of what they can do and the equipment that they can purchase. It is a significant commitment the government has made. Over 10 years we are talking about $23 ½ billion, an increase in defence numbers to 54,000 and of course, as members would be aware, within that there is a program of acquisition, a very important capability for the defence of this country. It is a tremendous white paper and it is good that is endorsed by the opposition.

But the fact is that today they have a policy, over and above the white paper, which is for two additional submarines. We are entitled to ask how they are going to pay for that because, clearly, one of the options for the Labor Party is to rearrange the priorities
which are set out in the white paper. You cannot in one breath say, ‘We support the white paper and the capability acquisitions contained within it’ but in the next breath fail to advise the Australian public how you are going to meet the commitments you have made. If you were to rearrange commitments, for example, in the purchase of maritime capability and if you were to switch that to these additional submarines, you would by and large wipe out the entire maritime capability purchases which we have signalled in the white paper.

If it is your policy, your secret policy, to rewrite the priorities established in the white paper perhaps you have decided that you will not pay wages for a couple of years in the Air Force! The only other alternative is that the Labor Party propose, in addition to the white paper commitments, to in fact find another $1½ billion, or thereabouts. I think it is a very fair question. There is no answer from the Labor Party on this. All we have are a few indications. We have the member for Fremantle, who said in January:

You have to ask about those priorities. The government is prepared to spend billions in one hit in those areas you’ve mentioned.

In other words, in response to a question about the government’s priorities on Defence and roads, she raised the question whether or not they would in fact remain committed to those priorities which the government has itself outlined. As the Leader of the Opposition said in August last year:

The major point I want to leave with you today is that good defence policies should not bounce around on whim and fashion.

This country today for the first time has a clear plan ahead for the next 10 years—a plan which gives certainty and gives this country a defence force which will do the job. I think it is about time the Leader of the Opposition gave us a few simple answers as to how he is going to back up the policy commitments that he has made.

**Goods and Services Tax: Small Business**

**Mr FITZGIBBON (2.30 p.m.)—**My question is to the Minister for Small Business. Minister, are you aware that today’s Yellow Pages Small Business Index confirms that the first six months of the GST have produced the worst result on small business profitability in the history of the survey? Minister, now that you have apologised to the small business community for increased paperwork the GST has created, will you apologise for its impact on profitability?

**Mr IAN MACFARLANE—**The government is listening to the concerns of small business and we have accepted that there are some issues that we need to address. That was reflected in our announcement last week—

**Mr Crean—**Roll-back.

**Mr IAN MACFARLANE—**You are the ones with roll-back. The opposition are the ones with roll-back, Mr Speaker. The reality is that confidence of small business actually increased by six points in the survey that you quite rightly referred to. Amongst those other findings, profitability was actually up seven points and net sales performance was up 13 points. But the member for Hunter should have checked his facts. Back in 1995, sixty-four per cent of small business people thought that the Beazley and Keating policies were working against them. I have got the graph here, Mr Speaker. Under Labor, at no time—

**Mr SPEAKER—**The minister may refer to the graph but cannot use it for the purpose for which he is now using it.

**Mr IAN MACFARLANE—**At no time did business confidence in the Labor Party policies ever reach the lowest level of this current government. At no time did business confidence ever get to reach our lowest level, let alone our highest level. I table the chart.

**Workplace Relations: Union Levies on Non-Union Members**

**Mr CHARLES (2.32 p.m.)—**My question without notice is to the Minister for Employment, Workplace Relations and Small Business. Minister, are you aware of attempts to force non-union workers in the work force to take out union membership against their will? Do these workers have any real alternatives, and what is this gov-
ernment doing to redress this appalling attack on freedom of association?

Mr ABBOTT—I thank the member for La Trobe for his question. In the past two decades union membership in Australia has declined from over half to under a quarter of the workforce, in part because of the growth of the services sector and in part because of the growth of freedom of choice in the workplace. Unions could respond by trying harder to persuade people of the benefits of union membership or they could try to manipulate the system to establish a compulsory closed shop by the back door or, indeed, a Clayton’s closed shop.

Last year it became ACTU policy to impose on non-union members a union levy set at or about the level of union membership fees. These are not service fees; these are compulsory union levies, because in the relevant workplaces workers have no real choice about their bargaining agent and, if they try to make a choice, as BHP workers found, the ACTU goes to court. Thanks to this ACTU policy to levy fees on non-union members, every non-union member in a unionised workplace anywhere in Australia faces a fee of more than $500 a year. Telstra employees in Queensland have already received letters of demand. Workers in more than 400 Victorian workplaces face receiving letters of demand. Ultimately, nearly six million non-union members in Australia face receiving a $500 a year bill from the relevant union.

The Leader of the Opposition says that he wants to take the burdens off struggling Australians. I put it to him: how can he possibly justify this $500 union tax on ordinary Australians? How can he possibly justify a $500 a year union tax on struggling Australians which is set to create a $2.8 billion union slush fund? I call upon him to show a bit of ticker for once and repudiate this ACTU policy.

Rural and Regional Australia: Family Court Counselling Services

Mr McCLELLAND (2.36 p.m.)—My question is to the Deputy Prime Minister and Minister for Transport and Regional Services. Minister, are you aware that since 1 July 1999, as a direct result of the government’s budget cuts to the Family Court, the number of counselling staff in regional registries has been reduced by 27 per cent? Are you also aware that over the same period the number of hours of circuit counselling in regional areas has declined by 26 per cent and that Family Court counsellors no longer visit the towns of Nowra, Orange, Parkes, Burke, Lightning Ridge, Muswellbrook, Tenterfield, Glen Innes, Inverell, Ayr, Bowen, Emerald, Mount Isa or Griffith? Isn’t the fact that rural and regional Australians are losing these important family counselling services one reason why public confidence in you and your government is collapsing?

Mr Kerr interjecting—

Mr SPEAKER—The member for Denison is warned!

Mr WILLIAMS—I am grateful for the opportunity to respond to that question. The member for Barton has, I think, attempted to highlight some changes that have been going on in the administration of the family law system. I think the picture that he seeks to represent is not an accurate one. Let us get the facts straight. Some funding has been transferred from the Family Court to the Federal Magistrates Service. The Federal Magistrates Service has taken over a large part of the less complex work done in the family law area. In addition, there has been some reduction in the Family Court’s budget designed simply to reflect the fact that they no longer pay wholesale sales tax on a lot of supplies. There has been no other reduction in the Family Court budget, so any changes that have occurred in relation to the administration of the court have other reasons. The Family Court has decided that it will to some extent cease providing voluntary counselling in some centres. Some of the centres mentioned by the member for Barton are those that are affected. What is happening instead is that those services, through arrangements made by the Family Court—

Mr Bevis interjecting—

Mr SPEAKER—The member for Brisbane is warned!
Mr WILLIAMS—and the Federal Magistrates Service, are being picked up and run by community organisations.

Since 1996, it has been an overriding policy of the government to try to keep people out of court, particularly to keep people out of the Family Court. Where the issues can be resolved by primary dispute resolution methods such as mediation and counselling, we have sought to provide funding to community organisations. In the course of a number of budgets, the amount of money going to mediation and counselling has increased significantly.

Mr Crean interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition is warned!

Mr WILLIAMS—We now spend $30 million on mediation and counselling in this area and in the last budget $15.7 million was added. I have recently approved the use of $1.75 million of that to provide voluntary counselling where it will no longer be available through the Family Court. My department is working with the Family Court, the Federal Magistrates Service, the Department of Family and Community Services and community organisations to ensure that appropriate arrangements are in place to ensure that voluntary counselling is available to a greater extent than ever previously—and we are achieving that. In addition, an amount of $1.2 million has been provided to the Federal Magistrates Service for that service to purchase mediation and counselling services at the areas where they provide circuit.

Private Health Insurance Rebate Scheme

Mr McARTHUR (2.41 p.m.)—My question is addressed to the Minister for Health and Aged Care. Would the minister update the House on the progress of the government's private health insurance reforms? Is the minister aware of any recent comments concerning the coalition's 30 per cent private health insurance rebate?

Dr WOOLDRIDGE—I thank the honourable member for his question. Our reforms to private health insurance were designed to give people choice and to take some pressure off the public hospital system. I am delighted to be able to inform honourable members that the figures coming through are enormously encouraging. Private health insurance paid for 428,000 admissions to hospitals in the December quarter last year—41,000 more admissions than in the December quarter one year previously. Benefits for the calendar year 2000 were $3.4 billion—a record. In the December quarter alone, payout benefits were $908 million—$110 million more than for the same quarter in 1999. Perhaps some of the best evidence as to the success comes from the annual report of the New South Wales Department of Health. In 1999-2000, admissions to New South Wales public hospitals went down by 36,000 and, at the same time, private hospital admissions increased by 35,000. So you have here a shift from public hospitals—taking some of the pressure off them—to the private hospital system.

It is 156 days since Cathy Freeman won a gold medal in the 400 metres. It was a great night, as honourable members will know. The nation celebrated and it dominated the headlines for days. Something else happened 156 days ago: at a doorstop, Labor released a policy saying that they supported the 30 per cent rebate. This was in spite of the Leader of the Opposition saying in Townsville, less than four weeks previously, 'You know, I've never seen so many people sold a pup as have been sold one in this private health insurance scam that's being pursued.' That is exactly the same scam that, less than four weeks later, he purports to support. In that 156 days, we have not had a single press release, we have had nothing on the Labor Party's web site; we have had no elaboration of the policy and no real idea of what the Labor Party is thinking until last night. Last night, we had three of the Labor Party's backbench enlighten us on Labor Party thinking on the 30 per cent rebate. We had the member for Shortland telling the House about the 30 per cent rebate for private health insurance, saying that the way the government bribed people to join and take private health insurance was a disgrace. We had the member for Throsby saying people
had been blackmailed. We had the member for Shortland saying, ‘Yes, they blackmailed them, bribed them,’ and then we had the member for Paterson saying:

Another point I would like to make today is the gigantic con that has been played upon the Australian community by this government. That of course was the rebate to con people into private health insurance.

So in one go we have three members of the Labor Party backbench, in a coordinated way, testing the water for Labor to abolish the 30 per cent rebate. The member for Paterson has 47 per cent of his electorate with private health insurance, the member for Throsby has 35 per cent, and the member for Shortland has 41 per cent. We will enjoy being able to inform electors in the electorate of Paterson that their member plans to take this rebate away from them. The fact is that Labor have no idea where they stand on this. They cannot take a consistent position. Quite frankly, nothing has changed. They blindly and ideologically oppose this rebate so strongly supported by the Australian people.

**Medical Practitioners: Bulk-Billing**

Ms LIVERMORE (2.45 p.m.)—My question is to the Minister for Transport and Regional Services. Minister, are you aware that the number of GP services which are bulk-billed has dropped by nearly three million consultations since it peaked in 1996 at a national average of 80.6 per cent of services, and that half of this fall has happened in the last six months? Are you aware that the bulk-billing rate in rural Australia now averages around 61 per cent—another widening gap between the city and the country in terms of access to affordable GP services?

Mr SPEAKER—The member for Capricornia has asked her question. The House will come to order.

Dr WOOLDRIDGE—I thank the honourable member for her question. As the responsible minister, I am happy to answer. The honourable member, I believe, is using figures that the Australian Medical Association have used. On recent records, it would be very unwise to rely on anything they have said. The simple fact is that, when you look across the whole range of medical services, bulk-billing levels are at a historically high level. Across all medical services, bulk-billing is more available today than it has ever been. In general practice, it is true that there is one specific problem; that is, for a long time the rebate went up by half the rate of inflation, and this has angered doctors. The reason that it angered doctors is that the government of the day promised that, when they introduced the Practice Incentive Program, they would not change rebates. In fact, the government of the day broke that commitment and indexed rebates by half the level.

Ms Macklin interjecting—

Mr SPEAKER—If the member for Jagajaga seeks the call, I will grant it to her. Otherwise she will remain silent.

Dr WOOLDRIDGE—So, if there is any challenge in the issue of bulk-billing rates for GPs, it relates directly to the issue of the broken promise made by the then government. This actually happened in the period 1990 to 1993 under the former health minister, Brian Howe. Then the Labor Party promised that they would keep rebates at the full level—

Ms Macklin interjecting—

Mr SPEAKER—I warn the member for Jagajaga.

Dr WOOLDRIDGE—and instead they broke that promise. Who was the adviser to the minister for health in the period when the groundwork was laid to cause any challenges in general practice? It was the member for Jagajaga. It is extreme hypocrisy to talk
about bulk-billing rates when your own incompetence caused it!

**Mr Beazley**—Mr Speaker, I rise on a point of order and it goes to relevance. The question was about a collapse in the last six months—not five years ago.

**Mr SPEAKER**—I understand the minister had concluded his answer.

*Mrs Crosio interjecting*—

**Mr SPEAKER**—The member for Prospect is warned!

**Youth: Education and Training**

**Mrs GASH** (2.49 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Would the minister inform the House how government policies are improving participation in education and training for young people? How does this compare with previous trends?

**Dr KEMP**—I thank the honourable member for Gilmore for her question. This government has given great priority to expanding the opportunities for young people to improve their skills and their knowledge when they leave school, either by going on to TAFE or to university or by taking up new apprenticeships. The government has increased TAFE places by some 270,000 over the last three years. University places have gone up since 1996 by about 29,000 and, of course, new apprenticeships have doubled under the life of this government. Far more young people in Australia today are going on after school to improve their skills and their knowledge than was ever the case under the previous government. We have taken this action in part because the Labor Party, when in power, destroyed youth employment. It halved youth job opportunities. It also neglected TAFEs and apprenticeships. We remember that when the Leader of the Opposition was education minister he had absolutely no interest in the portfolio. He said:

... I lost a lot of ambition and I stopped straining ... I thought that there was less capacity to achieve in that portfolio ...

The *Australian* commented at the time that the Leader of the Opposition’s failure ‘to run hard on TAFE and training and kids and jobs has allowed the erosion of his position’. On university education—no tanks, no thanks was his attitude. He liked to be in Defence but, as we have heard, his performance there was pretty pathetic as well. On universities, he had a very clear position. He said:

We’re going to have to cap university expansion. We’ve got too many universities in this country.

He said:

The desperation to get into higher education is really misplaced.

That was the Leader of the Opposition’s view about educational opportunity when he was the minister. It is no wonder that opportunities for young people collapsed during the period of the previous government. In 1995, in Labor’s last year of office, only some 50 per cent of school leavers went on to improve their skills through further education and training. Under this government, according to the latest ABS survey on education to work statistics, the proportion has risen from 50 to 60 per cent, a 20 per cent improvement in opportunities for young Australians to pursue the development of their skills when they leave school. Mr Lazybones over there, the person who is not interested in developing policy, who had no policy when he was in office, who has no policy now and who has no credibility on education, thinks that he can gain a few marks by empty rhetoric. But, in the absence of policy, in the presence of the thinnest, smallest plan for Australia we have ever seen from an opposition, the Leader of the Opposition has no credibility at all and this government—

**Opposition members interjecting**—

**Dr KEMP**—Well, that is all it is—‘My plan for our country’—

**Mr SPEAKER**—Minister, the same constraints as I applied to the Minister for Small Business apply to you.

**Dr KEMP**—The Leader of the Opposition has no credibility at all, and young people in this country have benefited from our policies.

**Mr Beazley interjecting**—
Mr SPEAKER—I do not need assistance from the Leader of the Opposition.

Aged Care: Rural and Remote Areas

Mr O’KEEFE (2.53 p.m.)—My question is to the gentleman described yesterday by his colleague as ‘just another Liberal’—

Mr SPEAKER—The member for Burke will identify the minister to whom he is referring the question or resume his seat.

Mr O’KEEFE—the Deputy Prime Minister. Minister, are you aware that the Minister for Veterans’ Affairs has received a report on the viability of nursing homes which found that those with 40 beds or less were ‘unlikely to be financially viable’ and could generate significant losses over time? Given that 60 per cent of nursing homes in rural and remote areas have 40 beds or less, doesn’t this report simply confirm the views of the aged care sector that many rural nursing homes are now at risk? Isn’t the fact that older Australians are at risk of having to leave their communities to access aged care just another reason why public confidence in you and your government is collapsing?

Mrs BRONWYN BISHOP—Mr Speaker, I raise a point of order. My question was addressed to the Leader of the National Party—

Mr SPEAKER—The member for Burke will resume his seat. By any standard of any occupier of this chair, the question can be answered by the appropriate minister, in this case the Minister for Aged Care.

Mrs BRONWYN BISHOP—This government is most concerned that frail aged people in rural, remote and regional Australia in fact receive adequate services which are viable. Accordingly, in the last round only a month ago, I announced 14,000 places. This was the largest round ever: it had to be large because the Auditor-General found that the Labor Party had left us 10,000 places short. It meant that we issued 14,000 places and $44 million of capital. I would add of that round that 44 per cent of the places went to rural and regional Australia.

Mr Costello—Forty-four per cent?

Mrs BRONWYN BISHOP—Forty-four per cent, despite the fact that only 30 per cent of older Australians live in rural and regional Australia. I would add that, of the $44 million of capital, 74 per cent went to rural and regional Australia. We did that deliberately, because, in rural and regional Australia, they have less access to—

Mr SPEAKER—Before the member for Prospect succumbs to temptation, I would remind her of her status.

Mrs BRONWYN BISHOP—the bonds and accommodation funds that we use for refurbishment of premises in urban Australia. It is very important to this government that we put emphasis on maintaining viability for aged care homes in rural and regional Australia. For that reason, we pay viability funding for smaller homes. In the last budget, Mr Speaker, you would appreciate that we doubled the amount of money we are spending on viability funding in order that smaller homes may serve those smaller communities. Far from there being the sort of policies that the Labor Party had in place when they were in office, when they neglected rural and regional Australia, when they were found to have left a shortfall of 10,000 places because of their cutbacks, both in additional beds and in capital funding, we have now remedied that by bringing on 22,000 places in the last year. And as I said, in the last round of the 14,000 places, 74 per cent of capital and 44 per cent of places went to rural and regional Australia to ensure that they get their fair, adequate and reasonable access to aged care places when they need them.

Goods and Services Tax: Price Rises

Mrs DE-ANNE KELLY (2.59 p.m.)—My question is addressed to the Minister for Financial Services and Regulation. Would the
minister inform the House of any research showing how prices have changed following the introduction of the new tax system? How has this research been conducted, and is this research a reliable source of information for Australian consumers?

Mr HOCKEY—I thank the member for Dawson for her question and her ongoing interest in consumer issues. As the member for Dawson and other members in the House would be aware, there are three sources of information about prices. There is, of course, the Australian Bureau of Statistics and the inflation index; secondly, there is the ACCC and price monitoring; and then there is the Lilley Pricewatch. Only one of the three is not credible, and I will come to that in a moment. The Lilley Pricewatch was released again in January of this year. It was a January survey, and the survey predictably claimed that prices went up in December and January as a result of the GST. A full six months after the introduction of the GST, it is amazing how the prices went up. The member for Lilley was so outraged about this that he said publicly that he was going to write to me and write to the ACCC for an investigation. I want to save the member for Lilley the price of the stamp—although I would have been keen to find out if there was any cash in the envelope!

Opposition members interjecting—

Mr HOCKEY—This is good. Hold it up! Hold it up!

Mr SPEAKER—The minister will resume his seat.

Mr Emerson interjecting—

Mr SPEAKER—The member for Rankin!

Mr Ripoll interjecting—

Mr SPEAKER—The member for Oxley!

Mr HOCKEY—I referred the information available to the ACCC, and I received this advice. This is very interesting. Firstly—

Mr Leo McLeay—I will take a point of order, Mr Speaker.

Mr Adams interjecting—

Mr SPEAKER—The member for Lyons will apologise.

Mr Adams—Can you explain what I have to apologise for?

Mr SPEAKER—The member for Lyons will apologise to the chair for assuming its authority, or excuse himself from the House.

Mr Adams—I apologise, Mr Speaker.

Mr Beazley—Mr Speaker, I rise on a point of order. There are forms of the House that require a withdrawal if somebody has been abusive in this place. There is no form of the House which requires an apology to be offered. It may well be the case that standing orders ought to be altered to provide for that opportunity, but it is not read that way at all; in which case, there was no standing order that enabled you or entitled you to require the honourable gentleman to rise and apologise, maybe to withdraw. I do not know what it is that he said, but apologise—that is not in it.

Mr SPEAKER—The Leader of the Opposition is, of course, absolutely right. But members ought to have been aware that in the two years that I have occupied the chair there have been occasions when, rather than embarrass members by calling for a withdrawal, I have invited them simply to indicate that what they had said they had said in haste. It was in deference to the member for Lyons as an occupier of the chair and member of the Speakers Panel that I extended that courtesy to him.

Mr Leo McLeay—Mr Speaker, my point of order is particularly on that matter. As you asked the member for Lyons to withdraw and apologise, will you also ask the minister to withdraw and apologise for the remarks that he made, as you know he well should.

Ms Kernot interjecting—

Ms Hoare interjecting—
Mr SPEAKER—The member for Charlton would know that the minister is not the first person guilty of that.

Ms Kernot interjecting—

Mr SPEAKER—I assure the member for Dickson that I will invite the minister to withdraw anything he said that was offensive. Since I do not know what he said, I will check the record and be prepared to report, at least to her, if the withdrawal is not seen to be adequate.

Mr HOCKEY—I asked the ACCC for advice on the—

Mr Leo McLeay interjecting—

Mr SPEAKER—the Chief Opposition Whip will resume his seat. I invited the minister to withdraw if he had said something offensive and I indicated that I will check the Hansard record.

Mr HOCKEY—Mr Speaker, if I have said anything offensive, I am happy to withdraw it. I would not like to say anything offensive here.

Opposition members interjecting—

Mr SPEAKER—The minister has the call.

Mr HOCKEY—I referred the information on the Pricewatch from the member for Lilley to the ACCC for advice. The ACCC came back and provided me with three pieces of advice. Firstly, they pointed out that this survey, unlike other surveys, is in fact comparing apples with oranges. It has a smaller product base covering fewer supermarkets. So, on this occasion, it is not statistically credible. Secondly, of the 29 items surveyed, 28 were food items, which indicates a clear bias in the information and that it is not indicative of a usual supermarket trolley. Finally—and this is the clanger because, as the Leader of the Opposition was so helpfully holding up the newspaper before, the member for Lilley was running around saying, ‘GST pushing food prices up’; that is what he had on his press release—of the 28 items surveyed, 20 are GST free. Hold it up again: 20 are GST free. Of the 28 items in the survey, 20 are GST free—and the member for Lilley claims that the GST is putting up the prices of food! Again, the Labor Party lacks credibility when it comes to the hard yards of policy. Again, the Leader of the Opposition does no policy homework, does no research, and yet the Labor Party was taken seriously on this matter by some journalist. Some journalist actually printed it, when 20 of the 28 items in the survey were actually GST free. Once again, a policy lazy opposition.

Mr Swan—I seek leave to table the survey. Is leave granted?

Mr SPEAKER—Is leave granted?

Mr Reith—No.

Mr SPEAKER—Leave is not granted.

Mr Swan—Gutless. Absolutely gutless.

Government members—Withdraw! Withdraw!

Mr Reith—If I could raise a point of order, Mr Speaker: it is not appropriate for the opposition to abuse government members in an offensive way when all we ask him to do is to burn the thing, not table it.

Opposition members interjecting—

Mr McMullan—if I could speak to the point of order, Mr Speaker: the situation is that we cannot have one standard for this side and another standard for theirs. They can’t give it—

Mr SPEAKER—the Manager of Opposition Business will resume his seat. The Manager of Opposition Business is well aware that, until in fact I had ruled on that point of order raised by the Leader of the House, there was no point of order raised by him.

Mr McMullan—I was speaking to his point of order.

Mr SPEAKER—the Manager of Opposition Business was implying that for some strange reason I may think that the member for Lilley had acted in an inappropriate way. I felt that the action by both the Leader of the House and the member for Lilley left a little to be desired, and for that reason things should be left exactly as they are.
Defence Integrated Distribution System

Dr MARTIN (3.09 p.m.)—My question is directed to the Minister for Defence. Minister, will you explain why you have not made a decision on the future of the $1 billion Defence Integrated Distribution System, despite a preferred tenderer having been forwarded to your predecessor six months ago? Isn’t it a fact that this issue is the subject of deep backbench concern in the government over regional job losses and that this is delaying the decision? When are you going to announce the outcome of the tender for this system, and what guarantees will you give today about the job security of the Defence workers and their families in regional areas which will be affected by this decision? Finally, Minister, can you also guarantee that any cancellation of this project will not result in compensation claims being made against the Commonwealth?

Mr REITH—It is true that that is an issue which I have been examining, obviously, as the incoming minister, and given the size and significance of that particular issue obviously I am giving it careful consideration. You would not expect me to do otherwise, presumably. Perhaps after question time you might put out a press release and give us the benefit of your views on the subject and the Labor Party’s policy position to see where you stand on the issue. But, if you ask me am I looking at it and is the matter under consideration, of course it is, and when the government has made a decision of course you will be the first to know.

Foot-and-Mouth Disease

Mr NEVILLE (3.10 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Would the minister inform the House of the situation surrounding the outbreak of foot-and-mouth disease in the United Kingdom?

Mr REITH—It is true that that is an issue which I have been examining, obviously, as the incoming minister, and given the size and significance of that particular issue obviously I am giving it careful consideration. You would not expect me to do otherwise, presumably. Perhaps after question time you might put out a press release and give us the benefit of your views on the subject and the Labor Party’s policy position to see where you stand on the issue. But, if you ask me am I looking at it and is the matter under consideration, of course it is, and when the government has made a decision of course you will be the first to know.

The member for Denison then left the chamber.

Mr SPEAKER—The member for Hinkler will start his question again.

Mr NEVILLE—As I said before, my question is addressed to the Minister for Agriculture, Fisheries and Forestry. Would the minister inform the House of the situation surrounding the outbreak of foot-and-mouth disease in the United Kingdom?

Opposition members interjecting—

Mr NEVILLE—Given Australia’s foot-and-mouth-free status—

Opposition members interjecting—

Mr SPEAKER—The member for Hinkler has the call.

Mr Leo McLeay interjecting—

Mr SPEAKER—The member for Watson is warned!

Mr NEVILLE—Given Australia’s foot-and-mouth-free status, what measures has the federal government taken to deal with any risk that this new outbreak may pose for our country?

Opposition members interjecting—

Mr NEVILLE—I call the Minister for Agriculture, Fisheries and Forestry.

Mr Griffin interjecting—

Mr SPEAKER—I call the Minister for Bruce.

Mr TRUSS—I thank the honourable member for Hinkler for asking what is a very serious question, and let me say that I am frankly appalled at the frivolity with which the members opposite have treated this issue. It shows their total disregard for the health status of Australia’s livestock and their disregard for agricultural issues. Foot-and-mouth disease is perhaps the most feared disease in world agriculture, and the outbreak in the UK, coming on top of the BSE and other problems in UK agriculture, is certainly a disaster that is befalling the farmers in that part of the world. Australia has the privilege of having been foot-and-mouth disease free for over 130 years, and we are absolutely determined to maintain that dis-
ease free status. It is a highly infectious viral disease. It can affect cattle, pigs, sheep, goats and deer.

The member for Hinkler asked what Australia is doing to ensure that this disease does not come to Australia. Already, Australia does not allow imports of live cattle, sheep, goats and deer from the United Kingdom and, over recent times with the BSE scare, we have also placed a ban on all other products that are meat related. Therefore, that ban is already in place. However, we have taken a number of other steps to help ensure that there is no risk of this outbreak spreading to Australia. We have taken action to suspend imports of semen and embryos of cattle, deer, sheep and goats. We have revoked all current import permits for these products and we have suspended imports from the UK of any items that could perhaps remotely be possible of bringing foot-and-mouth disease to this country, including things like dairy products and meat extracts.

The suspension has been backdated to 5 February, so any products on the water from that date will not be allowed into this country. In addition, AQIS staff at airports and other entry points have been alerted to be particularly vigilant in relation to travellers coming to this country from the UK. The outbreak in the UK does seem to be quite serious. It has now spread across a number of counties and also to the Isle of Wight. It is a type O virus strain, which is similar to the type that has been found in recent outbreaks in Taiwan, Japan and Korea. At this stage there is no indication as to whether there are any links between those outbreaks, but it is a highly contagious disease and one which we must always be vigilant to ensure does not enter our country. The government acted promptly as soon as we were advised about this outbreak. Australian farmers will feel for their British counterparts going through a crisis, as they are at the present time, but it makes us all the more determined to maintain our disease-free status in this country and to take whatever action we need to preserve that status.

Job Network: Performance

Ms KERNOT (3.17 p.m.)—My question is to the Minister for Employment Services. Minister, what are you going to do to fix up the job seekers classification instrument, which, according to a huge number of Job Network providers, results in a staggering 50 per cent of job seekers being referred to the wrong Job Network stream? Minister, doesn’t this instrument, which is flawed, result in a waste of resources because Job Network providers have to spend money in less appropriate areas or they are hit for a $500 review of the referral?

Mr SPEAKER—The member for Dickson is advancing an argument and will come to her question.

Ms KERNOT—There are two questions, Mr Speaker.

Mr SPEAKER—The question contained argument.

Mr BROUGH—I think that the first thing we should recognise is that long-term unemployment is at a 10-year low. That is a result of the policies of the Howard government. The fact is that the classification scheme means that people do not have to wait some inordinate lengthy time before they can access services; they can access the services they need when they need them. This is a classification that we have been building on and will continue to develop so that we provide the services that the unemployed people need when they need them.

Ms Kernot—What is it?

Mr BROUGH—I am not surprised at the question because the bottom line is: you do not understand the Job Network, you do not understand the classification tool, you do not understand Work for the Dole and you do not understand Jobsearch training either.

Mr SPEAKER—The minister will address his remarks through the chair.
Mr BROUGH—I understand, Mr Speaker. As I said, we are already delivering. We are not delivering one million unemployed, as the previous employment minister did—11.2 per cent. We are delivering to unemployed Australians a rounded service which is providing them with job opportunities, training and work experience, and we will continue to do so.

Trade: Indonesia

Mr WAKELIN (3.19 p.m.)—My question is addressed to the Minister for Trade. Will the minister inform the House of the success of his recent visit to Indonesia and of the benefits of this visit that will flow to regional Australia? Is the minister aware of any alternative policies in the area of trade?

Mr VAILE—I thank the honourable member for his question. Just to inform the House, as a result of the ministerial forum that we held with Indonesia at the end of last year in Canberra, at the request of the ministers in attendance at that meeting I have led an investment delegation to Indonesia, particularly to Jakarta, in the last couple of weeks. In that delegation we had the representatives of 16 of Australia’s largest companies—in fact, representing about $80 billion worth of market capitalisation. Those 16 representatives of those companies also represented $6 billion worth of existing investment in Indonesia. The meetings that were conducted during our visit were certainly very, very successful and whilst we were there those companies announced a further $550 million worth of investment in Indonesia.

I can certainly say that the relationship that we are working on rebuilding with Indonesia is going very, very well. It is interesting to note that Australian exports to Indonesia at the moment stand at $3.74 billion and that two-way trade currently between Australia and Indonesia stands at $7 billion. It is important to note, if we analyse part of that export effort, the importance of what flows to different parts of Australia, particularly to regional Australia. In the year 2000 Australia exported $144 million worth of live cattle to Indonesia, which was up from $17 million in 1998. Interestingly, those exports came out of North Queensland—out of the electorate of Kennedy—out of the electorate of the Northern Territory and out of the electorate of Kalgoorlie, and I am sure those members are very pleased to see those export statistics back on the increase to that level.

Also in the year 2000, we saw $64 million worth of dairy products exported to Indonesia out of the electorates of Gippsland, Murray, Indi and out of Tasmania, and I am sure that the members representing those areas were very impressed to see those exports increasing to that level; they were only worth $37 million in the 1998 pre-crisis. Last year we saw exports of $86 million worth of passenger motor vehicles to Indonesia alone, which is a significant increase from the level of 1998 when they were only $6.5 million. Of course, they form part of that fantastic effort of the automotive industry last year where they hit a record of $4.2 billion worth of exports overall. Also, out of the electorates of Parkes, Gwydir and Maranoa, we saw $436 million worth of cotton exported to Indonesia.

These exports, which we have seen dramatically increase in recent years as a result of the efforts of our government in rebuilding the relationship with Indonesia, are helping to sustain thousands of jobs—in fact, over 1.7 million jobs in Australia. That is one in five jobs across Australia and one in four jobs in regional Australia. The sound economic management that we have provided in recent years has provided the platform for these exporters to be successful in our regional markets. Of course, our program of taxation reform has certainly helped Australia’s exporters, as we have removed $3½ billion worth of cost burdens off the back of Australia’s exporters, allowing them to be more competitive in these markets. That was acknowledged by none other than the member for Fraser, who admitted:

... the GST ... should be good for exports. ... I’m not a fan of the GST as you might imagine but if there’s one thing that’s a plus for it, it is that it should slightly help our exporters.
And that has been borne out with the statistics that we have seen of increasing exports to Indonesia.

I am not aware of too many alternative policies floating around, about which the member for Grey asked, but we did see something in the last edition of *Inside Canberra*. I do not know whether we should take a lot of notice of this, but the shadow minister, Senator Cook, says that he would resurrect the National Trade and Investment Outlook Conference, which the previous Labor government ran annually. We abolished that because it was a bit of a gabfest; it was held in Melbourne and it did not get in contact with the rest of the exporters across Australia. But it is something that Senator Cook wants to resurrect. We do not know whether we should believe Senator Cook, because he has not been too strong on the policy positions of the Labor Party lately. In the recent estimates meetings in the Senate, Senator Cook was caught out. He was talking about the Board of Taxation, and he said to Mr Smith from the Taxation Office:

> You will not have to worry about this much longer, Mr Smith. We will abolish it.

... ... ...

I think such a body is highly suspicious ...

But he had to come back to the Senate estimates meeting the next day and admit:

> ... last night I said that we—that is, the Labor Party—would abolish the Board of Taxation. That is not the policy of the party and I now withdraw those remarks.

So we cannot really believe Senator Cook on any policy matters, particularly any policy in regard to trade of the Australian Labor Party.

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

MINISTER FOR FINANCE AND ADMINISTRATION

Mr Howard (Bennelong—Prime Minister) (3.25 p.m.)—Mr Speaker, could I have your indulgence to briefly mention that during the recess I had the opportunity of visiting in hospital the Minister for Finance and Administration shortly after his operation.

Mr Speaker—The Prime Minister may proceed.

Mr Howard—I know that members on both sides of the House will be pleased to know that he was in very good spirits. It was, as reported, a very serious operation, but he was in good heart. He was looking forward to going home. He will be absent for a number of weeks. That evening, he was looking forward to viewing on television a couple of rugby league games, which of course is his great sporting passion. I took the opportunity, on behalf of members on both sides of the House, to wish him well and to extend the hope that he will be back amongst us as soon as possible. I thought that members would appreciate hearing that.

CONDOLENCES

Bradman, Sir Donald George, AC

Mr Howard (Bennelong—Prime Minister) (3.26 p.m.)—Mr Speaker, may I also add that, for reasons that honourable members would know, I was not present in the House yesterday during the condolence motion moved in relation to the death of Sir Donald Bradman. I have already expressed my deep feelings about that and about that man’s contribution to Australia. I will not repeat them here. Suffice it to say that I want to be associated in every way with the sentiments expressed on behalf of the government by the Acting Prime Minister and on behalf of the Australian Labor Party by the Leader of the Opposition. I think the terms of the motion very poignantly expressed the very deep feelings of a grateful nation for such a wonderful life.

Honourable members—Hear, hear!

PAPERS

Mr Reith (Flinders—Leader of the House) (3.28 p.m.)—Papers are tabled in accordance with the list circulated to honourable members earlier today. 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:

Australian Electoral Commission—2000 Redistribution of the Northern Territory into Elec-
Debate (on motion by Mr McMullan) adjourned.

QUESTIONS TO MR SPEAKER

Privilege

Mr LEO McLEAY (3.28 p.m.)—Mr Speaker, I refer you to your statement to the House yesterday where you said in relation to the privilege matter:
I have considered the matter and consulted with many people. In the course of these consultations, I became aware that there may have been a temporary record taken for security purposes and held by the establishment at which the alleged intimidation occurred. At my request, this record was examined without compromising patron privacy.

Mr Speaker, could you tell the House how that was done, by whom it was done, by what authority those tapes were looked at and how those tapes were examined by you or your agent without compromising patron privacy?

Mr SPEAKER—Let me respond to the Chief Opposition Whip by indicating that, while the term ‘tapes’ has been widely used and I can therefore understand his use of it, there were in fact no tapes of the incident. There was a machine that had a constant record of what was happening, and the record was stored in the machine. Tapes of the incident could have been obtained with some difficulty, I understand—but, given that the Clerk and one of the other clerks at the table had examined the image and had indicated that there was nothing conclusive to be gained from it, it was then decided that we should allow the establishment involved to continue to function with that machine, which meant that the image was played over after a series of days. I did in fact consult those who were involved in the incident prior to taking this decision.

Privilege

Mr LEO McLEAY (3.30 p.m.)—Mr Speaker, I have a further question. By what authority did you do that? What authority do you as the Speaker of this House have to require a person who runs an establishment in this city to provide surveillance tapes to you?

Mr SPEAKER—I would indicate to the Chief Opposition Whip that I found myself in a situation—in fact, as the Manager of Opposition Business is aware—where the decision that I made on this matter of privilege was delayed because I had been alerted to these alleged tapes. There was no way in which anyone was obliged by me to do anything. The manager of the premises volunteered the opportunity to look at this material, and, out of respect for the privacy of his clients and the fact that there was nothing implicating in the image, the image is now no longer available. It was volunteered to me.

Privilege

Mr PRICE (3.31 p.m.)—Mr Speaker, just on this matter so that I can clearly understand of what you have informed the House: did you seek the permission of the alleged participants in the event before viewing the tapes or did you inform the participants of the action you proposed to take? What does ‘consultation’ mean?

Mr SPEAKER—in response to the member for Chifley, those who were involved in the alleged privilege incident were consulted. I could not in fact look you in the eye and indicate whether I had detailed what was proposed. I do believe that they knew what was intended. Certainly before the image was erased by further use, all members knew of the fact that it had been viewed and approved of its erasing. I recognise the member for Lilley, because I would have thought the matter he is raising is related to the matter currently before the chair.

Privilege

Mr SWAN (3.32 p.m.)—Yes, it certainly is, Mr Speaker, because I was not present in the House when the member for Sturt originally made his point of privilege. I was not consulted by you about the viewing of the tapes, but I have been perfectly relaxed about that, because there was nothing to be seen.

Mr SPEAKER—I apologise to the member for Lilley if I misrepresented him. I was,
as he is aware, in consultation with him on, I think, the Thursday night of the week of this incident. He had caught an earlier flight, if my memory serves me well, and we certainly were in conversation prior to the decision having been reached.

**Privilege**

Mr O’KEEFE (3.32 p.m.)—Mr Speaker, following on from what has been said about this in response to questions raised by the Chief Opposition Whip, as I understand this situation a member of parliament has made allegations about the behaviour outside this precinct of other members of parliament. For very good reason you have been requested to look at the issue, but it becomes very murky when we subsequently find that you have access to what amounts to surveillance tapes of members of parliament in whatever they might be doing out of hours—for instance, in shopping centres or whatever. I guess where this brings me to is: were allegations to be made about the conduct of a member of parliament to you—it might be related to something entirely different—what do we understand to be the situation? Does the parliament have the power to wander off to shopkeepers or whomever and say, ‘We want to have a look at your surveillance tapes’? What is the situation?

Mr SPEAKER—I am tempted not to deign the member for Burke with an answer, frankly.

Opposition members interjecting—

Mr SPEAKER—I am on my feet! There are signs in the establishment in which these images were taken which indicate to all patrons that images are being taken. As the occupier of the chair, I found myself in a situation in which I had to choose between seeing these images, which had been brought to my attention before the House rose on the Thursday, or not seeing them. In order to be informed, I asked the Clerk to approach the manager of the establishment, who volunteered access to them. There is no way in which the privacy of individuals has been infringed, because there are signs in the establishment indicating to those who are patrons that in fact security tapes are being run, and I was particularly pleased that the matter did not need to be taken any further because we could then reassure the owner of the establishment that there was no way that any other patrons were having their privacy infringed in any way at all. I would that all matters of alleged privilege were as easy to deal with as this one. The matter is closed.

**DIVISION OF RYAN: BY-ELECTION**

Mr SPEAKER—I inform the House, for the purpose of the Hansard record, as I indicated I would, that I did in fact issue a writ in connection with the by-election for the division of Ryan, and that the dates fixed were those announced in the House on 8 February 2001.

**MINISTERIAL STATEMENTS**

**Immigration Detention Procedures**

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs and Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs) (3.36 p.m.)—by leave—Members will recall that in November last year the government’s detention policy and conditions in detention centres came under attack from some advocacy groups and sections of the media. Whilst I have always defended the policy of mandatory detention as part of an overall policy designed to protect the integrity of our borders, I have always asserted that the detention regime must be humane. In this context, of major concern to me were the many allegations of child abuse and generally of the treatment of detainees. I was sufficiently concerned about the nature of some of the allegations, particularly those relating to alleged child abuse, that I decided to set up an independent inquiry. I wanted to know whether the procedures for reporting were adequate and whether processes were in place to investigate allegations of abuse, and if defects were found I wanted to know how we could go about remedying them.

I asked Mr Philip Flood AO to investigate, examine and report on the processes in place for identifying, dealing with, reporting on and following up allegations, instances or situations where there is reasonable suspicion of child abuse in immigration detention
I asked him to report on how well these processes had been followed in cases during the past year. I particularly asked him to focus on any area where he believed processes and procedures needed to be improved.

I will be tabling Mr Flood’s report today. He has identified areas where things could have been done better and where I am determined they will be done better. I would like to thank him for his thorough and balanced examination of many complex issues involved in immigration detention and for his constructive assessment of what can usefully be done to improve management and conditions. I endorse the overall thrust of his 16 recommendations. I can say today that my department has acted on some, and will quickly implement the majority. In doing so, some aspects will need further examination by my department, including resolution of legal contractual issues, and I have asked that this be done quickly.

ACM, the contracted service provider, is revising policy instructions on managing child protection issues. Training for detention staff is being reviewed. Cross-cultural training modules are a component of ACM’s standard training package. Negotiation of protocols with state authorities involved with immigration detention is a priority for my department. My department’s management arrangements in the Woomera, Port Hedland and Curtin centres are being strengthened by the appointment of assistant DIMA business managers. Attention is being focussed on refinements to case management of detainees and performance management of the contract with ACM. There have been significant improvements at the Woomera centre during the last year and plans for further improvements are well advanced. There has also been significant re-engineering of protection visa application processing to expedite the process as far as possible. I will table a detailed commentary on the recommendations. I will come back later to Mr Flood’s examination of the many allegations of child abuse that surfaced last year. An important feature of Mr Flood’s report is his conclusion that:

There also needs to be greater understanding of the values and concerns which underlie the policies being managed. The policies give expression to Australia’s longstanding and proven compassion and welcome for genuine refugees. Policies also reflect the conviction that Australia has the right to decide who enters Australia. They also reflect other concerns including maintenance of Australia’s high health standards, prudence about the escalating cost of providing accommodation and facilities for unlawful entrants, disapproval of smugglers duping people about entry to Australia and concerns about the attempted manipulation of our compassion by criminals and terrorists. This report also reflects another deeply held Australian value, the abhorrence of abuse of children, indeed of anyone, who is held in a detention centre.

Mr Flood is in a unique position to make such an assessment. He has had a long and distinguished career, including as a former Secretary to the Department of Foreign Affairs and Trade, and as a former High Commissioner in London. He is very familiar with the complexities of public policy and administration. His report also recognises the complexities of the international phenomenon confronting the government and my department. We are faced with a global issue—people-smuggling. Populations around the world are on the move. Sophisticated, highly organised criminal networks ply this lucrative and relatively low-risk trade. People-trafficking is estimated to be worth many billions of dollars a year.

Between 1 December 1999 and 3 January 2001, 3,796 people arrived unlawfully by boat from a number of Middle Eastern countries, more than the combined total of illegal boat arrivals in the previous three years. Who are these clandestine arrivals? Many are genuine refugees—that is a fact. In per capita terms, Australia is one of the most generous refugee and humanitarian settlement countries. We have settled around 600,000 refugees and humanitarian entrants over the last 50 years. But Mr Flood notes that, amongst those who have arrived unlawfully, there are others. Many are former terrorists, senior officers in repressive regimes, people suspected of crimes against humanity, people with criminal records, organisers of people-smuggling rackets, people who have ignored or abandoned protection already available to them elsewhere and people who
have been refused migrant visas and then attempt to enter Australia unlawfully. Some destroy their documents to avoid being identified or arrive with fraudulent ones. Some claim a different nationality or to be part of a more vulnerable ethnic group. Some arrive with pre-existing health problems. Some have no legitimate protection claims.

Mr Flood also notes that many people openly told him that they had paid smugglers $10,000 to $25,000 each to get to Australia. The government’s overriding objective in these complex circumstances is to guard the safety and wellbeing of the Australian community, while fulfilling our international obligations by an appropriate response to refugees. Despite what some people say, we cannot tow boats back to sea.

Australia is spending close to $200 million this financial year in locating, detaining, processing and, where necessary, removing people who arrive unlawfully or work here illegally. From arrival to departure, an unauthorised arrival costs taxpayers an average of $50,000. A day in detention costs an average of $105. But we are not alone. Developed countries spend many billions of dollars assessing the claims of asylum seekers many of whom arrive illegally.

This government has significantly strengthened Australia’s response to the record levels of people arriving illegally. New detention centres will be established in Darwin and Brisbane and older centres, particularly Villawood, will be upgraded. We have improved coastal surveillance capabilities and dramatically increased funding for overseas fraud detection, intelligence and compliance activities. People smugglers are prosecuted, their boats seized and destroyed, and they face penalties of up to 20 years in prison and fines of up to $220,000. Overseas information campaigns reinforce the message.

Unauthorised arrivals determined to be in need of our protection are granted a three-year temporary protection visa and during that time they cannot sponsor their families to Australia. Has it worked? We cannot afford to be complacent, but there are some hopeful signs. The number of unauthorised boat arrivals in July to December 2000 was down by 40 per cent from the same period in 1999. This dispatch box is wood; I touch it because we have not had a boat arrival in February. We may get one month where there has not been a boat arrival. As well as dissuading unauthorised arrivals, prompt return of those not requiring protection disrupts the activities of people smugglers and maintains the integrity of the asylum process. Efforts are ongoing to achieve cooperation on the voluntary and involuntary return of unauthorised arrivals to their country of origin, on readmission of third country nationals to countries of first asylum where they have previously enjoyed protection, and on transit arrangements.

It was the Labor government in 1992 which introduced mandatory detention for unauthorised arrivals. They had bipartisan support and bipartisan support has continued. I am acutely aware that mandatory detention is tough public policy, but it is an essential element in dealing with the complex dilemmas and challenges confronting us from unauthorised arrivals organised by people smugglers. It is sound policy and, indeed, some other countries also facing this issue are strengthening their approach to detention of unlawful arrivals.

The length of time people spend in detention is often portrayed simplistically as being a result of processing delays by my department. The complexity of this issue should not be understated. The wellbeing of the Australian public is a critical factor in managing this process. That is why detailed character, medical and identity checking must be undertaken. The recent detection and treatment of six detainees suffering from typhoid in detention centres reinforces the need for Australia’s detention policy. Remember also that some destroy their documents and we do not know who they are.

Mr Flood acknowledges the complex range of factors outside my department’s control and, notwithstanding this, the significant improvements in processing times and hence reduced periods in detention. This has
come about by considerable extra resources and very substantial re-engineering of protection visa processing—without compromising the integrity of the process. He notes that 80 per cent of protection claims made by boat arrivals in late 1999 received a decision within 32 weeks and that this had reduced to less than 15 weeks for applications made in late 2000. I must stress that the government expects integrity of the decision making process. Sometimes that may entail extended periods in detention. Mr Flood notes:

The range of individual circumstances means that there is a wide variation in the periods of detention.

Nonetheless, since 1 July 2000, over 3,000 people have been released from detention on temporary protection visas.

The size and complexity of the task does not obviate our obligation to ensure humane treatment of those in detention. In this respect, the Woomera centre continues to attract much comment and has also been a focus of Mr Flood’s investigation. Let me set the context. The Woomera Immigration Reception and Processing Centre was established in direct response to unprecedented numbers of boat arrivals in Australia in late 1999. The 1,245 arrivals in November 1999—355 on one boat—and the sustained high numbers in subsequent months were a new phenomenon, unpredicted and unpredictable. Contrast this with 1997-98, when there were only 157 unauthorised boat arrivals. The Port Hedland centre was close to being mothballed in late 1998.

Why the Woomera site? It is a Commonwealth site and could be developed quickly. It had available infrastructure and expansion capacity. There were a fully functioning hospital and an international standard runway nearby. It was an appropriate response to an emergency situation. It opened in late November 1999, less than a month after I made the announcement of the need for such a facility. Could it have been done faster, better, differently? Mr Flood says:

The Centre began from almost nothing in November 1999 and held over 1,400 people from February to June 2000. The immediate requirements were establishing accommodation, providing meals and setting up basic facilities and amenities.

That was Mr Flood’s comment. He continued:

It was a significant management achievement for the IRPC at Woomera to have been established so quickly.

Let us look at the facts. By June 2000, an additional 2,250 beds had been provided at the Woomera and Curtin centres to cope with the unprecedented increase in unauthorised arrivals. The statutory requirement that they be detained until granted a visa or removed from Australia was fulfilled by my department, simultaneously with the management of two safe haven exercises for the Timorese and the people from Kosovo, Y2K preparations and Olympics planning, while also ensuring efficient use of taxpayers’ funds. The department was being challenged on many fronts at that time.

Once basic infrastructure was in place, attention turned more directly to improving amenity and security at the Woomera centre. Most accommodation at the Woomera centre is air-conditioned and there is a range of services including English classes, education for children, medical and counselling services and a range of recreational facilities. All detainees may practise their religion. There are culturally appropriate menus, and detainees participate in menu design and food preparation. If you found an Australian community of 1,000 or fewer that had available the doctors, nurses and the range of educational facilities that we put in place in detention centres, that community would have comparable facilities to what we are offering to people who are, in fact, unlawful arrivals.

Much has been said of the hostile physical environment in Woomera. Shade structures have already been erected throughout the centre and landscaping is planned with a particular emphasis on screening the centre and improving the overall appearance. Nonetheless, I acknowledge that improvements at Woomera have taken time. As Mr Flood recognised, the Woomera centre has been ‘both an operational facility and a con-
struction site on a parallel basis for much of its life’. He notes that it took time for ACM to set up an adequate management team and that the centre was handicapped last year by a higher proportion of ACM staff on short-term contracts.

I also note with concern that administrative procedures at Woomera could have been better—an issue which both ACM and my department are addressing. Mr Flood refers to a small number of detention officers who have treated detainees inappropriately. Regrettably, there have been some occasions when ACM staff have demonstrated inappropriate attitudes and behaviour. I have made it clear this will not be condoned. I expect unacceptable behaviour or misconduct to be dealt with promptly and firmly. Where there is evidence to bring charges, I expect this to be done also.

These are all serious matters for ACM and my department and I am pleased that Mr Flood has concluded that issues of concern have been recognised and steps taken to address them. At the same time, we cannot ignore the behaviour of the detainees themselves. The safety of people working in detention centres and of the broader Australian community must also be assured. Criminal actions by detainees—assaults, arson, riots and escapes—cannot and will not be tolerated. Claims that a ‘veil of secrecy’ surrounds immigration detention are simply not true. There are multiple avenues of independent inquiry—the Human Rights and Equal Opportunity Commission, the Commonwealth Ombudsman and the Joint Standing Committee on Migration. The media has visited the Woomera and Port Hedland centres.

Mr Flood’s was yet another avenue of independent inquiry. He has made extensive and independent inquiries, focusing particularly on allegations or situations where there was a reasonable suspicion of child abuse during the 12 months to November 2000. I asked him specifically to look at the allegations concerning a 12-year-old boy at Woomera which was of major concern to me and which has received a great deal of media coverage. Allegations of abuse against children—anywhere—are serious. It is essential that they be investigated by competent authorities. The South Australian Family and Youth Services and the South Australian Police found no evidence to substantiate the allegations involving the 12-year-old boy. In fact, the boy and his father were done a grave disservice.

Mr Flood’s inquiry was to ascertain whether such incidents and suspicions were handled appropriately. He has dealt with the allegations in a thorough, even forensic, manner. He did not accept allegations at face value; he spoke at length to people concerned; he examined files; and he visited all centres—and Woomera twice. This, dare I say, stands in stark contrast with much of the public debate, the freely made allegations and gratuitous comments based on hearsay and an unsubstantiated body of so-called ‘evidence’.

Mr Flood examined 35 cases. He has concluded that in all but one case allegations or incidents involving a reasonable suspicion of child abuse were handled in accordance with relevant legislation and departmental procedures. At Woomera, though, he says, ‘A serious incident of possible child abuse and the broad question of policy on child abuse were not properly handled.’ He found the case of the 12-year-old boy ‘a clear situation where the processes set down in legislation and the administrative requirements of DIMA and of ACM instructions were not followed. In large part, the problems were not with the formal agreed processes but that these were not followed.’ He states that ‘ACM agrees with this conclusion.’ Child abuse issues and their handling are of major concern—and they have been and continue to be addressed as a top priority. I agree with Mr Flood in his view that the way in which these incidents are handled is nearly as important as preventing them in the first place.

Today, I am announcing two initiatives. Mr Flood rightly concludes that alternative arrangements for women and children detainees is another highly complex matter. I have asked my department to examine this
matter in detail. While there are significant legal and practical issues still to be finally resolved, I am going to trial some different detention arrangements than those which currently exist for women and children with a view to implementing such arrangements on a larger scale if they prove effective. I envisage a small scale trial based on voluntary participation. Before proceeding further, my immediate priority is to seek the views of the Woomera town community. Completion of upgrades to facilities at Villawood and Woomera over the next two to three months will provide further flexibility to respond to the needs of women and children. We will establish an area within the Port Hedland detention centre for recreational use by women and children only.

Secondly, to assist me in the consideration of these and other detention matters, I am announcing the establishment of an Immigration Detention Advisory Group. Members will have unfettered access to all centres. They will visit centres regularly, obtain first-hand information and advise me on the appropriateness and adequacy of accommodation, facilities and services at immigration detention centres. I am pleased that the group will be chaired by the Hon. John Hodges, a former Minister for Immigration and Ethnic Affairs. Membership of the group includes, Dr Mohammed Taha Alsalami, Mr Paris Aristotle, Air Marshall Ray Funnell AC Rtd, Major-General Warren Glenny AO RFD ED Rtd, Ms Ellen Goodman, the Hon. Gerry Hand and Professor Harry Minas.

I conclude by again thanking Mr Flood for his valuable contribution to the continuous improvement of immigration detention processes in Australia. I present a copy of my ministerial statement and the Report of the inquiry into immigration detention procedures by Philip Flood, together with a document commenting on the Flood report recommendations. I move:

That the House take note of the papers.

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

That so much of the standing and sessional orders be suspended as would prevent the honourable member for Bowman speaking for a period not exceeding 23 minutes.

Mr SCIACCA (Bowman) (4.01 p.m.)—Initially the opposition had serious misgivings about the establishment of an internal inquiry to be headed by a former diplomat, assisted by Immigration departmental staff, with limited terms of reference and without any judicial powers. Frankly, we were not expecting too much to come out of this report. We believed that in the final analysis we would be left with a few sanitised pages, possibly a scapegoat and a couple of wishy-washy recommendations. Sometimes, however, there are surprises, especially where the issues and instances that are investigated are of such a serious nature or where the level of mismanagement, lack of communication and absence of accountability are indisputable. The report by Mr Flood is just such a surprise.

As I will outline briefly, his findings, comments, observations and recommendations are a total vindication of the tenacity with which Labor and others pursued this serious matter as allegations of impropriety and mismanagement began to emerge from Australia’s detention centres. Looking at parts of his report, on page 28, under the heading ‘Systemic Problems at Woomera’, in paragraph 7.4 Mr Flood said:

I also received more complaints in respect of the Woomera centre than of any other centre that in the course of 2000 a small proportion of detention officers were treating detainees as if they were criminals, that intimidation and verbal abuse occurred and detainees were not sufficiently aware of their right of complaint to the Ombudsman.

He goes on to say: Credible witnesses have told me of derogatory remarks to detainees, humiliation of people in room searches and people sworn at in an abusive manner. I am satisfied on the basis of the credibility of these witnesses that these claims are valid. They apply to a small minority of detention officers.

Nevertheless, a small minority is obviously a significant number of people involved. This is one of the very serious matters which he investigated. He went on to say:
It appears also that there has been a degree of friction or professional jealousy between detention officers with a correctional background and those recruited specifically to work in detention centres. The latter view some officers with a correctional background as unnecessarily rude and lacking empathy with detainees. In turn some detention officers with a correctional background view other detention officers as being too soft in their dealings with detainees.

These are quite serious allegations which, to his credit, Mr Flood has flushed out; he has found that there are a lot of problems in these detention centres, particularly at Woomera. I am very pleased that he has brought it to the fore.

The other particular part of his report which I found to be very telling was on page 36 under the heading ‘Conclusions and Recommendations’. We must remember that this inquiry was called for by the minister after numerous allegations were made, particularly with respect to the alleged sexual abuse of a 12-year-old boy. Mr Flood says he found allegations, instances or situations where there is a reasonable suspicion of child abuse in a number of detention centres. He said:

However, I found that at the Woomera Immigration Reception and Processing Centre a serious incident of possible child abuse and the broad question of policy on child abuse were not properly handled.

He goes on to then talk about the fact that there was a nurse’s recommendation that the child should be seen by a doctor which was not acted upon, nor was the matter referred to the South Australian Police. Moreover, the interview with the boy was late at night and was not conducted with the Farsi speaking then health services manager at the centre but with a detainee interpreter, contrary to ACM instructions. He goes on to talk about the fact that it was inexcusable that the relevant report by the responsible nurse was not drawn to the attention of FAYS, the South Australian family and youth services authorities, until 20 November 2000. The point is that it was only brought to their attention after media reports continually made the allegations. Let us make no mistake about this: the only reason this inquiry was called was that the press got onto it and people were making allegations.

In his statement to parliament today the minister asserts that he believes in a humane detention regime for unauthorised arrivals and that he was greatly concerned at the number of allegations of child abuse and the general mistreatment of detainees. I accept that. But it is all very well to indulge in this kind of rhetoric now. These statements are directly contradicted by the stance the minister himself took last year when the allegations began to surface. Unfortunately, as I previously stated, Mr Ruddock had to be dragged, in effect, kicking and screaming into establishing even this limited inquiry which we are discussing today. Without relentless pressure from the press, from the opposition and from human rights organisations, this investigation would never have occurred and these findings would never have seen the light of day. I think that that in itself is the real point that we should be discussing today. Without relentless pressure from the press, these people making these allegations were not going to be taken any notice of whatsoever by this government. Until today, following the stinging criticism set out in the Flood report and its recommendations highlighting a systemic failure to properly manage detainee issues at Woomera, the minister has clung to the belief that by outsourcing immigration detention services he would effectively be able to wash his hands of his responsibility for their administration.

Time after time, when questioned by the media or in this House, the minister passed the buck and absolved himself and his department from any blame or responsibility. This document from the web site of the Department of Immigration and Multicultural Affairs outlines the response that the minister gave to various media questions from 15 November to early December. I will not read all of them; time does not allow us to do that. The web site begins with the claim:

1. A Young Boy was Raped by his Father and Sold to Other Detainees for Cigarettes ...

And the response was:

Police and FAYS are the appropriate authorities.
Another claim is:
5. Nurse Forced to Tear Up Initial Report of Alleged Rape of 12-year-old Boy...
*Source: The Australian 21/11/00 - Journalist: Matthew Spencer Substantively similar to Australian allegations of 15/11/00...*

And the response was:
Nurses, and other detention centre staff, have both a legal and moral obligation to report such incidents without exception.

It is always somebody else’s fault. Another claim reads:
6. Contracted Staff Wanting to Report Child Abuse were Intimidated into Not Doing So
*Source: The Australian 21/11/00...*

The response there is again:
Staff have both a legal and moral obligation to report - there is no option.

And it goes on. When these allegations were brought up, the minister was sometimes very fulsome in his praise of Australasian Correctional Management. If he looks now at the report put out by Mr Flood, Mr Flood makes it very, very plain what he thinks the situation in Woomera was.

The extent of the minister’s negligence in his blind faith in Australasian Correctional Management’s ability to properly and humanely manage the immigration and detention centres—Woomera in particular—is evident in the set of compelling recommendations handed down by Mr Flood, in the government’s total acquiescence to them and in the government’s admission of liability by promising to implement almost all of them. In his statement, the minister has undertaken to carry out the following changes to the administration of the detention centres: to revise policy instructions for managing child protection issues; to review training for detention staff; to negotiate protocols between state authorities and DIMA as a matter of priority; to appoint DIMA assistant business managers to strengthen management arrangements at Woomera, Port Hedland and Curtin; to refine case manager practices for detainees; and to focus on the performance management of Australasian Correctional Management.

On the surface, these are all positive moves by a minister concerned for the humane treatment of those in his care in detention centres. We welcome these belated measures. However, let us look at what the minister does not say in his statement rather than what he says. Let us look at what was not done rather than what will now be implemented. These recommendations are a serious indictment of the government’s mismanagement of unauthorised arrivals, its failure to protect those vulnerable to exploitation and possible abuse, and the ultimate priority placed on profit and economic efficiencies by both DIMA and ACM.

What Philip Flood’s recommendations say about the management of Woomera, and arguably other detention centres, is this: to date, the training of ACM officers in detention centres has been thoroughly inadequate. No clear lines of communication existed between DIMA and the relevant police authorities in various states to articulate what role the police should play in any incident on the Commonwealth government facilities. No clear lines of communication existed between state welfare agents and DIMA with respect to the protection and removal of children where their welfare was in danger. No systematic procedures existed for assessing incident reports and assuring appropriate follow-ups. No regular and detailed management information was provided to the minister, DIMA and ACM’s management, alerting them of problems within individual centres. The contractual immigration detention standards are in need of review before contract renegotiation. Inadequate DIMA resources were allocated to monitor ACM’s performance. Inadequate resources in DIMA’s central office were made available to handle workload associated with the recent influx of unauthorised arrivals. ACM did not have clear policies for the protection of detainees’ records and privacy and no proactive review of ACM’s performance—such as spot audits of specific issues, including the welfare of children, hygiene, health, food, et cetera—existed.

These are findings of an independent inquiry that has been given very limited terms
of reference. Yet, in the report, Mr Flood makes it very clear that there are major problems in these detention centres. So where are we now? Should the minister be congratulated and exonerated from all blame and responsibility simply because he has decided to fix up some of the problems which until today he claimed never existed? We have to remember that Mr Flood was limited by the terms of reference set by the minister—terms of reference that were deliberately narrow and that indeed necessitated that Mr Flood at times ignore them and press further for answers. I want to congratulate him for being prepared to take that initiative.

If this is the level of mismanagement, opportunism and neglect of procedures uncovered by a limited and narrow investigation which essentially skimmed the surface, what more is there to find? Mr Flood has handed down a good report under the limited parameters that he was provided. His work should now be used as a starting point for a full judicial inquiry to probe the culture of secrecy and profit motivated cover-ups that has sprung up in Australia’s immigration detention centres. The sheer volume of allegations that emerged last year was staggering. While Mr Flood was able to speak to and investigate the claims of many of these people, there are many more credible witnesses who will not come forward while their anonymity is at risk. An inquiry is needed where testimony can be compelled, witnesses protected and evidence subpoenaed. The opposition renews yet again its call for a full and independent judicial inquiry to test the veracity of the allegations that were made by credible witnesses who have not come forward and who will not do so, I understand, without protection.

In conclusion, I make the comment that Labor support the mandatory detention of unauthorised arrivals. The minister correctly said that it was Labor in 1992 who brought in the system of mandatory detention. That does not mean that the position of vulnerable people, especially children, should not be looked at more seriously. I welcome what the minister said in his statement with respect to a possible pilot program where women and children are housed in the Woomera community. I do understand that he has to have discussions in that regard. We in the opposition will be looking very closely at how that trial works, and we will base our policy responses on that. I am sure the minister will let me go on that.

Minister, this report in no way vindicates the stance that you have taken for so long. There are credible witnesses—even Mr Flood accepted that. I am glad you are doing something about this. More needs to be done, because some allegations are pending.

Debate (on motion by Mr Williams) adjourned.

MATTERS OF PUBLIC IMPORTANCE

Howard Government: Performance

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

The collapse in public confidence in the Government and the electorate’s growing dissatisfaction with its out-of-touch and internally disunited approach to public policy.

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

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

Mr BEAZLEY (Brand—Leader of the Opposition) (4.16 p.m.)—We are in an extraordinary position in this country now. We have in office a government that cannot deliver public policy which it sees itself as sincerely committed to; a government that cannot deliver the fundamental underpinnings of stability that the Australian people demand of government; a government that is so out of touch with the people it has lost all credibility. I am not a big believer in public opinion polls and, when I am invited to comment on them from time to time when they appear in the Australian or other newspapers, at doorstops and the like, I am inclined to say, ‘The only thing that matters is the poll on the day. These are volatile affairs with possibili-
ties of considerable margin for error and all
the rest of it.’ These are the qualifiers which
sensible politicians place on polls, because
they are relevant qualifiers.

But sometimes a trend emerges which is
so serious it draws comment, and there was
one in today’s newspaper which does draw
comment—and that is, the levels of satisfac-
tion and dissatisfaction with the Prime Min-
ister. There is a 28-point gap—that is, a 28-
point credibility gap. I have never seen that
in the ratings of a Prime Minister, at least not
for some very considerable period. Fre-
quently I have seen it in ratings attached to
opposition leaders at the state level and op-
position leaders generally, although I am
pleased to say that I have not experienced
one such myself. Nevertheless, it is un-
standable in that case because, generally
speaking, an opposition is not creating pol-
icy; it is not creating events, it is not creating
facts, if you like. Therefore, opposition lead-
ers are likely to be little known to the general
public until such time as they assume office.

But for a credibility gap to have opened
up like that for the Prime Minister is very
serious indeed, coming on top of the experi-
ce of his political parties in the last couple
of state elections, and what seems to be the
disillusion of his major coalition partner, the
National Party. We have seen the extraor-
dinary difficulties of the National Party leader
in this House and his utter humiliation in
question time today when, one after another,
Liberal ministers of very doubtful value and
expertise were obliged to get up and answer
questions for him. We need to comprehend
this with absolute clarity. The Liberal Party
cannot in this country govern except on the
basis of a coalition with the National Party.
The National Party cannot deliver the fun-
damental agenda of this government. This
government’s value to the nation has now
ceased, as the Prime Minister’s credibility
with this nation has now ceased.

This matter of public importance goes to
the core of this government’s relationship
with the truth. The Prime Minister said re-
cently that prime ministers who do not listen
to the people are doomed. That is dead right,
but with this Prime Minister we have to go
back to a more fundamental point. When you
listen to the Australian people today, Prime
Minister, I would wager that the first thing
that you would hear them say all around the
country is, ‘Don’t lie to us.’ The people of
Australia would love you to listen to them,
Prime Minister, but they would love it even
more if this misleading of them by you and
the government ceased.

People remember—and these things are
now set up in lights, badged permanently on
the foreheads of this government—firstly,
that there would never ever be a GST. If I
have heard that one quoted back to me once
by people around this country, I have heard it
a thousand times. They remember, secondly,
that business red tape would be cut by 50 per
cent. That is another badge across the fore-
heads of this government. They remember,
thirdly, that every pensioner would get
$1,000 and four per cent compensation for
the impact of the GST on pensions. That is
badged across the foreheads of this govern-
ment. They remember, fourthly, that the GST
would not push up petrol prices—the GST
would have no effect on petrol prices. They
remember, fifthly, that no-one would be
worse off under the GST, except the tax
cheats. Those are five points which have
been driven home to the Australian public in
quote after quote of the Prime Minister and
his myrmidons as they have been out there in
the electorate—and every one of them has
come back to haunt this government and to
register itself in the minds of the average
Australian elector as an absolute untruth.

We had some trouble honing this Prime
Minister’s record of economy with the truth
down to those all-time top five smash hits,
but they are there. Let me talk about a few of
them. Firstly, petrol. Again in this chamber
today the Prime Minister was trying to be
pretty cute about the petrol issue. He kept
talking about how worried he is about the
budget and that the problem is world prices,
et cetera. That is not working with the Aus-
trian people. Here is why. They were made
a promise that the GST would not push up
the price of petrol. They understand that
there is an international price of petrol which
impacts upon domestic prices. They do not need to be lectured on that subject. What infuriates them is that every time they are lectured on that subject there is denial attached to what was an undertaking, given to them solemnly, not that there would never ever be an international impact on the price of petrol but there would never ever be a taxation impact on the price of petrol as a result of the government’s taxation changes.

They know full well that that is exactly what happened. On 1 July, the government began collecting GST of 8.2c per litre on petrol. How much did they cut excise by? By 6.7c. The equation is simple. Petrol taxes were increased at that point of time by 1.5c a litre. And, of course, you can say ‘and the rest of it’. If you happen to be in the bush and you are paying not, as would then have been the case, 80c or 90c a litre but $1.10, you would say ‘and the rest of it’ as far as that 1.5c is concerned.

People wanted that promise kept to start with. Then they want some relief from rising fuel excise, particularly since the GST caused that too. When we were in office, we did that eight times. When we had a windfall, we returned that windfall to the Australian people after there had been an upward excise adjustment associated with movements in the international price. It is not a matter of argument; it is a matter of fact. The Prime Minister knows it very well. I see he has his most junior myrmidon out here, the Minister for Employment Services, a delayed entrant to the ministry, who stumbled at the first hurdle and was utterly ignorant in answer to the first genuine question he received. The Prime Minister put this fellow up to defend him, but he, unfortunately for him, is going to be the first victim of the misleading of the Australian people that has taken place.

And then there is the question of the GST. Let me remind people of the Prime Minister’s most florid quotation about the GST apart from the ‘never ever’. This is what the Prime Minister said at a press conference at this House about this time last year:

I think that when people see the GST come in, and they see the new tax arrangement, I think they’re going to be well satisfied ... in the end the wisdom and the national benefit of this terrific taxation reform will break through, and there will be sun all around us.

This is the Prime Minister last February. Now let me fast forward to the latest Morgan and Banks survey, which finds 72.4 per cent of people feel that they are worse off because of the GST. Young people, people on low incomes, contractors, the unemployed, small businesses and women are the worst affected. This is a million miles from the Prime Minister’s promise that no-one would be worse off under the GST except the tax cheats. Now it turns out that even the tax cheats, such as the millionaire lawyers featured on the Sydney Morning Herald front page yesterday, will be let off the hook as the government defers its trusts crackdown, presumably for ever.

Of course, we want to minimise the impact on farming families and small businesses that legitimately use trusts. The Treasurer is in the process of throwing out the baby with the bathwater. He is letting the big end of town off the hook and using small businesses and farmers as covers. If he wants to look at the situation of small businesses and farmers, we are very happy to revisit our agreement. We are very happy to do that. But the trusts measure is about cracking down on the top end of town so they uphold their end of the tax reform bargain and do not get a billion dollar cheerio while struggling Australian families pay this $30 billion behemoth of a GST, which is exactly what is happening now.

All the tax burden of this tax reform, which has done so much damage to the economy, is being carried by ordinary Australians; those who have been evading tax continue to evade tax, and they are not poor: they are millionaires. We always object when agreements that we sign up to with a government are ratted on. But, in this particular agreement, we are prepared for a reasonable discussion with them. They have walked out of it. They have not walked out on us—for get about us. They have walked out on the
ordinary taxpayers in this country who now carry a massive burden.

Then we have the question of the pensioners, who have been hardest hit by the GST: flat taxes hit people on low incomes and people on fixed incomes the hardest. Pensioners have already been done in the eye once by the Howard government; they were all promised $1,000 to compensate them for the loss in the value of their savings under the GST. Forty-three per cent of people over 60 got $1 or less. That has sparked outrage from older Australians around the country.

But the government was not content with that; it decided to slip in a cut to indexation while it was at it. If people had received full indexation or they were to receive full indexation in another couple of weeks from now—just after the Ryan by-election—they would be receiving approximately $8 more if they are single pensioners or $13 more if they are married. These are people who know the value of a dollar. The government cutely claims, ‘Well, we always told them.’ You did not tell them, Mr Prime Minister, in the course of the election campaign. Sure, we grant you, you have told them since. But, when it actually mattered, during the election campaign, you produced a tax booklet that went into every household to explain the full extent of the GST and its compensation measures. For any pensioner picking up that book and reading it, there was no mention of what would happen to them.

The minister at the table, the new Minister for Employment Services, has a lot of pensioners in his electorate. As a Liberal Party candidate in the last election, he engaged in a deliberate misleading of those constituents and he will pay a penalty. We will make absolutely certain he does when the next election comes round. As with everything else with this government, it is the sleight of hand, the misleading, the under-the-counter arrangements—‘Oh, if you look on page 557 of the tax reform package, paragraph 332, placitum (i), in small letters, we said that.’ People expect to be dealt with simply and with integrity by the people who lead this nation.

Then we have the experience of small business—50 per cent better off as far as removal of red tape is concerned. This is the most massive increase in red tape ever experienced by small business in the history of this country. It has ripped away their profitability. It is bankrupting them by the thousands. It is driving them mad in their family life as they have to cope with becoming the government’s tax collectors. And the government gets up day after day in this parliament and tells people how well they are doing and how well small business is doing under the operation of this government.

What is the Prime Minister’s answer? The Prime Minister is very like Baldrick in Black Adder. He has always got a cunning plan. He is up there saying, ‘Don’t you worry, I have got a plan so cunning you could slap two ears and a tail on it and call it a weasel.’ That is what the old Baldrick used to say: ‘You could call it a weasel.’ Well, you could call it a weasel. They have weaseled themselves into every answer that we have provided for them. I am sick of ticking off all the Labor Party policies that they have introduced now to try to get themselves out of trouble: our suggestions on the BAS; they are about to pick up our suggestions on petrol; our suggestions on enrolment benchmark adjustment for public schools; our defence white paper. One after another, the policies of the supposedly policy-free Labor Party are picked up by our political opponents. It will not save them, because of the integrity problem that they have. They will make the changes, but who will believe them? Who will believe that those changes will last one minute beyond the next election were they to win? There is a 28-point gap in the Prime Minister’s credibility, but there is a bigger gap in the hearts of Australians who have been so misled and who are now bearing the burden in their standard of living of the consequences of that misleading.

Mr BROUGH (Longman—Minister for Employment Services) (4.31 p.m.)—It is interesting that the Leader of the Opposition goes to integrity, because that is exactly what I wish to talk about, and his lack of it. It is worth examining the credentials of the alter-
native Prime Minister—a man who has just spent the last 15 minutes blustering and blundering his way through a condemnation of the government’s achievements. Who is this man who claims to have the ear of the people? Who is this man who would have the confidence of the Australian people? His track record clearly demonstrates that he is not a confident man but a ‘confidence’ man—a man who tricks or defrauds by gaining the confidence of the people and then defrauding them. He has a very long history of playing confidence tricks on the Australian public. He has no credibility to lecture this Howard government and he has no right to ask for the confidence of the electorate, of the Australian people.

We heard again today from the Minister for Defence how someone who was once a defence minister of this country had not only undermined the basic defence credentials by producing six Collins class submarines, when he liked to be known as ‘buckets Beazley’, but who also proclaimed to us, the Australian public, that they were paid for in full. These were submarines that could not defend themselves, let alone defend the country. And we, the Australian public—the people in the gallery today—are still paying for them some 11 years later. Hundreds of millions of dollars of taxpayers’ money was spent on submarines because the Leader of the Opposition, when defence minister, was incapable of delivering the project. When asked in 1987 whether or not there would be a blow-out in the costs, the Leader of the Opposition said:

There will be no more funds for Defence other than those that are being budgeted at the moment. The government plans on that basis and that the submarine program is planned to fit within it.

That shows you the first fraud that has been perpetrated on the Australian public by the Leader of the Opposition—hundreds of millions of dollars which, as late as today, we have heard that we are paying for to try to have submarines that can actually defend this country. Until now, that has been an impossibility. You go beyond that and you have to ask yourself: if it is such a great project, how is it that we, the Australian public, are going to get two more submarines under Labor Party policy? Good move. Two more Collins class submarines and, as the Minister for Defence said today, ‘at no cost’.

Mr Sidebottom interjecting—

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The member for Braddon is not in his place and will be silent.

Mr BROUGH—You have to ask yourself: where is the money coming from? It is probably coming from the same place as the I-a-w tax cuts were going to come from: they were legislated for but never delivered. This is the man who has got the hide to stand here and talk about fraud. He has defrauded the Australian public throughout his entire public life, and the defence issue was only the first. He then moved on and, in 1991, became the Minister for Employment, Education and Training. What did he have to say about that portfolio—one which was there to embrace the hearts and minds of the Australian people, the aspirations of the Australian people who wanted to go on to higher education? He said, ‘What a boring portfolio. This is not something that is really befitting me and it is not something that I have any time for.’

Mr DEPUTY SPEAKER—The minister will resume his seat. I know that the member for Braddon only made a gesture, but a gesture can be offensive as well. While I cannot ask you to withdraw the gesture, if you do it again you will leave immediately. The minister has the call.

Mr BROUGH—It is typical uncalled-for trash when you are being challenged on the fact that your leader has no integrity.

Opposition members interjecting—

Mr BROUGH—We are playing the fact that you have no integrity in government or opposition.

Mr Sidebottom—Mr Deputy Speaker, I rise on a point of order. I take offence at that. I repeated a gesture that he was doing with his hands. He repeated it to me and then called me trash!
Mr DEPUTY SPEAKER—I saw what you did. Resume your seat. The minister has the call.

Mr BROUGH—As I said, the Leader of the Opposition then moved on to the portfolio of Employment, Education and Training, where he placed upon the Australian unemployed the greatest fraud of all—recycling the unemployed through unemployment programs, giving them false hope, but never delivering. He knows a lot about employment and unemployment because he delivered this country the biggest number of unemployed we have ever had. Over one million Australians had their hopes and aspirations just blown away by the man who would want to be Prime Minister. Yet he stands before us talking about credibility. He also oversaw the worst unemployment figure of over 11 per cent, yet he sits here and tries to tell us again that he has the answers. But, of course, he left his greatest fraud until last. As the Minister for Finance from 1993 to 1996, he oversaw the decline in our budget where he ran up on the bankcard, the Beazley bankcard, more than $75 billion—that is, $75,000 million that the taxpayers are still paying today.

Yes, this government has addressed it in quite a considerable manner and has reduced it, but the fact is that it was money that did not belong to the Keating government to spend on the Australian public—it belonged to the next generation—but they took it upon themselves to spend it. When confronted at the 1996 election with exactly what was the position of the budget, the Minister for Finance, the now Leader of the Opposition, Mr Beazley, looked the Australian people in the eye and said, ‘The budget is in balance,’ when in fact he knew it was $11,000 million in deficit. The Australian public had to endure the effect of the good decisions of the Howard government in 1996 and 1997 to put the budget back into balance so that interest rates could be lowered, so that inflation could be maintained and so that unemployment could come down. That is the legacy of a man who has been in public life in this place for over 17 years. He duded us on the submarines and he left us without any submarine capability at all. He tells us that we can get two more submarines at no cost—maybe he believes in fairies at the bottom of the garden. We are still paying hundreds of millions of dollars to try to fix the problems that he caused there. He ran our unemployment levels up to 11 per cent and we are still trying to bring them down—although it is great to see that the number of long-term unemployed is at a 10-year low—and, of course, we are still attempting to pay off his black hole. Yet he stands here and tells us that he is a man of credibility and should be given the tiller of this great country.

Let us have a look at what else they have been promising. He talks about a knowledge nation. What a great aspiration for the Leader of the Opposition. You would think that when given the chance to be a minister of the Crown in the portfolio of Employment, Education and Training you would embrace it. But no, he far from embraced it—he said it was below him and not something that he particularly embraced at all. The fact is that he did not want the portfolio when given direct responsibility. Now he wants the Australian public to believe that he, in fact, wants to embrace a knowledge nation.

Let us say that he will and he has billions of dollars to do it. Where is the money going to come from? There is never any mention of the money, is there? Don’t mention the money! The Labor Party have had a lot to say about the health of this nation. The member for Jagajaga, along with the Leader of the Opposition, went on and on about this ‘appalling’ policy of a 30 per cent rebate. They all go rather quiet in the opposition at this point. After 31 press releases between November 1998 and April 2000—you would think that you would get it right after 31 attempts—of condemning the rebate and of being critical of the rebate, they then embraced it. When did they embrace it? They embraced it during the Olympics or thereabouts, at the time when the public was not focused on it. Now that they have embraced it, that is a good thing for the Australian public, because it is good policy and it has
delivered more people into private health insurance.

Mr Zahra interjecting—

Mr DEPUTY SPEAKER—If the member for McMillan wishes to stay in the chamber to speak, he had better be silent now.

Mr BROUGH—But, over and above that, they have said that they are going to expand the Medicare agreement with the states. Minister Wooldridge has in fact increased, in real terms, our spending on public hospitals by 17.5 per cent. If you are going to do it further, well done, but where does the money come from? Let us not mention the money because you will not have a clue where it is coming from. Once again, there are only two alternatives: more taxes or put it on the Bankcard. Either way, you have great experience, as your leader has, so you should feel confident in the approach that he will take!

Then we come to fuel excise. He talked about the condition of the Australian people in relation to fuel at the moment. When he was the Minister for Finance, without consulting anybody, without discussing with probably his colleagues, let alone the public, he increased fuel excise for every Australian—be they pensioner, small business or in regional and rural Australia—by 5c a litre. Over and above that, on not 10, not 20, but on 23 separate occasions he was part of a government that increased the fuel excise take on the Australian public. He did not compensate the pensioners, he did not compensate small business, he did not compensate regional and rural Australia, yet he stands here to tell us that he has integrity on this issue. This government understands the pain that people are going through in relation to fuel, but we should also place on the public record for those ignoramuses opposite who simply do not seem to be able to understand—

Opposition members interjecting—

Mr DEPUTY SPEAKER—Order! The honourable minister will resume his seat. I call on the very noisy member for Chisholm.

Ms Burke—My apologies, Mr Deputy Speaker, but I do think that term was unparliamentary and I seek that the minister withdraw it.

Mr DEPUTY SPEAKER—This has come before the chair quite often. The chair is the only person who has the authority to determine whether something is unparliamentary. There is a difference between unparliamentary and discourteous. I would suggest that the word used by the minister was discourteous but not unparliamentary. The honourable minister has the call.

Mr BROUGH—I did not want to be discourteous, so I will withdraw it so that you get to hear a little more. We now come to where the money is going to come from. Here we actually have a policy position. We have a policy position from the opposition on the GST roll-back. Yes, they are going to roll back the GST. They are going to roll it back on caravan dwellers’ rent—congratulations for that. What does the caravan industry of Australia have to say about it? In the Sunday Telegraph on 18 February, their spokesman, Mr Norton Whitmont, said that this would mean that rents would fall in the short term. However, he went on to say that rents would rise again because caravan park owners would not be able to claim back the GST on the outgoing expenses. Mr Beazley is proposing that residents do not pay any tax but that they do not get the input credits, and that puts rents up. That is the fraud that you are putting upon the caravan park dwellers in this country. You are telling them on the one hand that you will remove a policy that has actually reduced their rents—you are using it as some sort of an excuse to say that this will increase the income take from the taxpayer—when in fact you will reduce the amount of tax taken, you will increase the burden on those who are least able to afford it and you say that you will use this money in order to pay for the promises that you make.

We know about the promises of the Labor Party. The Labor Party’s promise was that they would produce I-a-w tax cuts. That is without dispute. And you did not deliver. You have promised that you will get rid of
the government’s health rebate but now, after 31 press releases denouncing it, you embrace it. The fact is that, where there is good policy, you will not find the Labor Party. Ninety per cent of the public have embraced Work for the Dole. What do the Labor Party say: we do not want it. In fact, the member for Dickson, in an interjection on me yesterday, once again confirmed it.

What does the Leader of the Opposition have to say about the $1.6 billion that this government has invested as additional money in roads, which will create jobs, save travelling time and will in fact save lives? It is a ‘boondoggle’. He does not understand what it is like for the people in regional and rural Australia. When it comes to their small business policy regarding roll-back, we have any number of tax experts and business commentators who will tell you that it is a fundamentally flawed policy. Labor’s policy to create more exemptions is probably the single most unpopular policy proposal ever proffered by any political party in this country. What we have seen from the policy-lazy opposition over the past five years is misleading, deceiving, misrepresentation, distortion, misinformation and subterfuge—all at the expense of the Australian voters. They know your leader: he has form, whether it be in defence, education and training or as the finance minister. Woe betide the Australian public if he is ever given the opportunity to take over the treasury bench with his misleading policy opportunities. (Time expired)

Mr ZAHRA (McMillan) (4.46 p.m.)—What a display of the arrogance that is typical of this government. Let me tell you what this arrogance is going to deliver: Stephen Beckett as the member for Longman, Bill Bolitho as the member for Gippsland and Cathy King as the member for Ballarat. The people opposite are on notice that the Australian people are sick of the arrogance of this government and they are waiting for this mob with baseball bats.

We all know about the crisis meeting of the National Party last week in Corowa, New South Wales. As we know, those opposite are still scratching their heads asking themselves, ‘Why do so many people in the bush hate the Howard government so much?’ I would not have thought that was such a hard question to actually deal with. You can imagine the discussion. It probably went something like this. Peter McGauran to John Anderson: ‘It just doesn’t make sense. I try to speak to as many country people as I can when I’m at the opera. Some of these people are just so unreasonable and so ungrateful!’ Anderson back to McGauran: ‘You’re quite right, Peter. Like you, I spend a lot of my time speaking to country people, mostly at King’s School old boy social functions and the like. None of the old boys seem to be doing it tough. I just can’t understand this nonsense about how the bush is hurting. If this keeps up, they’ll make me move back to my electorate, which will mean we won’t be able to see the rest of the season performances at the opera.’

Mr Brough—On a point of order, Mr Deputy Speaker: this is not a pantomime; this is supposed to be a matter of public importance. Obviously the member does not believe that this is a matter of public importance, otherwise he would proffer some decent arguments instead of the rubbish that he is putting forward now.

Mr DEPUTY SPEAKER (Mr Jenkins)—No, the honourable member will resume his seat.

Mr ZAHRA—The National Party is the pantomime here, and that is what we are discussing. The truth is that people in rural and regional Australia have grown sick of the arrogance of this government, and this is demonstrated again today by the arrogance which has been shown by the government members opposite. The people are sick of being talked down to. They are sick of being lectured and hectored by city based Liberal-National Party MPs and ministers who have all gone to fancy boarding schools and who live in capital cities.

Mrs Bronwyn Bishop—On a point of order, Mr Deputy Speaker: would you please tell the honourable member that we all live in Australia, not ‘Austraya’.
Mr DEPUTY SPEAKER—The minister will resume her seat. There is no point of order.

Mr ZAHRA—That is exactly the stuck-up attitude taken by the minister which is going to cost this government, within six months, at the federal election. People are absolutely sick to death of having these people lecture and hector them and tell them how to pronounce words. Not all of us have the benefit of some of the fancy schools that some of those opposite went to. Not all of us went to King’s School, not all of us went to Trinity Grammar and not all of us can sound so ridiculous as the minister at the dispatch box does.

The people know that the only way to deal with this type of arrogance is to vote these people out. They have had a gutful and they cannot wait to punish the arrogance of this government. Whilst the government at least initially tried to dress up their commitment to rural and regional Australia, their contempt for those of us living in rural and regional Australia quickly became obvious. Who can ever forget John Sharp, when he was regional development minister, stating that there was ‘no clear constitutional basis for the involvement of the Commonwealth government in regional development’? So they gave up on regional development: they ran up the white flag and said they were interested in rural services.

Yesterday it was revealed that, whilst the government had said that it would roll out around 500 Rural Transaction Centres over five years, it had in fact only established 19 Rural Transaction Centres. Eighteen months in, that means they have not even achieved one third of the 70 Rural Transaction Centres which they said they would achieve by June 2000. So, even as far as regional services, which is all they say that they are interested in—they say they are not interested in regional development anymore—they have failed badly.

Who else in the government has a plan for regional Australia? The Treasurer had a plan. His plan was to cut wages in rural and regional Australia. That was his plan, and he seemed pretty convinced it was a good idea. Both the current and the previous Minister for Employment, Workplace Relations and Small Business thought that the plan for rural and regional Australia would be to allow people who employ less than 15 employees to be able to sack them any time they want. That was their plan for rural and regional Australia. Of course, this has a disproportionate impact on rural Australia, where we have a large number of our employees employing fewer than 15 people. So that was their strategy to make it easier for people to be sacked in rural and regional Australia.

The Minister for Communications, Information Technology and the Arts has also got a plan—he has a plan to close a heap of call centres. He is going to move from having 273 call centres in Australia to having 35 call centres. His plan is to privatise Telstra. Those of us who live in rural and regional Australia know how hard it is to get any service at all out of Telstra even as it is, with 51 per cent government ownership. We know that if they are allowed to privatise the rest of Telstra it will be even worse for the people in rural and regional Australia.

Ross Cameron, the Liberal member for Parramatta, has also got a plan for the people in rural and regional Australia—a plan which is best summed up in this quote of his where he displayed both his lack of appreciation of literature and his basic stupidity. The member for Parramatta was talking about a novel by Steinbeck. Pointing out that this should be the government’s approach to matters to do with rural and regional Australia, he said:

The Grapes of Wrath was about the Oakies who recognised they had to get out of a dust bowl and go to California ...

I live in rural and regional Australia very proudly, and it is not a dustbowl. That is the contemptuous attitude taken by this government in relation to rural and regional Australia. They are arrogant and they are out of touch, and comments such as this by a Liberal member of parliament really prove that.

To top it all off, the Minister for Agriculture, Fisheries and Forestry has also got a
plan for rural and regional Australia. His plan is all about deregulating the dairy industry without putting in place any planning for this vital sector and only putting in place $45 million over three years through the Dairy Regional Adjustment Program. I point out that we got $45 million out of the government because of pressure from this side to make them accountable, to make them put something in place for those dairy dependent communities who are at risk of losing substantial amounts of jobs and income as a result of dairy deregulation. This is the shambles of their approach to rural and regional Australia, and it is typical of their arrogance towards rural and regional Australia.

Perhaps even worse than the chaos that they have created is the lack of process we have seen in their handling of matters to do with regional Australia. It has been a shameful debauching of regional development policy. Why is it that $10 million of federal government money has been provided to the Hunter Advantage Fund after BHP closed the plant there and lost 1,500 jobs? Why is it that $3.6 million of federal money was provided to Eden in New South Wales when their cannery closed? Peter McGauran, the member for Gippsland, and I know that our region has been impacted worse than any other region in Australia through the national competition policy. Why is it that we have not received one cent from the federal government despite repeated approaches? They have said to us that the Commonwealth does not provide money for adjustment packages to regional parts of Australia, despite the obvious evidence to the contrary. Where is the transparency and honesty in this process? Where is the government’s serious response to the Productivity Commission report?

Rural and regional Australia has so much to offer our nation. If only we had a federal government which would back our potential instead of treating country people like idiots. If only we had a government which had evolved—even a little bit—away from the Neanderthal thinking of the National Party. If only we had a government committed to decent public policy for regions instead of one that thinks they can get away with just rolling out the pork-barrel at election time. The National Party should not wonder why it is that people hate them so much in rural and regional Australia: they know that the National Party was built on a lie, and that lie has now been horribly exposed. (Time expired)

Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (4.56 p.m.)—I thank honourable members opposite for their welcome. I am very glad to participate in this debate, and I would like to thank the Leader of the Opposition for formulating the MPI in the words that he has used, for I am much encouraged, as are my colleagues, by what it reveals. It reveals the overconfidence, even cockiness, of the Labor Party—confidence which is surely built on shifting sands. You can see it from their jocularity at question time to the point where they can even mock a questioner from the government, the member for Hinkler, on foot-and-mouth disease as if that is some sort of joke rather than the serious issue addressed by the Minister for Agriculture, Fisheries and Forestry.

The MPI today reveals a Labor Party that again think they are going to surf into office. They were going to surf into office on the GST 18 months ago, and now they think they are going to surf into office on the basis of some temporary polls which the Prime Minister wisely, accurately and honestly described as having the government behind the opposition for the time being. Through those polls, people are sending messages to the government which the government is heeding and acting upon. If the Labor Party believe that those polls are accurate with regard to election day, then they will surely collapse as they did over the surf-riding of the GST into office. So thank you to the Leader of the Opposition for this MPI.

The member for McMillan spoke about arrogance. There has never been a more arrogant MPI than that presented by the Labor opposition today. Arrogance is a bit like beauty: it is in the eye of the beholder. And there is more arrogance attached to treating Australian voters like fools than there is in
not listening to their message—which we are. The Labor Party are arrogantly dismissing the Australian electorate’s desire and demand for policy and for solutions to problems. I hope the Labor Party continue to simply raise issues with no solutions, no answers, no work. Make no mistake: even those people expressing views unfavourable to the government in the polls at present have no illusions about the Labor Party. You are still regarded as policy lazy and indolent, led by a leader without ticker who can only waffle when asked to state clearly and unambiguously a policy position. Look at your backflips on the GST! You have condemned GST; you still promise a roll-back. But you voted for it and you are not going to change it. You are utterly hypocritical on GST.

As for Work for the Dole, you have always opposed Work for the Dole, then you do not oppose it, then you do oppose it. We still are yet to know firmly and unambiguously, without any waffling, whether or not you support Work for the Dole.

Mr Hollis—No.

Mr McGauran—Good, we have a no from the member for Throsby, who last night in the parliament was condemning the government’s 30 per cent private health insurance rebate which his party now have adopted as their own policy. It is not only the member for Throsby; he is joined by the member for Shortland and the member for Paterson. You want it both ways, and you think you will get away with it. You will not. You will not, because the Australian electorate is very demanding in the run-up to an election and during an election campaign on policy issues. If you think the three of you can grandstand, as the member for Shortland did, about people being ‘blackmailed’ into private health insurance and then go out and support the Leader of the Opposition and the shadow cabinet on the policy, you have got another thought coming. Your backflips on the need for budget surpluses—

Mr Deputy Speaker (Mr Jenkins)—I would remind the honourable minister to address his remarks through the chair.

Mr McGauran—Mr Deputy Speaker, the Labor Party has had a conversion on the need for budget surpluses. Having run up for most of your 13 years huge budget deficits so that you bequeathed to the incoming coalition government $90 billion of government debt, which we have more than halved by way of repayments, suddenly you say you want surpluses. In fact, you can do everything with a government surplus—you merely assert it, you do not make out your case, you do not prove it, least of all. The Labor Party can only pay for that budget surplus by income tax increases. Let us look at the evidence of the backflips. It is remarkable. On tax reform, just to take one of the Leader of the Opposition’s many condemnations of GST, on 23 November 1998 he said: Only the Labor Party is opposed to it. Well, they voted for it. And on 1 July they accepted it. And they will not change it. On Work for the Dole, on 28 September 1998 the Leader of the Opposition in an interview with John Laws said: I mean, the Government’s Work for the Dole we’ve enhanced, that is true—in their election policy—which means it’s a bit silly that they keep advertising that we don’t support it.

That, allowing for a couple of double negatives, seems to be saying they support Work for the Dole. Why then on 3 August 1999 did the Leader of the Opposition, interviewed by Philip Clark on Radio 2BL, say this: It’s simply punishment for being on the dole. So, it’s a ‘whip to your flank’. That’s what they said about work for the dole ... and it’s not worth a damn.

As best I can understand it, that seems to be opposing Work for the Dole. So what is his current position? Simply state it yes or no. The member for Throsby has expressed his opinion, for what it counts. The member for Werriwa has got this right. He knows you are not going to win office, because you are thoroughly without substance.

Mr Zahra—Can you win your seat, Peter?
Mr McGauran—In fact, you are discredited because you simply raise issues. There is something very ‘One Nation’ about the Labor Party, isn’t there?

Mr Zahra—Can you win your seat?

Mr McGauran—They are good at raising issues, they are good at tapping into people’s confusion or discontent, but they are not very good at providing answers, and we have seen that from the contribution by the Leader of the Opposition and the member for McMillan—the current member for McMillan. James Forbes poses a greater threat to you than Bill Bolitho does to me in Gippsland. But I do not take my seat for granted. I think every seat in this parliament is at risk, on both sides. So nobody should delude themselves. It is only the arrogance of the Labor Party members that they would seek to taunt members on this side that we could lose our seats. What about your arrogance? Your arrogance is breathtaking. So much has been said and written about private health insurance—

Mr Hollis—Come on, tell us about Telstra.

Mr Gibbons interjecting—

Mr McGauran—‘Tell us about private health insurance.’ The member for Bendigo has enticed me—

Madam Deputy Speaker (Mrs Gash)—Order! Direct your remarks through the chair. Thank you.

Mr McGauran—to make comments about private health insurance.

Mr Hollis—Telstra!

Mr McGauran—All right. The Leader of the Opposition said in a speech to the parliament on 24 November 1998:

We oppose bad policy wherever we see it.

What shower did you lot come down in? He continued:

That is why we are opposing this piece of bad policy.

And of course we know that, metaphorically, under the cover of darkness one night in September during the Olympic Games when the whole nation was transfixed with the triumph of our greatest athlete, Cathy Freeman, you changed your policy—you now support it. But, as the Minister for Employment Services said earlier on, after 31 press releases from the shadow minister for health condemning the private health 30 per cent insurance rebate we now have not heard a word. It is not on your web site. There are no statements as to it. All we know is some press transcripts that tell us that the opposition now support it. So what are you going to do?

Let us turn to youth wages. Who can ever forget youth wages? The Leader of the Opposition after voting down a bill to maintain youth wages on 9 March 1999 said this at a doorstop:

Now, we had a great victory in the Senate yesterday on one of those things—youth wages—and we’re really rather chuffed about it.

How come he said at a doorstop on 2 September 1999, only six months later:

Now, we have ... successfully written into law a mandate for the Industrial Relations Commission to contemplate skills and training in the way in which they do wages for young adults, for young Australians.

A complete backflip. Every time you look at their policy it is a backflip; it is a complete turnaround. It is because there are no foundations to their beliefs. They have no core beliefs, except to win office and to say anything and do anything to achieve it.

And what about the new funding arrangements for non-government schools? Day after day, week after week, they attack the government and the Minister for Education, Training and Youth Affairs, who repelled them on every occasion with great skill, knowledge and humour. But they nonetheless stated clearly and often that they were totally opposed to the government’s funding for non-government schools. And what has happened after running a scare campaign through all of last calendar year? In December last year Labor senators voted to support the passage of the schools funding legislation through the parliament.
So there you have it. In the only 10 minutes allowed to me I am able, together with my colleagues, to establish a catalogue of policy inconsistencies, opportunism and deceit. This is a Labor Party that the Australian people will not trust with office. (Time expired)

Madam DEPUTY SPEAKER (Mrs Gash)—Order! The discussion has concluded.

COMMITTEES

Selection Committee

Report

Mr NEHL (Cowper)—I present the report of the Selection Committee relating to the consideration of committee and delegation reports and private members’ business on Monday, 5 March 2001. The report will be printed in today’s Hansard and the items accorded priority for debate will be published in the Notice Paper for the next sitting.

The report read as follows—

Report relating to the consideration of committee and delegation reports and private Members’ business on Monday, 5 March 2001

Pursuant to standing order 331, the Selection Committee has determined the order of precedence and times to be allotted for consideration of committee and delegation reports and private Members’ business on Monday, 5 March 2001. The order of precedence and the allotments of time determined by the Committee are shown in the list.

COMMITTEE AND DELEGATION REPORTS

Presentation and statements

1 AUSTRALIAN PARLIAMENTARY DELEGATION TO HUNGARY AND POLAND:


The Committee determined that all statements on the report be made—all statements to conclude by 12.45 p.m.

Speech time limits —
Each Member —5 minutes.

[Proposed Members speaking = 3 x 5 mins]


The Committee determined that all statements on the report be made—all statements to conclude by 1.15 p.m.

Speech time limits —
Each Member —5 minutes.

[Proposed Members speaking = 6 x 5 mins]

PRIVATE MEMBERS’ BUSINESS

Order of precedence

Notices

1 Mr Beazley: To present a Bill for an Act to amend the Customs Tariff Act 1995 to provide relief from the 1 February 2001 indexation of rates of customs duty applying to petroleum. (Customs Tariff Amendment (Petrol Tax Cut) Bill 2001 —Notice given 6 February 2001.)

Presenter may speak for a period not exceeding 15 minutes—pursuant to sessional order 104A.

2 Mr Beazley: To present a Bill for an Act to amend the Excise Tariff Act 1921 to provide relief from the 1 February 2001 indexation of rates of excise duty applying to petroleum. (Excise Tariff Amendment (Petrol Tax Cut) Bill 2001 —Notice given 6 February 2001.)

Presenter may speak for a period not exceeding 15 minutes—pursuant to sessional order 104A.

3 Mrs Crosio: To present a Bill for an Act to provide for the establishment and administration of a scheme to guarantee the payment of wages and certain other liabilities owed to employees in the event of company insolvency, and for related purposes. (Employee Protection (Wage Guarantee) Bill 2001 —Notice given 6 February 2001.)

Presenter may speak for a period not exceeding 15 minutes—pursuant to sessional order 104A.

4 Mr Andren: To present a Bill for an Act to amend the law relating to superannuation for parliamentarians, and for related purposes. (Parliamentary (Choice of Superannuation) Bill 2001 —Notice given 6 February 2001.)

Presenter may speak for a period not exceeding 15 minutes—pursuant to sessional order 104A.

5 Mr Lloyd: To move—That this House:

(1) records its dismay and sorrow at the horrific Christmas/New Year death toll on our nation’s roads, particularly in New South Wales and records its sympathy to the family and friends of those people who have died or been seriously injured;
(2) recognises the importance of maintaining an efficient and safe road transport network in both city and rural areas, as a vital component of lowering the road toll;

(3) calls on all State and Territory governments to match the Commonwealth’s significant increase in road funding;

(4) acknowledges the Federal Government’s increasing commitment to the national road network via its $1.2 billion Roads to Recovery funding package; and

(5) recognises the importance of on-going funding commitments to further improve the national highway system. (Notice given 6 February 2001.)

Time allotted —remaining private Members’ business time.

Speech time limits —
Mover of Motion —5 minutes.
Other Members —5 minutes.

[Proposed Members speaking = 6 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

MAIN COMMITTEE

Madam DEPUTY SPEAKER (Mrs Gash)—I advise the House that the Deputy Speaker has fixed Wednesday, 28 February 2001, at 9.40 a.m., as the time for the next meeting of the Main Committee, unless an alternative day or hour is fixed.

MATTERS REFERRED TO MAIN COMMITTEE

Motion (by Mr Ronaldson)—by leave—agreed to:
That the following bills be referred to the Main Committee for consideration:

- Treasury Legislation Amendment (Application of Criminal Code) Bill 2000
- Superannuation Legislation Amendment (Post-retirement Commutations) Bill 2000
- National Museum of Australia Amendment Bill 2001
- Customs Tariff Amendment Bill (No. 4) 2000
- Veterans’ Affairs Legislation Amendment (Application of Criminal Code) Bill 2000
- Environment and Heritage Legislation Amendment (Application of Criminal Code) Bill 2000
- Remuneration Tribunal Amendment Bill 2000

Petroleum (Submerged Lands) Legislation Amendment Bill (No. 3) 2000
Petroleum (Submerged Lands) (Registration Fees) Amendment Bill 2000

TELSTRA: PRIVATISATION

Consideration of Senate Message

Madam DEPUTY SPEAKER (Mrs Gash)—The Speaker has received a message from the Senate acquainting the House of 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 need to oppose any further privatisation of Telstra in order to prevent any further erosion of the quality of telecommunications services to country Australia.

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

Motion (by Mr McGauran) proposed:
That consideration of the message be made an order of the day for the next sitting.

Mr STEPHEN SMITH (Perth) (5.09 p.m.)—I move the following amendment:

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

‘that the message be debated forthwith because of uncertainty in the community about the Howard-Anderson government’s real intention in relation to the introduction of legislation to fully privatise Telstra’.

John Howard, just a Liberal; John Anderson, just a Liberal!

Motion (by Mr McGauran) put:

That the question be now put.

A division having been called and the bells having been rung—

Mr Leo McLeay—Madam Deputy Speaker, on a point of order: my understanding is that the Deputy Leader of the House moved that the question be put prior to your seeking a seconder for the amendment. I ask you: is that in order?

Madam DEPUTY SPEAKER (Mrs Gash)—I am informed that there was a previous motion already on the books and that the minister had moved that motion, which is quite in order.
The House divided. [5.13 p.m.]
(Madam Deputy Speaker—Mrs J. Gash)

Ayes.............  73
Noes...............  60
Majority.........  13

AYES
Abbott, A.J.  Andrews, K.J.
Bailey, F.E.  Barresi, P.A.
Billson, B.F.  Bishop, J.J.
Cadman, A.G.  Causerley, I.R.
Costello, P.H.  Draper, P.
Entsch, W.G.  Forrest, J.A.
Haase, B.W.  Hawker, D.P.M.
Hull, K.E.  Kelly, J.M.
Lawler, A.J.  Lindsay, P.J.
Macfarlane, I.E.  McArthur, S *
McArthur, S *  Nairn, G.
Nelson, B.J.  Nugent, P.E.
Pyne, C.  Ronaldson, M.J.C.
Schultz, A.  Secker, P.D.
Somby, A.M.  St Clair, S.R.
Sullivan, K.J.M.  Thomson, A.P.
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.
Cream, S.F.  Danby, M.
Ellis, A.L.  Evans, M.J.
Ferguson, M.J.  Gerick, J.F.
Gillard, J.E.  Hall, J.G.
Hollis, C.  Irwin, J.
Kernot, C.  Latham, M.W.
Lee, M.J.  Macklin, J.L.
McClelland, R.B.  McLeay, L.B.
Melham, D.  Mossfield, F.W.
O’Connor, G.M.  Price, L.R.S.
Ripoll, B.F.  Sawford, R.W *
Sercombe, R.C.G *  Smith, S.F.
Tanner, L.  Wilkie, K.

PAIRS
Howard, J.W.  Beazley, K.C.
Fahey, J.J.  O’Byrne, M.A.
Moylan, J. E.  Rudd, K.M.

* denotes teller

Question so resolved in the affirmative.

Original question resolved in the affirmative.

CENTENARY OF FEDERATION: JOINT SITTING

Mr McGAURAN (Gippsland—Minister for the Arts and the Centenary of Federation) (5.19 p.m.)—I move:

That, pursuant to the acceptance by the House on 26 June 2000 of the invitation of 10 May 2000 of the Houses of the Parliament of Victoria to meet in Melbourne on 9 and 10 May 2001 to mark the centenary of the first meetings of the Houses of the Commonwealth Parliament in 1901:

(1) the House of Representatives meet with the Senate at 2 p.m. on 9 May 2001 in the Royal Exhibition Buildings, Melbourne;

(2) the only business transacted at that meeting be:

(a) introductory address by the President of the Senate;

(b) address by the Governor-General;
(c) addresses by the Prime Minister and the Leader of the Opposition; and

(d) concluding address by the Speaker of the House of Representatives;

(3) at the conclusion of that business, the House stand adjourned until 10 a.m. on 10 May 2001;

(4) the House meet at 10 a.m. on 10 May 2001 in the Legislative Assembly Chamber, Parliament House, Melbourne;

(5) the only business transacted at that meeting be:

(a) motion moved by the Prime Minister, seconded by the Leader of the Opposition and followed by the Leader of the National Party of Australia; and

(b) concluding address by the Speaker; and

(6) at the conclusion of that business, the House stand adjourned until 2 p.m. on 22 May 2001.

This motion has the full concurrence and support of the opposition as it relates to the parliament’s participation in the Centenary of Federation celebrations in Melbourne on 9 and 10 May. As most, if not all, members will have read in the Notice Paper, the House of Representatives shall meet with the Senate at 2 p.m. on 9 May at the Royal Exhibition Buildings in Melbourne. There is, of course, some business to be transacted, involving an introductory address by the President of the Senate, an address by the Governor-General, addresses by the Prime Minister and the Leader of the Opposition and a concluding address by the Speaker of the House of Representatives. That, of course, does replicate—not in every exact detail naturally—the first meeting of the parliament on 9 May 1901 in the Royal Exhibition Buildings in Melbourne.

The next day on 10 May in the Legislative Assembly chamber of the Victorian parliament the House will sit again with the business to be transacted at that meeting being a motion to be moved by the Prime Minister, seconded by the Leader of the Opposition and followed by the Leader of the National Party of Australia. That also is a symbolic recreation of the sitting of the Commonwealth parliament in its temporary home at Parliament House, Melbourne.

The Centenary of Federation year is off to an exciting start. As history dictated, there was a need for a federation parade on 1 January through Sydney, with due deference made to the Centennial Park declaration of the Commonwealth. However, the national spotlight has since moved to the Northern Territory where a commemoration of the 19 February bombing by the Japanese of Darwin 59 years ago—1942—was the highlight of their Centenary of Federation commemorations.

There is no doubt that, for both of those events, the committees in New South Wales and the Northern Territory did a superb job in organising lasting memories of very important events particular to that state and territory. It will be here in Canberra that the national spotlight will next shine when on 11 March the National Museum of Australia will open. The museum is the flagship of the Federation Fund. On the next day, 12 March, the ACT will have a number of Centenary of Federation events. Then of course it will be Melbourne’s turn. But, in all of this, it is not a year for national events only, let alone in our capital cities—instead, right across the length and breadth of Australia, communities have a large number of Centenary of Federation events or programs well under way. In fact, the web site now has several thousand such events posted on it.

It is a year that belongs to all Australians, wherever they live. It is a year when Australians can take great pride in 100 years of achievement, not least that Australia has been one of only five continuing democracies over that time. It is a chance to take stock of where we are as a society, and of what our hopes and ambitions are for our fellow citizens in the years and decades to come. It is a year of historical importance. It is also important for contemporary Australia and for future Australia. Australians are deeply patriotic, even if they do not show it overtly or nationalistically or even chauvinistically, as do some others around the world. I do not mean this in any derogatory way but the Americans seem to be the exemplar of displaying patriotism. But, scratch the surface, as the Olympics and many of our other
great national, sporting and cultural events show, and you will see that Australians love their country and will take any excuse to display it. The Centenary of Federation certainly gives numerous opportunities for Australians to declare afresh their love of Australia.

The government has worked with the opposition at all levels and with the states and territories to make sure this is a year of bipartisan involvement so that Australians can feel part of it and take pride in our communities, even as we strive to improve them. We have an independent judiciary, a free media, and a democratically representative democracy. Despite those strengths, which are the envy of many countries throughout the world, we seek always to improve our society so that it is fairer and more just for all. It gives me a great deal of pride, as minister for the Centenary of Federation, to move this motion which will see the Commonwealth parliament play a very important and rightful role in the Centenary of Federation celebrations in Melbourne.

Mr McMULLAN (Fraser) (5.25 p.m.)—The opposition supports the motion. It is essentially a formal resolution and we will not take long in our support of it. I have one thing I would like to raise with the minister arising from the general comments he made about the Centenary of Federation and its celebration but, before I do that, I want to say that I think it is appropriate that the parliament meet to reflect the original meeting in Melbourne. I know all of my colleagues in Sydney flinch a bit about that, but I think it is appropriate we have that and that it be part of the Centenary of Federation. It is important we do not focus centenary celebrations too much or too exclusively on these grandiloquent occasions and that we do a fair bit with regard to recognising the contribution of ordinary Australians. It is a credit to the committee that there has been quite a bit of that, and I think there should be more. Nevertheless, the parliament should be part of this process; it is an important part of our history. It was the key representative institution that reflected Federation and it ought be reflected in the centenary.

The question I want to ask relates to the minister’s comments concerning the opening of the National Museum. I know the member for Farrer has also raised a very important question. The National Museum is in my constituency and I think the opening of it is a very important event and, in my capacity as shadow minister, I welcome it. But I notice that some members on this side, at least, are saying that it does not appear that members have been invited to attend the opening of this event and they would be interested in the opportunity to do so. I raise it with the minister not so that we add any more costs to the process but rather as something the minister might wish to consider. I do not expect that we will need to extend this debate any further. The resolution is only a formal one to establish the procedures by which this sitting might take place, and the opposition supports it.

Mr TIM FISCHER (Farrer) (5.28 p.m.)—I wish to support the motion before the House. I do so, though noting that backbenchers will not be scheduled to speak at this ceremonial sitting. I suppose I should have stayed on as Leader of the National Party a little longer, to this date, and I would have qualified. I note in passing a wonderful agreement that the federal parliament will return to Melbourne for the 100th anniversary sitting of the House of Representatives and the Senate. As it happens, my great-grandfather Conway Mason was Speaker of the Victorian Parliament at the turn of the century. His photo will be just outside the assembly chamber and I will look forward to renewing my observation of that photo. He was a colourful Speaker. I guess all of us on both sides of the House will have connections, direct and indirect, to the wonderful history of this federal parliament of Australia—100 years old this year in one of the world’s five continuing democracies throughout that period. I salute the motion.

The second matter I wish to raise relates directly to the Minister for the Arts and the Centenary of Federation and his very focused conduct of events, particularly on 1 January when I noticed he moved very constructively around the audience at the Cen-
tennial Park observation and ceremony, which was, I thought, a very well-balanced, thought-provoking and moving ceremony in the magnificent setting of Centennial Park, just 100 metres from where the Federation of Australia was declared. In the aftermath of that, a constituent from Howlong in my electorate wrote to me with what I thought was a genuine and worthwhile suggestion, that, leaving aside the whole debate over Australia Day and 26 January, the public holiday on New Year’s Day should by formal gazettal be named Federation Day. It is already a public holiday right across Australia. Presumably most of the state gazettal notices simply say, ‘New Year’s Day public holiday.’ The request from my constituent I think has a lot of merit. My constituent asks that the federal government consider and put to the Council of Australian Governments that 1 January each year be called Federation Day. It is nothing to do with cutting across Australia Day on 26 January or Anzac Day on 25 April but call it by its correct name, Federation Day, formally.

I therefore put to the minister that this motion is set in concrete but the other motion is not. This motion provides that a motion will be moved by the Prime Minister, seconded by the Leader of the Opposition and followed by the Leader of the National Party of Australia, essentially on the second day, 10 May. It is not unreasonable that that motion have one additional piece of substance attaching to it: the call by the ceremonial sitting of the federal parliament that the parliaments of Australia and the governments of Australia agree to name 1 January each year be called Federation Day in a formal way as part of the gazettal of the public holiday each year. I believe that the suggestion from my constituent in Howlong has a lot of merit. I have formally written to the Prime Minister in regard to the substance of the suggestion. I take the additional step here today, in support of the motion clearing the sittings of the federal parliament in Melbourne, to ask that the minister consider incorporation of this suggestion in the actual motion set down for 10 May to be moved by the Prime Minister.

Finally, in a way which is not meant to be mischievous but is a little, some months ago I raised a point of order on the ceremonial sitting. I am delighted that the warring clerks of the two houses of this parliament have also reached agreement on this sitting proceeding in Melbourne. That was not always the case. It is tremendous that all elements and departments of the parliament, the Speaker and the President are in accord on the right of this federal parliament to have a ceremonial sitting to mark its 100th anniversary in the place where it sat for its first 27 years of existence—a period during which there was optional voting at the federal level, I might add—and have that at the top end of Bourke Street in the capital city of Melbourne. I support the motion before the House and ask the minister to consider and, when convenient, report back on the proposition that 1 January be formally renamed Federation Day.

Question resolved in the affirmative.

SYDNEY HARBOUR FEDERATION TRUST BILL 2000

Consideration of Senate Message

Consideration resumed from 8 February.

Senate’s amendments—

House of Representatives amendment (4)
Part 2, clauses 5 to 9, page 5 (line 2) to page 8 (line 9), omit the Part, substitute:

PART 2—ESTABLISHMENT OF THE TRUST

5 Establishment

(1) The Sydney Harbour Federation Trust is established by this section.

(2) The Trust:

(a) is a body corporate with perpetual succession; and

(b) may have a common seal; and

(c) may sue and be sued in its corporate name.

Note: The Commonwealth Authorities and Companies Act 1997 applies to the Trust. That Act deals with matters relating to Commonwealth authorities, including reporting and account-
ability, banking and investment, and conduct of officers.

(3) All courts, judges and persons acting judicially must:
(a) take notice of the imprint of the common seal of the Trust appearing on a document; and
(b) presume that the document was duly sealed.

6 Objects
The objects of the Trust are the following:
(a) to ensure that management of Trust land contributes to preserving the amenity of the Sydney Harbour region;
(b) to protect, conserve and interpret the environmental and heritage values of Trust land;
(c) to maximise public access to Trust land;
(d) to establish and manage suitable Trust land as a park on behalf of the Commonwealth as the national government;
(e) to co-operate with other Commonwealth bodies that have a connection with any Harbour land in managing that land;
(f) to co-operate with New South Wales and affected councils in furthering the above objects.

7 Functions
The functions of the Trust are the following:
(a) to hold Trust land for and on behalf of the Commonwealth;
(b) to undertake community consultation on the management and conservation of Trust land;
(c) to do the things referred to in section 38A before plans take effect for an area of Trust land;
(d) to develop draft plans in respect of Trust land and any other Harbour land in furthering the objects, and performing other functions, of the Trust;
(e) to rehabilitate, remediate, develop, enhance and manage Trust land, by itself or in co-operation with other institutions or persons, in accordance with the plans;
(f) to make recommendations to the Minister on:
(i) plans; and
(ii) the proposed transfer of any Trust land;
(g) to promote appreciation of Trust land, in particular its environmental and heritage values;
(h) to provide services and funding to other Commonwealth bodies in furthering the objects, and performing other functions, of the Trust;
(i) anything incidental to or conducive to the performance of its other functions.

8 Powers
(1) The Trust has power to do all things necessary or convenient to be done for or in connection with the performance of its functions.
(2) The Trust’s powers include, but are not limited to, the following powers:
(a) negotiate with other Commonwealth bodies and with New South Wales and affected councils;
(b) acquire, hold and dispose of real and personal property;
(c) enter into agreements with New South Wales and affected councils;
(d) accept gifts, grants, bequests and devises made to it;
(e) enter into contracts and agreements;
(f) form, or participate in the formation of, companies;
(g) enter into partnerships;
(h) participate in joint ventures;
(i) raise money, by borrowing or otherwise, in accordance with section 63.

9 Minister may give directions
(1) The Minister may give written directions to the Trust in relation to the performance of its functions and the exercise of its powers.
(2) The Minister must give the Trust written reasons for the directions.
(3) The Trust must perform its functions and exercise its powers in a manner
consistent with any directions given by
the Minister under subsection (1).

**Senate amendments to House of Representa-
tives amendment (4)**

(1) Paragraph 6(a), omit “preserving”, substitute “enhancing”.

(2) Omit paragraph 6(f), substitute:

(f) to co-operate with New South Wales, affected councils and the
community in furthering the above objects.

**House of Representatives amendment (5)**

Part 3, clauses 10 to 20, page 9 (line 2) to
page 11 (line 24), omit the Part, substitute:

**PART 3—CONSTITUTION OF THE TRUST**

10 Membership of the Trust

The Trust consists of:

(a) the Chair; and

(b) 6 other members.

11 Invitations to NSW to recommend members

(1) Before initially appointing members to
the Trust, the Minister must invite New South Wales to recommend persons to
be appointed to 2 membership posi-
tions.

(2) If New South Wales does so, then one
of the persons recommended must be
an elected member of an affected coun-
cil.

(3) If:

(a) a vacancy arises in the membership
of the Trust; and

(b) there are not 2 other membership
positions held by persons recom-
mended by New South Wales;
then the Minister must invite
New South Wales to recommend
persons to be appointed to the
vacant membership position.

(4) Within 2 months of receiving the invi-
tation, New South Wales may recom-
end suitable persons. If New South
Wales does so, at least one of its 2
membership positions must be held by
a person who is an elected member of
an affected council.

(5) If New South Wales fails to recom-
mend a person under this section, then
the Minister must instead ensure that
one of the members he or she appoints
is an elected member of an affected
council.

12 Appointment of members

(1) The members of the Trust are to be
appointed by the Minister by written
instrument.

(2) The Minister must not appoint a person
as a member unless the Minister is sat-
isfied that the person is a suitable per-
son.

(3) One of the members must, in the Min-
ister’s opinion, represent the interests
of indigenous people.

(4) The Minister must not appoint a person
as a member if, immediately after the
appointment of the person, more than
one-half of the members of the Trust
would be public employees.

(5) The appointment of a member is not
invalid because of a defect or irregu-
larity in connection with the member’s
appointment.

13 Terms of office of members

(1) A member is to be appointed on a
part-time basis.

(2) A member holds office for the period
specified in the instrument of appoint-
ment. The period must not exceed 3
years.

14 Acting appointments

(1) The Minister may appoint a member to
act as the Chair:

(a) during a vacancy in the office of
Chair (whether or not an appoint-
ment has previously been made to
the office); or

(b) during any period, or during all pe-
riods, when the Chair is absent from
duty or from Australia, or is, for any
reason, unable to perform the duties
of the office.

(2) Anything done by or in relation to a
person purporting to act under an ap-
pointment is not invalid merely be-
cause:

(a) the occasion for the appointment
had not arisen; or
(b) there was a defect or irregularity in connection with the appointment; or
(c) the appointment had ceased to have effect; or
(d) the occasion to act had not arisen or had ceased.

15 Additional terms and conditions of appointment of members

A member holds office on the terms and conditions (if any) in relation to matters not covered by this Act that are determined by the Minister.

16 Outside employment of members

A member must not engage in any paid employment that, in the Minister’s opinion, conflicts or may conflict with the proper performance of the member’s duties.

17 Remuneration and allowances of members

(1) A member is to be paid the remuneration that is determined by the Remuneration Tribunal. If no determination of that remuneration by the Tribunal is in operation, the member is to be paid the remuneration that is prescribed.

(2) A member is to be paid the allowances that are prescribed.

(3) This section has effect subject to the Remuneration Tribunal Act 1973.

18 Leave of absence

The Chair may grant leave of absence to any other member on the terms and conditions that the Chair determines.

19 Resignation

A member may resign his or her appointment by giving the Minister a written resignation.

20 Termination of appointment of members

(1) The Minister may terminate a member’s appointment for misbehaviour or physical or mental incapacity.

(2) The Minister may terminate a member’s appointment if:

(a) the member:
   (i) becomes bankrupt; or
   (ii) applies to take the benefit of any law for the relief of bankrupt or insolvent debtors; or
   (iii) compounds with his or her creditors; or
   (iv) makes an assignment of his or her remuneration for the benefit of his or her creditors; or

(b) the member is absent, except on leave of absence, from 3 consecutive meetings of the Trust; or

(c) the member engages in paid employment that, in the Minister’s opinion, conflicts or could conflict with the proper performance of the duties of his or her office; or

(d) the member fails, without reasonable excuse, to comply with Subdivision B of Division 4 of Part 3 of the Commonwealth Authorities and Companies Act 1997.

Note: That Subdivision has rules about “directors” disclosing material personal interests.

(3) The Minister must not terminate the appointment of a member appointed on the recommendation of New South Wales without first consulting New South Wales.

Senate amendments to House of Representatives amendment (5)

(3) Paragraph 10(b), omit “6”, substitute “7”.

(4) Omit subclause 11(2).

(5) Omit subclauses 11(4) and (5), substitute:

(4) Within 2 months of receiving the invitation, New South Wales may recommend suitable persons.

(6) After subclause 12(3), insert:

(3A) Another of the members must be an elected member of an affected council.

House of Representatives amendment (6)

Part 4, clauses 22 to 25, page 12 (line 2) to page 13 (line 3), omit the Part, substitute:

PART 4—TRUST LAND

21 Vesting by Minister of land in the Trust

(1) The Minister administering the Naval Defence Act 1910 must, within 4 years of this Act commencing, by notice or notices published in the Gazette, specify that each Trust land site mentioned
in Schedules 1 and 2 that is a Commonwealth place is to vest in the Trust in accordance with section 22. A notice may deal with a part only of a Trust land site.

(2) The Minister may, by notice published in the Gazette, specify that a part of any other Harbour land that is a Commonwealth place is to vest in the Trust in accordance with section 22.

(3) The notice must specify the day from which the land is to vest.

22 Vesting of Trust land

(1) From the beginning of the day specified in the notice, all right, title and interest that the Commonwealth holds in the land vests in the Trust without any conveyance, transfer or assignment.

(2) The Trust holds the land for and on behalf of the Commonwealth.

23 Minister may make arrangements

(1) If:
   (a) the Minister specifies land under section 21; and
   (b) immediately before the land vests in the Trust under section 22, the Commonwealth is a party to an agreement or instrument that relates to the land;

then the Minister may specify, in writing, the agreement or instrument for the purposes of this section.

(2) An agreement or instrument specified under this section has effect, after the land vests in the Trust, as if:
   (a) the Trust were substituted for the Commonwealth as a party to the agreement or instrument; and
   (b) any reference in the agreement or instrument to the Commonwealth were (except in relation to matters that occurred before the land vested) a reference to the Trust.

24 Transfer of Trust land

(1) The Trust must not sell or otherwise transfer the freehold interest of:
   (a) any land mentioned in Schedule 1; or
   (b) land identified in a plan as having significant environmental and heritage values;

other than to the Commonwealth, New South Wales or an affected council.

(2) If the Trust agrees to sell or otherwise transfer the freehold interest of any Trust land, then the Trust must seek the Minister’s approval, in writing, of:
   (a) the terms and conditions of the agreement; and
   (b) the transferee.

25 Lands Acquisition Act not to apply

Part X of the Lands Acquisition Act 1989 does not apply to the disposal by the Trust of Trust land or an interest in Trust land.

Senate amendments to House of Representatives amendment (6)

(7) Omit subclause 21(1), substitute:

(1) The Minister administering the Naval Defence Act 1910 must, by notice or notices published in the Gazette, specify that each Trust land site mentioned in Schedules 1 and 2 that is a Commonwealth place is to vest in the Trust on a specified day that is within 4 years of this Act commencing. A notice may deal with a part only of a Trust land site.

(8) Omit subclause 24(1), substitute:

(1) The Trust must not sell or otherwise transfer the freehold interest in:
   (a) any land mentioned in Schedule 1; or
   (b) land identified in a plan as having significant environmental or heritage values;

unless:
   (c) the sale or transfer is to the Commonwealth, New South Wales or an affected council;

and
   (d) the instrument under which the sale or transfer occurs includes a condition that the land not be sold or otherwise transferred other than to the Commonwealth, New South Wales or an affected council.

(1A) A purported sale or transfer of a freehold interest by an instrument that
After subclause 24(1), insert:

(1B) The Trust must not sell or otherwise transfer the freehold interest of any land mentioned in Schedule 2 without the written approval of the Minister.

House of Representatives amendment (7)
Part 5, clauses 26 to 38B, page 14 (line 2) to page 21 (line 25), omit the Part, substitute:

PART 5—PLANS

26 Trust to prepare plans
(1) Within 2 years of this Act commencing, the Trust must prepare a draft plan in respect of each Trust land site mentioned in Schedules 1 and 2.
(2) Within 2 years of any other land vesting in the Trust under section 22, the Trust must prepare a draft plan in respect of that land.
(3) The Minister may extend the period mentioned in subsections (1) and (2) on application, in writing, by the Trust.

27 Plan areas
(1) A plan must cover at least one Trust land site and must not cover only a part of a site.
(2) A plan may cover any Harbour land that has not vested in the Trust under section 22. However, the plan takes effect in respect of that land only when:
   (a) the plan is approved and notified under this Part; and
   (b) the land vests in the Trust.

Note: If the plan has been approved and notified under this Part before the land vests in the Trust, then the plan does not require further notification under section 34 when the land eventually vests in the Trust.

28 Content of plans
(1) A plan must accord with the objects of the Trust.
(2) The plan must accord with principles of ecologically sustainable development.
(3) The plan must contain the following:
   (a) a history and description of the plan area, including an identification of current land uses of the area or parts of the area;
   (b) an assessment of the environmental and heritage values of the area;
   (c) an assessment of the interrelationship between the plan area and the surrounding region, including other public land in the Sydney Harbour region and other Trust land;
   (d) objectives for the conservation and management of the area;
   (e) policies in respect of the conservation and management of the area;
   (f) an identification of proposed land uses in the area or parts of the area;
   (g) an identification of the nature of possible future owners of the area or parts of the area;
   (h) guidelines, options (if necessary) and recommendations for the implementation of the plan;
   (i) detailed estimates of costs that may be incurred in respect of the area, including costs for remediation, rehabilitation and conservation of the area;
   (j) anything else required by the regulations.

29 Consultation on proposal to prepare draft plan
(1) Before preparing a draft plan, the Trust must, by public notice:
   (a) state that it proposes to prepare a draft plan in respect of a specified plan area; and
   (b) invite interested persons to make representations in connection with the proposal by a specified date that is at least one month after the date of publication of the notice; and
   (c) specify an address to which representations may be sent.

(2) A person may make written submissions to the Trust in connection with the proposal not later than the date stated in the notice.

(3) The Trust:
(a) must take into account any submissions made to it in accordance with subsection (2); and
(b) must take into account any advice or recommendations received from an advisory committee established under Part 8; and
(c) may take into account any other submissions.

30 Consultation on draft plan

(1) The Trust must make a draft plan, that it has prepared, publicly available by electronic or other means.

Note: The Trust can also charge a reasonable fee for copies of draft plans: see section 70A.

(2) The Trust must also, by public notice:
(a) state that the draft plan has been prepared in respect of a specified plan area; and
(b) state where the draft plan is made available to the public; and
(c) invite interested persons to make representations in connection with the draft plan by a specified date that is at least one month after the date of publication of the notice; and
(d) specify an address to which representations may be sent.

(3) A person may make written submissions to the Trust in connection with the draft plan not later than the date stated in the notice.

(4) The Trust:
(a) must take into account any submissions made to it in accordance with subsection (3); and
(b) must take into account any advice or recommendations received from an advisory committee established under Part 8; and
(c) may take into account any other submissions.

31 Minister to approve plans

(1) The Trust must submit a draft plan, together with a written report on:
(a) its consultations under sections 29 and 30; and
(b) consultations (if any) with advisory committees established under Part 8;
to the Minister (the Commonwealth Minister).

(2) Before considering the draft plan, the Commonwealth Minister must:
(a) provide a copy of it, together with any relevant material, to a relevant Minister (the State Minister) of New South Wales; and
(b) invite the State Minister to provide comments on the draft plan within 2 months.

(3) In considering the draft plan, the Minister must take into account any comments or alterations suggested, within the 2 months, by the State Minister.

(4) The Commonwealth Minister may:
(a) approve the draft plan without alteration; or
(b) refer the draft plan to the Trust with either or both of the following:
(i) directions to conduct a public hearing or any other consultations;
(ii) suggested alterations; or
(c) reject the draft plan, giving reasons.

32 Action on referral by Minister

(1) If the Minister refers a draft plan to the Trust, then the Trust must do the following:
(a) reconsider the draft plan;
(b) undertake the consultations directed by the Minister;
(c) undertake any other consultations as the Trust thinks necessary;
(d) consider any suggestions made by the Minister;
(e) if it thinks fit, alter the draft plan.

(2) The Trust must then submit:
(a) the draft plan; and
(b) a written report on additional consultations (if any) undertaken under this section;
to the Minister for approval.

(3) This Part (other than section 26) applies to a draft plan submitted under this section in the same way as it applies to a draft plan submitted under section 31.

33 Rejection of draft plan
If the Minister rejects the draft plan, then the Trust must:
(a) consider the Minister’s reasons; and
(b) prepare a new draft plan.

(2) This Part (other than section 26) applies to a new draft plan in the same way as it applies to a draft plan submitted under section 31.

34 Notification of plan
If a plan is approved by the Minister, then the Trust must, by notice published in the Gazette:
(a) state that a plan, in respect of a specified plan area or a part of a plan area, has been prepared; and
(b) specify the day on which the plan takes effect for the area or the part of the area; and
(c) state where the plan is made available to the public.

Note: The Trust can also charge a reasonable fee for copies of plans: see section 70A.

35 Commencement and implementation of plans
(1) A plan takes effect for the plan area, or the part of the plan area, specified in a notice under section 34, from the beginning of the day specified in the notice.

Note: Section 27 contains an exception to this rule for land that has not vested in the Trust.

(2) The Trust must begin to implement a plan as soon as practicable after it has taken effect for the plan area or the part of the plan area.

36 Amendment to plans
(1) The Trust may, in writing, prepare an amendment to a plan.

(2) Sections 28 to 35 apply in relation to the preparation of an amendment to a plan in the same way as they apply in relation to the preparation of a draft plan.

36A Submissions to be publicly available
The Trust must make publicly available, by electronic or other means, submissions made under Part 5 on:
(a) proposals to prepare draft plans; and
(b) draft plans; and
(c) amendments to draft plans.

Note: The Trust can also charge a reasonable fee for copies of submissions: see section 70A.

37 Commonwealth etc. to act in accordance with plans
(1) If a plan has been approved and notified for a plan area (even if the plan or a part of the plan has not taken effect in respect of that area), then the Commonwealth, the Trust and other Commonwealth bodies must act in accordance with the plan in carrying out activities in that area.

(2) However, this section does not authorise or require the Commonwealth, the Trust or the Commonwealth body to carry out an activity that it is not otherwise legally able to carry out.

38 Transitional—interim Trust actions
Anything done, before this Act commences, by the Commonwealth on behalf of the interim Trust in relation to a plan is taken, for the purposes of this Act, to have been done by the Trust.

38A Transitional—activities before plans take effect
(1) Before a plan takes effect for an area of Trust land, the Trust may:
(a) determine the way in which the area may be used before the relevant plan takes effect; and
(b) use the area in that way; and
(c) grant leases and licences over the area in accordance with section 38B; and
(d) carry out maintenance and repair work in the area; and
(e) carry out other work in the area to protect the health and safety of persons present there.

(2) The Trust must not carry out, or allow to be carried out, any work other than the work mentioned in paragraphs (1)(d) and (e).

(3) The Trust must not cause significant damage, or allow significant damage to be caused, by doing things under subsection (1).
(4) The Trust must not take into account things done under subsection (1) when determining the content of draft plans.

38B Transitional—leases and licences granted before plans take effect

(1) This section applies to leases and licences granted under section 38A before a plan takes effect for an area.

(2) A lease or licence for a fixed term over an area of Trust land:

(a) must not be for a term of more than 12 months; and

(b) must expire within 18 months after the vesting of the land in the Trust.

(3) A period under a lease for a periodic tenancy:

(a) must not extend for more than one month; and

(b) must not begin after a plan takes effect for any of the area over which the lease is granted.

(4) A licence that is not for a fixed term must be revoked before a plan takes effect for any of the area over which the licence is granted.

(5) If a lease or fixed-term licence is in force for an area when a plan takes effect, then the plan takes effect except to the extent that it interferes with the operation of the lease or licence in that area.

(6) A lease or licence that contravenes this section or subsection 38A(2) or (3) is void.

Senate amendments to House of Representatives amendment (7)

(10) At the end of subclause 26(3), add “, provided that the Trust has by public notice informed the public about the application and the reason for the extension of time.”.

(11) At the end of clause 36A, add:

(2) However, the Trust is not required to make a submission publicly available if, in the Trust’s opinion, it would significantly damage the environmental or heritage values of Trust land.

(3) No action or proceeding, whether civil or criminal, lies against a member of the Trust in respect of making a submission publicly available under this section.

(12) At the end of subclause 38A(1), add:

; and (f) carry out other work that will only have a temporary impact on the area.

(13) Subclause 38A(2), omit “and (e)”, substitute “, (e) and (f)”.

House of Representatives amendment (8)

Part 7, clauses 50 to 56A, page 25 (line 2) to page 27 (line 19), omit the Part, substitute:

PART 7—MEETINGS OF THE TRUST

50 Times and places of meetings

(1) The Trust is to hold such meetings as are necessary for the efficient performance of its functions.

(2) Meetings are to be held at such times and places as the Trust determines.

(3) The Chair may call a meeting at any time if, in his or her opinion, it is in the public interest for the Trust to consider matters urgently.

(4) The Chair must ensure that at least 4 meetings are held each year.

50A Meetings to be public

Meetings of the Trust must be open to the public unless the Trust determines that it is in the public interest to meet in private.

51 Notice of meetings

(1) Each member is entitled to receive at least:

(a) 24 hours’ notice of an urgent meeting called by the Chair under subsection 50(3); and

(b) 7 days’ written notice of any other meeting of the Trust.

(2) The Trust must also give at least 7 days’ notice to the public of a meeting of the Trust, unless the meeting is an urgent meeting or a private meeting.

52 Presiding at meetings

(1) The Chair presides at all meetings at which he or she is present.

(2) If the Chair is not present at a meeting, the members present are to appoint a Commonwealth member to preside.

53 Quorum
A majority of the members for the time being holding office constitutes a quorum.

54 Voting at meetings
(1) A question is decided by a majority of the votes of the members present and voting.

(2) The person presiding at a meeting has a deliberative vote and, if necessary, also a casting vote.

Note: Subdivision B of Division 4 of Part 3 of the Commonwealth Authorities and Companies Act 1997 has rules for “directors” about disclosing, and voting on matters involving, material personal interests.

54A Minutes of meetings
(1) The Trust must keep minutes of its meetings.

(2) The reasons why the Chair called an urgent meeting under subsection 50(3) must be recorded in the minutes.

(3) The name of each person who moves or seconds a motion must be recorded in the minutes.

(4) The minutes must be made publicly available:
(a) by electronic means; and
(b) for inspection at an office of the Trust.

55 Conduct of meetings
The Trust may, subject to this Part, conduct proceedings at its meetings in accordance with a written code of meeting practice.

56 Resolutions without meetings
If the Trust so determines, a resolution is taken to have been passed at a meeting of the Trust if:
(a) without meeting, a majority of the members indicate agreement with the resolution in accordance with the method determined by the Trust; and
(b) that majority would have constituted a quorum at a meeting of the Trust.

Senate amendments to House of Representatives amendment (8)
(14) At the end of clause 50, add:
(5) The Chair must also ensure that:
(a) at least one of those meetings is held in each 6 month period starting on 1 January or 1 July; and
(b) that meeting is open to the public.

(15) At the end of clause 50, add:
(6) A decision to meet in private must be recorded in the minutes together with the reasons for so deciding.

(16) Omit clause 50A.

(17) Subclause 51(2), omit “a private meeting”, substitute “is not open to the public”.

House of Representatives amendment (9)
Clause 57, page 28 (lines 4 to 32), omit the clause, substitute:

57 Community advisory committees
(1) The Trust must, by writing, establish a community advisory committee in respect of each plan area.

(2) The function of each committee is to provide advice or recommendations to the Trust on issues relating to the relevant plan area.

(3) In providing that advice or making those recommendations, each committee must consider:
(a) the relevant plan area in the context of the Sydney Harbour region; and
(b) the objects of the Trust and the other provisions of this Act.

(4) Each committee consists of:
(a) one or more representatives, appointed by the Trust, of the local community and of affected councils; and
(b) any other person appointed by the Trust.

(5) A member holds office for the period specified by the Trust. The period must not exceed 3 years.

(6) The Trust must, after consulting a committee, give written directions to the committee on:
(a) procedures to be followed in relation to the meetings of the committee; and
(b) the way in which the committee is to carry out its functions.

57A The Trust’s obligations to community advisory committees

(1) The Trust must provide relevant documents and information to community advisory committees.

(2) In making decisions or taking action in respect of a plan area, the Trust must consider any advice or recommendation of the relevant committee.

Senate amendments to House of Representatives amendment (9)

(18) Subclause 57(2), omit “issues relating to the relevant plan area”, substitute “matters determined under subsection (6) relating to the relevant plan area”.

(19) Omit subclause 57A(1), substitute:

(1) The Trust must provide each community advisory committee with documents and information relevant to matters on which the committee is to give advice or recommendations.

Senate amendment to House of Representatives amendment (10)

(21) Subclause 58(1), omit “must”, substitute “may”.

House of Representatives amendment (13)
Part 9, clauses 59 to 65, page 30 (line 2) to page 31 (line 18), omit the Part, substitute:

PART 9—FINANCE

59 Appropriation of money

(1) There is payable to the Trust such money as is appropriated by the Parliament.

(2) The Minister for Finance and Administration may give directions as to the amounts in which, and the times at which, money referred to in subsection (1) is to be paid to the Trust.

60 Application of money

(1) The Trust’s money is to be applied only:

(a) in payment or discharge of the expenses, charges, obligations and liabilities incurred or undertaken by the Trust in the performance of its functions and the exercise of its powers; and

(b) in payment or discharge of the liability imposed under section 61; and

(c) in payment of remuneration and allowances payable under this Act.

(2) Subsection (1) does not prevent investment of surplus money of the Trust under section 18 of the Commonwealth Authorities and Companies Act 1997.

61 Interim Trust costs etc.

(1) If, whether before or after the commencement of this Act, the Commonwealth incurs costs or liabilities in respect of the interim Trust, then the Sydney Harbour Federation Trust must pay to the Commonwealth an amount equal to those costs or liabilities.
(2) The amount may be recovered by the Commonwealth as a debt due to the Commonwealth in a court of competent jurisdiction.

62 Borrowing

The Trust may, with the approval of the Minister for Finance and Administration, borrow money from the Commonwealth or persons other than the Commonwealth on terms and conditions that are specified in, or are consistent with, the approval.

63 Trust may give security

(1) The Trust must not give security over any land mentioned in Schedule 1.

(2) However, the Trust may give security over:

(a) the whole or any part of any other Trust land that is identified as suitable for sale in a plan approved under Part 5; or

(b) any other assets; for:

(c) the repayment by the Trust of money borrowed by the Trust under section 62 and the payment by the Trust of interest (including any compound interest) on that money; or

(d) the payment by the Trust of amounts (including any interest) that the Trust is liable to pay with respect to money raised by the Trust under paragraph 8(2)(i).

64 Contracts

(1) The Trust must not, except with the Minister’s written approval:

(a) enter into a contract involving the payment or receipt by the Trust of an amount exceeding $1,000,000; or

(b) enter into a lease or licence of Trust land for a period that ends after the end of 10 years from the commencement of this Act.

(2) Paragraph (1)(a) does not apply to the investment of money by the Trust in accordance with section 18 of the Commonwealth Authorities and Companies Act 1997.

64A Leases over 25 years

(1) Before entering into a lease or licence over Trust land for a period of longer than 25 years, the Trust must determine, in writing, the proposed terms and conditions of the lease or licence.

(2) The determination is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(3) The terms and conditions of the lease or licence must accord with the determination.

65 Liability to taxation

The Trust is not subject to taxation under a law of the Commonwealth or of a State or a Territory.

Senate amendments to House of Representatives amendment (13)

(22) Subclause 63(2), omit paragraph (a) and “or”.

(23) Paragraph 64(1)(b), omit “for a period that ends after the end of 10 years from the commencement of this Act”.

(24) Omit the heading to clause 64A, substitute:

64A Leases beyond the life of the Trust

(25) Subclause 64A(1), omit “Before”, substitute “In addition to the requirement in section 64, before”.

(26) Subclause 64A(1), omit “for a period of longer than 25 years”, substitute “for a period that ends after the end of 10 years from the commencement of this Act”.

House of Representatives amendment (16)

Schedule 1, page 37 (lines 2 to 9), omit the Schedule, substitute:

SCHEDULE 1—DEFENCE LAND TO BE VESTED IN THE TRUST AND REMAIN IN PUBLIC OWNERSHIP

Note: See subsections 21(1) and 24(1) and section 63.
Defence land to be vested in the Trust and remain in public ownership

<table>
<thead>
<tr>
<th>Item</th>
<th>Title of Trust land site</th>
<th>Site description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Middle Head and Georges Heights in the Parish of Wilmot, County of Cumberland</td>
<td>Lot 1 in Deposited Plan 831153; Lots 202 and 203 in Lot 2 in Deposited Plan 831153</td>
</tr>
<tr>
<td>2</td>
<td>Woodwich in the Parish of Hunters Hill, County of Cumberland</td>
<td>Lot 4 in Deposited Plan 573213; (“Horse Paddock”) and Lot 1 in Deposited Plan 541799; Lot 1 in Deposited Plan 233157</td>
</tr>
<tr>
<td>3</td>
<td>Cockatoo Island</td>
<td>The island situated in the Harbour of Port Jackson in the State of New South Wales and known as Cockatoo Island, vested in the Commonwealth under section 5 of the Cockatoo and Snapper Islands Act 1949</td>
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</tbody>
</table>

House of Representatives amendment (17)

Page 37 (after line 9), at the end of the Bill, add:

SCHEDULE 2—OTHER LAND TO BE VESTED IN THE TRUST

Note: See subsection 21(1).

Other land to be vested in the Trust

<table>
<thead>
<tr>
<th>Item</th>
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<th>Site description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Middle Head and Georges Heights in the Parish of Wilmot, County of Cumberland</td>
<td>Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 in Deposited Plan 233157</td>
</tr>
</tbody>
</table>

Senate amendments to House of Representatives amendment (16)

(27) Omit the heading to column 3 of the table in Schedule 1, substitute “Site description in plan lodged under the Conveyancing Act 1919 of New South Wales”.

(28) Column 3 of item 1 of the table in Schedule 1, omit “Lot 1 in Deposited Plan 831153;”.

(29) Column 3 of item 1 of the table in Schedule 1, omit “Lot 2 in Deposited Plan 831153”, substitute “Deposited Plan 1022020”.

(30) Omit item 3 of the table in Schedule 1, substitute:

<table>
<thead>
<tr>
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<th>Site description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Cockatoo Island</td>
<td>Lot 1 in Deposited Plan 549630</td>
</tr>
</tbody>
</table>

(31) Omit the heading to column 3 of the table in Schedule 2, substitute “Site description in plan lodged under the Conveyancing Act 1919 of New South Wales”.

(32) At the end of column 3 of item 1 of the table in Schedule 2, add “: Lot 1 in Deposited Plan 831153”.

Mr ABBOTT (Warringah—Minister for Employment, Workplace Relations and Small Business) (5.34 p.m.)—I would like to indicate to the House that the government proposes that Senate amendments Nos 1 to 21, 25, 28 to 30 and 32 to House amendments be agreed to; that Senate amendments
Nos 22 to 24 and 26 to House amendments be disagreed to; and that Senate amendments Nos 27 and 31 to House amendments be disagreed to but that amendments be made in place thereof. I suggest, therefore, that it may suit the convenience of the House to first consider amendments Nos 1 to 21, 25, 28 to 30 and 32, then consider amendments Nos 22 to 24 and 26, and, when those amendments have been disposed of, to finally consider amendments Nos 27 and 31. I move:

That amendments Nos 1 to 21, 25, 28 to 30 and 32 made by the Senate to House amendments be agreed to.

First of all, I would like to thank the Parliamentary Secretary to the Minister for the Environment and Heritage for the opportunity to carry this bill in this House. I would not normally be doing this but she has extended this privilege to me as the local member of the area most affected, and I am extremely grateful.

What I hope we are seeing today is a long-running controversy brought to a satisfactory conclusion. Back in 1995 the former government announced that military lands around Sydney Harbour were being vacated by the defence forces and, in accordance with then policy, they would be sold on the open market for the best possible price. To its credit, the then government, in the face of considerable local protest, established a plan of management steering committee for at least the land on Middle Head and Georges Heights. That steering committee proceeded with a great deal of satisfaction and did a great deal of good work until in 1997, I think it was, the state government decided to withdraw its representatives from that committee. We have had a situation of impasse for some time, and in the course of the 1998 federal election this government proposed the establishment of the Sydney Harbour Federation Trust. There was, as you would expect, a degree of toing and froing. But now, with the passage of this legislation, I think that the trust can get on with its very important work to ensure that these priceless lands are protected forever for the benefit of the people of Sydney and Australia. I certainly look forward to the state government appointing its representatives to the trust in the wake of the passage of this bill.

I would like to thank everyone who has contributed to this long debate: the Independents and minor parties in the Senate, the opposition in the Senate, the various local councils—particularly Mosman Council in my own electorate—and the Headland Preservation Group. As a result of all of this work, frustrating though it has sometimes been to the government, I think we have a better bill and a better outcome for the people of Sydney and Australia.

Initially, as you would expect, there was a certain amount of mistrust of the intentions of the government and various players in this drama. I am pleased to say that, over the last few months, that mistrust seems to have dissolved and everyone seems to have come to the position that you can ‘trust the Trust’—that this trust is so constituted that it is an entirely creditable organisation to have in its hands such an important task: the care and control, the management and maintenance of this priceless land. This is very much to the credit of the trust’s chairman, Kevin McCann, and the team he has assembled to preside over the development of management plans. I particularly mention one of Australia’s foremost conservation architects, Ric Leplastrier, Nick Hollow, and the executive director of the trust, Jeff Baxter.

May I say that there is much that is done in this House which, naturally, we take very seriously, but which, outside of here, is not much noted and, in the fullness of time, will not be much remembered. But I think that, in 100 years time, people may not remember our names—almost certainly, they will not remember our names—but in this instance they will be grateful for our work and they will enjoy the legacy that we leave them. I commend these amendments to the House.

Mr ALBANESE (Grayndler) (5.39 p.m.)—I agree with much of what the Minister for Employment, Workplace Relations and Small Business has said in that this is indeed a very significant bill, a bill which will be remembered in 100 years. Unfortunately, however, it is also a lost opportunity
and, therefore, it is legislation which is flawed and which will have to be revisited down the track. That is because the deal struck between the government and the Democrats allows the federation trust lands to be sold out to private interests. I know that the member for Warringah has been genuine, I must say, in his commitments on the Sydney Harbour foreshore lands which he has the privilege to represent. But I do think that we could have done better on this occasion and we could have done better had we even simply stuck to the commitments that were given by the Prime Minister prior to the 1998 election.

My current concerns for the future of Sydney Harbour revolve around the fact that it is one of the most beautiful natural harbours in the world. We saw during the Olympics coverage on that first morning of the triathlon, immediately, that vision going to the whole world of what a fantastic city it is—I cannot imagine living anywhere else. One of the great things about Sydney Harbour and one of the great things about the creation of green foreshore land that is accessible and available to everyone is that it makes Sydney a more egalitarian city. I represent a seat which, in terms of the natural environment, is not the most beautiful place in Sydney. The Cooks River is hard to compare with Sydney Harbour. The beauty of it is, however, that anyone in my electorate can catch public transport across the harbour and go for that magnificent walk which starts at Bradleys Head. It is a great opportunity and everyone walking along there—whether you are a millionaire or a pensioner—gets the same view.

That is why issues of public space are very important and cannot be compromised and why I am disappointed—disappointed perhaps in the government, but devastated by the Democrats’ sell-out on this issue, because they, who purport to be concerned about these issues, have shown a lack of understanding and a lack of commitment. It is not surprising, perhaps, that they are being rejected around the nation and that the Greens are picking up support which they once had.

Sydney Harbour, of course, is a unique mix of urban development and largely untouched bushland. I support all the amendments which we pursued in the Senate to this bill, because I believe that they would have saved the harbour and really ended the debate on any further development. The minister is certainly aware of my relationship and proud friendship with Tom Uren, who is the patron of the Defenders of Sydney Harbour Foreshores. Once again, Tom has shown—as someone who would not mind being described as a ‘leftie’, a proud left-wing member of the ALP—his ability to work with people, including the minister and a broad coalition of people in the interests of the nation. A good model, I must say. Tom’s submission to the bill really shows up the weaknesses which are there. He said in that submission:

I have had a love affair with Sydney Harbour and its shores since I was a boy of 13. I commenced employment at that age and travelled daily from our home on the Manly ferry until I was 18. I then joined the army at 18 and for approximately the next two years served in the Royal Australian Artillery of North Head. The deafness in my left ear is due to recording gun elevation of the Mark VII on Middle Head. From North Head I saw the great troop ships of World War II—the Queen Mary, Queen Elizabeth and Aquitania—sail out through the heads, taking with them the cream of our nationhood to war. So, my friends, the seed of love was sown early in my life for our harbour and its shores.

The visionary who inspired me most was Niel Nielsen, Minister for Lands in the McGowan government from 1910-11. He was able to acquire, with a land acquisition fund of 150,000 pounds, the park that now carries his name, Strickland House and the Hermitage Reserve. His vision was that progressively we should try to create a green belt around the shores of Sydney Harbour. (Extension of time granted)

The vision that Niel Nielsen had and Tom Uren shares and still pursues is still possible, as long as the Defence lands on the shores of Sydney Harbour remain in public hands. In 1979, Prime Minister Fraser and Premier Wran entered into an agreement and the Commonwealth transferred Dobroyd Point and the North Head shores, including the
quarantine station, all the Middle Head shores from HMAS Penguin around to Chowder Bay, and the shores and land which are part of South Head, to the New South Wales government. A part of the agreement was that when the Commonwealth no longer needed remaining harbour Defence land, it would also be transferred to New South Wales. However, as is usual with this government, there is always a glitch somewhere. In October 1996, the Howard government announced an outcome, as proposed by a steering committee, that 120 residential sites would be sold to private developers.

There was then the development, due to the outcry against this proposal in 1997 by the Prime Minister, that the government would rehabilitate Middle Head-Georges Heights land and transfer it to the Sydney Harbour National Park. It could be a gift to the nation as part of the 2001 Centenary of Federation celebrations. The Commonwealth government have a responsibility to rehabilitate Middle Head and Georges Heights. It is good enough for the Commonwealth and state governments to make mining companies rehabilitate their land: the Department of Defence— that is, the Commonwealth— should meet their responsibilities.

In September 1998 the Prime Minister announced the establishment of the Sydney Harbour Federation Trust. The issue of most concern is the stated aim of the trust to finance commercial activities and the redevelopment of parts of the sites. The explanatory memorandum states that the trust must be able to take advantage of economic opportunities, that the intention is that the trust should be financially independent, that some land may be unsuitable for park or community use and sold and, finally, that it is intended that the trust should be self-funding. I think this is inappropriate. One of the concerns that we have is the government’s adamant refusal to include Markham Close at Georges Heights in schedule 1 of the act. Had this occurred it would have protected it from sale. The minister would be aware that the existing cottages on the high side of Markham Close already cross the Georges Heights-Middle Head ridge line. If they are sold, there is no doubt the developers would want to build upon what is there and it would potentially further damage the view which people are able to see from there.

The government has missed an opportunity with this bill to work with all concerned parties and to come up with the best solution. Amendments moved by the ALP and not supported by the Democrats include: preventing the sale of any Sydney Harbour Federation Trust lands; making long-term leases extending beyond the life of the trust subject to parliamentary approval; making the lands subject to state planning and environmental law; changing membership of the trust to include community representation and legitimate indigenous representation; and limiting the transfer of land to New South Wales for inclusion in national park and reserve system only on the condition that it remain in public ownership. The Democrats’ position on the environment, on this issue—where their job, according to them, is to keep the government honest—has been, once again, to simply fall over and do the government’s bidding, just as they did on the GST.

Strong protection is needed here because at some point in the future governments under financial constraints will be under pressure to sell land. We have seen on a number of issues relating to Sydney that people who perhaps do not understand the importance of this green space are put under pressure from bureaucrats in the departments of treasury, finance and others to find funds. That is why we need legislation which is much more secure than the legislation which will be carried by this House and that is why the ALP want our opposition to be placed on the record. (Extension of time granted)

Before the 1998 election, the Prime Minister said of the Sydney Harbour foreshore that it was one of Sydney’s prized assets, indeed one of the nation’s prized assets—a jewel in the Australian crown. He was right: it is a jewel for the people who live in the local community, who are lucky enough to live in the local community, but it is also a jewel for all those who live in the broader Sydney area, all those who visit Sydney and,
indeed, the nation. We did have an opportunity to get it right. Some of the things we have got right in this bill, but, unfortunately, due to the failure of the amendments which we pursued, we have not got it quite right. We would urge the government, at this last opportunity, to reconsider its position. The Democrats stand condemned for their sell-out on this important environmental issue.

Mr ABBOTT (Warringah—Minister for Employment, Workplace Relations and Small Business) (5.51 p.m.)—I thank the member for Grayndler for his contribution, some of which I agree with and some of which I disagree with. It is a pity that the member for Grayndler has suggested in his contribution that the ALP is the repository of all wisdom on this matter. The government certainly has not approached these discussions and negotiations on the basis that we know everything. We have benefited enormously from the contributions the Democrats and the ALP have made. As I said before, I think this is a much better bill because of the very constructive contributions that have been made by non-government members. I would particularly commend the Democrats for the way they have stood up for the best possible environmental and aesthetic values.

While I am on my feet, I probably should also praise the member for Grayndler’s friend and mentor, a great former member of this House, Tom Uren. Tom Uren was a very controversial member of this place. He was a very controversial figure in his own party, for that matter, but the fact is that he has been a committed conservationist for the whole of his life and I think he has played a very positive and constructive part in this debate, even though I do not entirely agree with his assessment of where we are at now.

We have come a long, long way as a result of the dialogue and the negotiations that have gone on among the government, the Democrats and the opposition in the Senate. I just would like to stress two things at this point. First, we have increased the membership of the trust. We will have an elected local government representative on the trust, we will have a person representing indigenous interests on the trust, and, most of all, this land will not be sold—cannot be sold—except for Markham Close, and then only after the preparation of a most detailed plan of management and on the decision of the trust. We need to remember that Markham Close is at the moment a row of extremely undistinguished Defence houses. That particular place is not the environmental jewel that I think the member for Grayndler made out. Should the trust decide ultimately to sell that land under appropriate conditions, I think that the proceeds will be very well used to restore the environmental and heritage values of the rest of the land.

I conclude by saying that, in constructive negotiations, almost no-one gets absolutely everything that he or she wants. Inevitably, there has to be a little bit of give and take. The government has come a long way from its original bill. As I said, I think that the original bill is vastly improved because of the changes that have been made to it, and I would ask the opposition to accept that this is a pretty good outcome and to pass the legislation to enable the trust to get on with its job of doing the right thing by this priceless land in the interests of the people of Sydney and Australia.

Mrs BRONWYN BISHOP (Mackellar—Minister for Aged Care) (5.55 p.m.)—I want to add a few comments in this debate on the Sydney Harbour Federation Trust Bill 2000, because much of the land is land with which I am very familiar, and with which I have been familiar prior to becoming the member for Mackellar. The interests of my constituents are vital and I consider this trust to be vital also. We regard the lands around the harbour in our part of the world as being like lungs for the peninsula on which Mackellar is situate. So it is an important and good outcome for us.

Prior to becoming the member for Mackellar, I lived in Mosman, quite close to some of the land that is going to be subject to the trust. I recall a previous occasion where it was the intention of the previous Labor government to sell the parcel of pristine land that was adjacent to HMAS Penguin, which was
quite vigorously fought by the community, including me. On that occasion, I was quite proud to take the podium together with Tom Uren—we were as one—with Barry O'Keefe and many others. We were successful in preventing that sale. What is so successful about this outcome is that, despite the criticisms of the trust by the opposition, they too have moved a long way from their desire to simply sell off pristine Defence lands to a situation where we are seeing our trust put into place.

I would also like to say something about our defence forces, who have been the custodians of that land for a long time. Anyone—Georges Heights—for instance, will see that the land that has been looked after by the Army and the Navy is in quite dramatically better condition than that which has been looked after by the state parks and wildlife service. I vividly remember that, last time I visited there, there was a great big wire fence that prevented people from getting to the land that had passed over to New South Wales. The only part of the area that was really well kept was the little lawn that surrounded one of the 1870s cottages where some of the departmental people had chosen to live.

The outcome with the establishment of the trust is the best way forward. It really does mean that these lands will be protected. It does mean that they cannot be subject to the whim of the government of the day, whatever flavour the government might be. It means that we have found a permanent solution. I know that the councils represented on SHOROC—Mosman, Manly, Warringah and Pittwater—are all people who have been vital in their support for the cause that these lands must be properly cared for.

Question resolved in the affirmative.

Mr ABBOTT (Warringah—Minister for Employment, Workplace Relations and Small Business) (5.58 p.m.)—I present the reasons for the House disagreeing to Senate amendments Nos 22 to 24 and 26. I move:

That the reasons be adopted.

Question resolved in the affirmative.

Mr ABBOTT (Warringah—Minister for Employment, Workplace Relations and Small Business) (6.00 p.m.)—I move:

That amendments Nos 27 and 31 made by the Senate to House amendments be disagreed to, but in place thereof, respectively, government amendments Nos 1 and 2, circulated to honourable members, be agreed to:

(1) Senate amendment (27) (proposed heading to column 3 of the table in Schedule 1), omit the proposed heading, substitute “Site description in plan lodged under the relevant law of New South Wales”.

(2) Senate amendment (31) (proposed heading to column 3 of the table in Schedule 2), omit the proposed heading, substitute “Site description in plan lodged under the relevant law of New South Wales”.

I present a further explanatory memorandum. I am advised that these are highly technical amendments that have been put in place on the advice of the parliamentary counsel to be more precise about the relevant New South Wales acts in question. I commend them to the House.

Question resolved in the affirmative.
Mr TANNER (Melbourne) (6.01 p.m.)—I rise to speak tonight on the Appropriation Bill (No. 3) 2000-2001 and related legislation. This legislation is the standard amendment legislation to the initial appropriation legislation that flows from the 2000 budget. I want to deal firstly with a couple of specific points that are in the appropriation legislation before the House, and then deal with some of the broader points that emerged from the government’s fiscal strategy. It is important to note that in these appropriation bills there are a number of substantial corrections to the spending proposals of the government and that they give some indication of the panic in the government’s fiscal strategy and of the incompetence of the government’s fiscal management. There is a very substantial correction to the level of expenditure on defence which includes shifting $659 million of expenditure in the Defence portfolio from the capital account across to the current account. In other words, an amount of almost $700 million—$659 million—has been shifted from purchases of equipment and other capital items to pay for recurrent expenditure. This is a massive miscalculation on the part of the Department of Defence as to the needs of recurrent expenditure for the current financial year.

The correction that is proposed in the health budget gives a similar indication of the government’s priorities and its capacity to manage the nation’s finances. There is a provision for an additional spending of $223 million on the health budget, and $130 million of that additional expenditure reflects the ever increasing blow-out in costs arising from the 30 per cent private health insurance rebate.

There is also an increase in moneys to be paid to the Australian Taxation Office for the administration of the GST to the tune of $183 million. So the massively simple tax, the wonderful new tax regime, that was introduced by the Treasurer to simplify tax administration for the benefit of both the people of Australia and the administration of tax by the Commonwealth has added yet another very substantial sum to the cost of tax administration and to the complexity of tax administration in this country. The detail that we see in this legislation is just a small window into the overall fiscal administration of this government, which has been essentially profligate, which has been wasteful and which has been misdirected. These are three of the most substantial changes in appropriations that arise from the legislation before the House that illustrate the weakness of the government’s fiscal management.

It is worth casting our minds back to the events that really opened the Howard government’s approach to fiscal policy in 1996 and contemplating what has occurred in fiscal management by this government over that time until now. In the 1996 budget, there were cuts to spending made by the Treasurer totalling roughly $24 billion over the four years of that budget year and the three years of forward estimates. That, from the point of view of fiscal management—leaving aside the question of where the cuts were made, the grossly unfair impact they had on ordinary Australians and the savage impact they had on critical areas of expenditure like health, education and child care—one would be forgiven for thinking that this was a government that was capable of getting expenditure under control and that had implemented a very substantial program of ensuring that expenditure in this nation was very much kept in restraint.

Unfortunately, over the ensuing four years for which the $24 billion cutbacks were planned, the actual amount of additional expenditure, above and beyond the expenditure planned by the government, was $38 billion.
When you compare the outcomes, that is, when you compare what the government actually did spend over that period with the amount that it budgeted to spend, you see that, far from actually making $24 billion worth of cutbacks in total expenditure, the actual expenditure outcomes ended up being higher than they would have been without any cutbacks—$38 billion additional expenditure. Unfortunately, this expenditure did not go to the areas of greatest need. It did not go to important areas of social provision like health and education; it went on other areas, and I will get to those issues in a minute.

It is worth looking at the process that has unfolded since that time to see just how wasteful this government has been and how much it has mismanaged the finances of the Australian Commonwealth. In the midyear economic and fiscal outlook papers that were submitted to the parliament at the end of last year, the budget forecast was revised from a surplus of $2.8 billion to a proposed surplus of $4.3 billion for the current financial year, and economic growth estimates for the financial year were upgraded to four per cent. Those figures are already under a serious cloud. It is worth recalling that the budget surplus figure that was produced by the Treasurer in May last year for the current financial year was suspect from the outset; it was essentially phoney. There were a number of fiddles employed to ensure that a notional surplus could be maintained even though it was clear that in fact and in structural terms the budget of the Commonwealth was quite significantly in deficit at a time when growth was running very strongly and when clearly it should not be in deficit.

These fiddles included accounting for projected spectrum sales worth $2.6 billion as part of the recurrent revenue of the Commonwealth when clearly they are de facto asset sales, and we now know that the chance of that $2.6 billion being realised is extremely dubious at best. There will be some red faces in a number of areas at the finalisation of those sales if, as many expect, the $2.6 billion is not realised. Also, a $1.6 billion loan to the states was not accounted for. It was, in effect, a grant and was part of the GST arrangements with the states. That was a convenient way of disguising the budget impact of those arrangements. There was a bit of fiddling with Reserve Bank dividends, designed to shore up the surplus in that particular year. So we started with a budget position that was extremely fragile and fraught with fiddles. What has followed is, superficially, a strengthening of the budget position but, in reality, we all know that it is eroding day by day. In particular, the position for the forthcoming financial year, given the slowdown in the economy that is already under way, is clearly going to create major problems for the government’s fiscal position.

All of this matters because, rather than consolidating our fiscal position in times of good economic growth, this government has wasted the fiscal position that it has been able to inherit and to develop. It has wasted that position profligately by spending large sums of money on programs that ultimately have delivered, in most cases, very little benefit to the structural economic position of the nation and that have been primarily driven by the desire to pork-barrel in particular electorates, particularly in marginal regional electorates held by National Party members.

If you look across the variety of programs underneath the banner of the Natural Heritage Trust, the Regional Telecommunications Infrastructure Fund, the Centenary of Federation Fund and various other smaller programs—which all, conceptually, are highly worthy and which in many cases involve expenditure that, viewed in isolation, is entirely worthy and appropriate—they are essentially fragmented, have no underlying coherent theme and, when viewed from the possibility of what alternative expenditure could have been pursued, have been in most cases extremely wasteful or misdirected. In the case of the Regional Telecommunications Infrastructure Fund, for example, particular projects have been funded which have been about things like drafting a communications strategy for a local council to pursue issues associated with broadbanding. Ultimately, something of that nature is almost inevitably
going to spend the rest of its life gathering dust on a town clerk’s shelf somewhere.

In the case of the Natural Heritage Trust, there has been no coherent overall strategy about dealing with some of the most fundamentally important issues that face Australia—particularly, the salinity problem, the decline of the Murray-Darling Basin and a variety of issues associated with water resources. There has been no overarching strategy. There has been a plethora of very small localised programs, most of them inevitably reasonable and worth while in their own right but ultimately secondary in nature and secondary in importance compared with what could have been done with those funds. So vast amounts of money have in effect been frittered away for relatively limited benefit when those funds could have been used to far greater effect in a variety of ways.

In the area of the Centenary of Federation Fund you can see the greatest waste of money. We have seen a plethora of town halls refurbished and various historic buildings and monuments get a bit of a tart up. That is all well and good. I used to be a history student, and I am very fond of history. I think it is extremely important that we understand our history, that we celebrate it and that we ensure that we learn from it. But it, like anything else, has to be dealt with according to what are the most appropriate priorities. When you spend $4 million or $5 million tarting up the town hall—giving it a bit of a paint job and a blow dry—it employs a few people for a while, and that is extremely good, but ultimately you do not get much out of it for the nation.

If that is happening on a small scale, that is fine, it does not matter; but this government is characterised by an expenditure of that nature on a vast scale. Over the last year to 18 months, we have seen the government’s panic attack. Basically, the government’s expenditure strategy has been driven by the Daily Telegraph and the Herald Sun. Where a headline in the form of a political bushfire has emerged, there has immediately been an expenditure response to that. A series of decisions of this kind culminated in one week in April last year. Within the space of one week, additional expenditure commitments being undertaken by the Commonwealth were increased over four years by $1.9 billion. Announcements that were made on top of the budget of $1.9 billion within one week were undertaken by the Prime Minister and the Treasurer as a result of a sequence of panics, responding to particular changes in political circumstances and particular problems.

I wish to mention briefly one of those particular problems. It is a fairly notorious example and it is illustrative of the fiscal profligacy and incompetence of this government. The so-called families program was announced by the government in April last year. They got a very nice front page headline in the Daily Telegraph. It is probably the most expensive headline that the Daily Telegraph has never run. In fact, had they simply taken out an advertisement, they probably could have got it for $100,000 and it would have been a lot cheaper for the taxpayer. They announced a program of $240 million over four years to help Australian families. There was a considerable amount of fanfare about this—how important it was for rural and regional Australia and how there would be programs that would assist Australian families.

Arising from recent information obtained, I think, from the Senate estimates process, it appears that so far only about five per cent of these funds have actually been spent and that the government has yet to determine how they are going to be spent. Some $71,000 has been spent on advertising and about $170,000 has been spent on consultants advising the government on what it might actually spend the money on. This is a paradigm example of a government that really has no clear coherent agenda, no sense of what governments need to do to improve the circumstances and the lives of ordinary Australians, but is there trying to win PR points in a political battle and using taxpayers’ money wastefully in order to do so. It is a government that has no sense of what its priorities need to be and of how to assist ordinary Australians and ordinary Australian house-
holds, and it has no clear agenda of where it wishes to take the nation. All it can do is respond by pork-barrelling, by throwing money around at great expense to the Commonwealth and with minimal impact on the economic circumstances of the nation and minimal impact on the social equity and the broad fabric of our community.

It is worth adding to this rather sorry picture the performance of my counterpart. Although he is ill, and I do wish him the best and I hope that his recovery is completed very soon, I do not wish to spare him further criticism over his performance. I am sure he would not wish me to do that. There have been a number of blunders by the government—by the Minister for Finance and Administration—which have contributed to the unfortunate fiscal position that the government is now in. They include, most recently, the information technology outsourcing fiasco. We have seen a program that was supposed to deliver $1 billion in savings scathingly criticised by the Auditor-General, who revealed that the program, far from delivering savings of that magnitude, was going to deliver savings totalling only about $70 million for half the program. In other words, a program that was going to deliver a billion dollars in savings had actually racked up, for half of the territory that it covered, savings no greater than a very modest $70 million.

The cost of implementing the program had blown out threefold—it had trebled. The American consultants who had been engaged to assist in the process of implementing the program had actually been engaged without any formal contract, which was written retrospectively when it was discovered that there was no proper arrangement. So that is one blunder, with a substantial loss to the taxpayer in effect and certainly to the budget, because these savings were all factored in. These savings were already taken in budget terms and they were not appearing, so that is in effect a net negative to the budget.

Then we have the fiasco with the first tranche sale of Telstra shares where the Auditor-General found that the cost of the sale process blew out by $65 million over budget and there were a variety of mistakes made by the Minister for Finance and Administration and by the people administering on his behalf the sale process, such as, for example, providing $5 million worth of underwriting for blocks of shares where no underwriting was required and providing about half a million dollars worth of incentive payments to the people conducting the sale with respect to shares that were either being given away or not being sold. In other words, the intermediaries who were conducting the sale process on behalf of the Commonwealth got half a million dollars for doing nothing. That is just one of a number of examples identified by the Auditor-General of the incompetent way in which that sale process was handled.

The Auditor-General pointed out that the increase in the Telstra share price from the time the listing first occurred to the time when his report was being completed was 160 times the increase in the index of the Australian Stock Exchange over that time. In other words, the intermediaries who were conducting the sale process on behalf of the Commonwealth got half a million dollars for doing nothing. That is just one of a number of examples identified by the Auditor-General of the incompetent way in which that sale process was handled.

Then we have the revelation, again with the assistance of the Auditor-General, of the incompetent management by the government, since 1997 in particular, of foreign exchange transactions, particularly by the Department of Defence but also by the minister for finance’s own department. The Department of Defence, by failing to conduct any sort of protection arrangement—any form of hedging arrangement with respect to
fluctuations in the Australian dollar—managed to achieve a situation where, for example, it would contract to buy 14 helicopters and, by the time delivery time had arrived, it found that it could afford to buy only 11 of them because of the drop in the value of the Australian dollar. Of course, similar problems were experienced by the Department of Finance and Administration itself with respect to overseas properties and its management of our property portfolio.

Finally, we have the incompetent management of Employment National, which the shadow minister at the table, the member for Dickson, knows only too well, having been scrutinising the issue over some time. The minister for finance managed to take the performance of Employment National from a profit in the 1998-99 financial year of $72 million to a loss in the following financial year, 1999-2000, of $92 million as a result of the organisation being deliberately run down in favour of other providers, particularly providers in the charity sector. So, as well as the broad fiscal problems that I have identified in the government’s approach to budget management, there have been a number of specific failings on the part of the government to deal with particular matters which have led to a substantial erosion of the overall budget position.

This has all been exacerbated in a sense by the fact that the government has changed the way that the budget is presented. We supported the introduction of accrual accounting. We started the process and the government has continued it. In a broad sense, we applaud the government for pursuing that process. Unfortunately, a variety of approaches have been adopted which have been substantially detrimental to the quality of the budget papers and to the ability of people to obtain appropriate information from the budget and to understand precisely what is going on with government expenditure. We now have an outcomes based arrangement where each particular spending category has an outcome. In the case of Defence, for example, it is the protection of Australia from foreign threat of invasion or something along those lines—something that, in measuring the actual outcomes from the expenditure, is effectively meaningless. You find that throughout all of the outcomes for the various areas of expenditure.

We have also seen the abolition of detailed forward estimates. It is no longer possible to get a sense of what the government proposes to spend on particular programs over the four-year period of the budget year and the three years of the forward estimates. We have seen the removal of particular line items relating to specific programs, specific categories of expenditure: for example, it is no longer possible to see what the budget for the Office of the Status of Women is from year to year, because that is no longer in a category of its own; it is subsumed under other categories. There are various examples of important agencies and important programs which it is no longer possible to track.

The government has also made an art form of using commercial-in-confidence as a means of disguising and preventing proper public scrutiny of its expenditure. More and more we are seeing—particularly due to greater outsourcing—the use of commercial-in-confidence in government contracts as a means of precluding proper parliamentary scrutiny of government expenditure. A classic example of this—which I have cited on many occasions—is when the member for Scullin asked a question on notice of the former Minister for Employment Services how many clients were being assisted by Job Network providers in the eastern region of Melbourne over a given time. The response was that this information was commercial-in-confidence and could not be revealed. These are people who are employing taxpayers’ money—

Ms Kernot—One billion dollars a year.

Mr Tanner—One billion dollars a year—these programs are entirely funded by the taxpayer, and yet a member of parliament and, therefore, the Australian public, the community and the media are not able to know how many people are being helped by the taxpayers’ money that is being expended for those purposes.
This is all part of a broader pattern not only of fiscal incompetence but also of secrecy and non-disclosure designed to cover the tracks. For a government that likes to portray itself as fiscally responsible, it has in fact been very good at spraying money around for little effect and eroding the fiscal circumstances of the Commonwealth. At the point when growth is starting to slow, it is going to start hitting some problems. It is fine in the good times. You can spray money around on the Centenary of Federation Fund, you can spray it around on the Regional Telecommunications Infrastructure Fund—which has funded virtually everything but infrastructure—and you can spray it around on the Natural Heritage Trust, which has funded a lot of weed pulling and various other things, but there have been very few serious, coherent strategic programs to improve the Australian environment. That is fine, you can get away with it when growth is running at four-plus per cent, but when you get into difficult times that is when the pressure comes on.

I would like to make some observations about the Labor Party’s view on all these things. The Minister for Financial Services and Regulation put on one of his little performances a few days ago in the United States where he announced that the Labor Party had the same policy as One Nation and that it was going to cause the value of the Australian dollar to collapse, and he made various other wild and ludicrous assertions. It having come from a government that has presided over a change in the value of the Australian dollar from US70c when it took office to US52c now, I think it is rather extraordinary that the minister would seek to claim that the Labor Party, were it in government, would cause a collapse in the value of the dollar. I am rather surprised at the effrontery of somebody in the government seeking to attack the Labor Party on that front.

It is worth going through some of the key issues so that the Labor Party’s position on these matters is clear and not capable of being misrepresented by people such as the Minister for Financial Services and Regulation. Firstly, the Labor Party are committed to maintaining surpluses, to continuing surpluses, and we will do so. We will do so because we will not be squandering money on a whole range of programs that are purely politically driven, that are designed to get headlines, that do not address problems and that waste money on things that are not of sufficient benefit to the Australian community. Yes, there will be programs where Labor will commit greater expenditure. We have already made a number of commitments along those lines, but the reason that we will be able to do that and the reason that we will be able to maintain surpluses and have a strong fiscal position is that we will not be squandering the money on some of the pork-barrelling that has wasted billions as a result of this government’s fiscal strategy.

Secondly, the Labor Party support foreign investment and understand that foreign investment is fundamental to the future of this nation and that Australia has always depended upon foreign investment and will continue to do so for the foreseeable future. We encourage foreign investment. We will manage the Australian economy on the basis that foreign investment will be welcomed, and we will not be sucked into the mad, ultra economic nationalist, ‘close down the shop’ view that One Nation and others associated with it have been peddling. Far from the suggestion put forward by the Minister for Financial Services and Regulation, a Labor government will welcome foreign investment because foreign investment ultimately means more economic activity in Australia and more jobs. It does not displace Australian investment. There is no loose pile of Aussie money sitting under a mattress somewhere just waiting for all those foreigners to go away so that it can be invested in the things that the foreigners would otherwise have been investing in. Foreign investment adds to Australian investment, and the key countervailing point which the federal government does not understand is that it is fundamentally important to ensure that we do not get lazy and become overdependent on foreign investment. It means that, as well
as encouraging foreign investment, we need to ensure that domestic investment, indigenous Australian investment, is maintained. The key to that is the superannuation system and continuing to strengthen the compulsory occupational superannuation system that Labor put in place and that this government has effectively put on hold. That is now the foundation stone of Australian savings and of Australian investment. It is critically important to maintain that in place so that, whilst Australian investment may be increasing—which is a good thing—we do not have a reduction in Australian investment at the same time, so that the overall outcome is positive. The overall outcome is more investment, more economic activity and more jobs.

Thirdly, there is the issue of competition policy. This has been taking a bit of a battering recently, and I notice, along the lines of comments I made in a speech a week or two ago that was critical of the business lobby, that the Australian business community is all in favour of competition policy except when it comes to things like mergers involving themselves. They regard that as an unfortunate impediment to growing really big and being able to grow even bigger overseas. One thing a Labor government will not be doing is weakening competition policy with respect to mergers and acquisitions, because the notion that this is some sort of solution to the risks of Australia becoming a branch office economy is purely fallacious. It would mean less efficiency in Australia and therefore less capacity on the part of Australian companies to function efficiently and to win markets overseas. It also raises this question: if there are mergers and if we allow monopolies or duopolies to develop in key sectors in Australia, what happens after that? You get a certain degree of additional critical mass, but what happens after that? You get back to the same dynamics, the same real issues, that are determining that branch office economy problem. Equally with competition policy more broadly across all sectors, Labor will strengthen the public interest test to ensure that these matters are dealt with on their merits so that it is possible to determine what is actually going to occur when these changes are made. But Labor will not be backing away from competition policy, because ultimately these changes are in the interests of Australian consumers and the Australian economy.

Finally, Labor remains committed to an open trade policy. It remains committed to an approach which will ensure that Australia has a strong export base and that it has an open economy, which was put in place by the former Labor government and which it will continue to pursue. It is worth noting that the comments that were made by the Minister for Financial Services and Regulation were 100 per cent wrong. They are very unfortunate for the interests of this nation, which needs to continue to maintain foreign investment and an appropriate value for the Australian dollar. The comments are very unfortunate, and they are very much against the interests of this nation and of the minister’s own government. This government has been fiscally profligate. It has failed to manage the Australian Commonwealth’s finances appropriately. It has wasted an enormous amount of money in good times, and it is soon to discover how unfortunate that has been for the Australian taxpayer. I move:

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

“whilst not declining to give the Bill a second reading, the House condemns this Government for its:

(1) failure to address the significant investment needs in the areas of education and health and the provision of social and employment services since coming to Government;

(2) blowout in the cost of the Pharmaceutical Benefits Scheme and the threat this presents to the sustainability of Australia’s subsidised medicines scheme;

(3) belated and inadequate attempts to remedy the chronic underfunding of research and innovation;

(4) mismanagement of the Defence Budget;

(5) refusal to remove the effects of the sale of the rest of Telstra from the Budget aggregates consistent with the resolution of the Senate of 16 March 2000, the findings of the Besley report and the wishes of the leader of the National Party;
(6) mishandling of the move to accrual accounting by providing complex, confusing and uninformative budget documents;
(7) wasteful and profligate spending on poor quality programs to buy Democrat support for its unfair GST;
(8) failure to identify in the Budget papers the full cost of GST collection and implementation;
(9) failure to put in place arrangements that deliver its guarantee that no Australian will be worse off as a result of the GST package; and
(10) bungling of the Business Activity Statement which has sent many small businesses to the wall.”

Mr DEPUTY SPEAKER (Mr Mossfield)—Is the amendment seconded?
Ms Kernot—I second the amendment and reserve my right to speak.

Sitting suspended from 6.30 p.m. to 8.00 p.m.

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Science and Resources) (8.00 p.m.)—I rise here this evening to speak in support of Appropriation Bill (No. 3) 2000-2001, Appropriation Bill (No. 4) 2000-2001 and Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001. This debate gives me an opportunity in the first instance to reflect on the coalition government’s success in economic reform in Australia and also to speak of a number of opportunities within my own electorate. There is no denying that the fundamental economic reforms of the past few years have laid a solid foundation for the current financial climate that we are experiencing of strong growth, low inflation and high productivity. Our economic report card shows growth averaging 3½ per cent over the past decade, but in the last three financial years we have increased to 4½ per cent. This is testament to the strong policies of this government and firm guidance of our economic direction.

We certainly had the courage to implement the new tax system, and I think it is fair to say that, while we are experiencing what could be described as some understandable teething problems, it means that we are now internationally competitive; we have an internationaly competitive tax system. This is vital for attracting new business growth and positioning ourselves as a capable and productive arm of the global economy, and this was certainly highlighted today in the report to this place by Minister Vaile on the new exporting opportunities that we have been able to access.

It is fair also to say that there is still work to done to the system. It is a new system and it is subject to adjustment and ongoing evaluation. It is also fair to say that when we identify that there are problems we are prepared to move and make sure that those issues are addressed. A good example of that was the timely review of the business activity statement recently. Any reform is not absolutely painless, but I think it is certainly manageable, and we certainly need to look at the big picture—certainly where we want to be as Australians and what we see as our economic future.

It is no small achievement to note that the spending from these appropriations bills is being serviced from revenue, funds that we actually have in the bank. It is not tacked onto some national bankcard, as was the habit with the previous administrators, who relied very heavily on borrowings to service the basic needs of the Australian community. Back in 1995-96 the Commonwealth was spending roughly the same amount on interest in servicing its own debt as it did on schools and hospitals. It has taken this coalition government to bring the budget back into surplus and to reduce the Labor debt legacy.

By the end of 2000-01 the government will have paid back some $50 billion of that $80 billion debt and will no longer have to spend those millions of dollars. Initially, we were looking at around $8,000 million to $9,000 million of taxpayers’ revenue before we could spend a cent on the Australian community. We are now well on track to paying that debt off completely in the next few years, and that will mean that every cent that we raise in revenue can actually be spent on the Australian people, and that is no in-
significant achievement. We need to keep reminding the people of that achievement.

I want to now go through some of the funding that we are appropriating. An amount of $740 million is to be appropriated to cover the government’s decision to increase the readiness of 2nd Brigade to 28 days notice to move. This, of course, was brought about by our involvement with East Timor, and it was certainly something that needed to happen. Also, with the recent white paper and the additional funding of three per cent in real terms for the ADF, plus the $500 million for 2002 and the $1,000 million for the 2002-03 budget, we are starting to get back to a situation where we really have a defence force that is not, as it has been in the past, continually run down.

With this level of spending, there are going to be opportunities afforded to businesses in my electorate. When I think of the ADF, I think automatically of one particular company in my region, that is, NQEA. Over the last 25 years, NQEA has provided the Commonwealth with 11 landing craft type LCM8, 22 work boats, 14 Fremantle class patrol craft and one oceanographic research vessel for the CSIRO. They also handled a $200 million Royal Australian Navy project to build two hydrographic ships. These ships were later given a very high rating by the Navy and the company was told that the ergonomic design aspect was by far the best of any ship in the Royal Australian Navy. The two world-class hydrographic ships brought other accolades to NQEA, including an engineering excellence award. We are talking here about ships built by Australia in Far North Queensland which were built because of the commitment to maintaining the operation and building strength in our defence forces. With the level of funding that we now see going into the ADF, there is a tremendous opportunity for many of our businesses, including NQEA, to access some of that funding. It is certainly going to be of tremendous benefit for my region in particular and I hope that, given their track record, they will be successful in accessing a significant portion of that funding.

Concerning the Department of Immigration and Multicultural Affairs, $135 million is being appropriated primarily as a result of the government’s decision to offer safe haven to Kosovars and East Timorese. There is also additional funding for looking at detention of unauthorised arrivals. We need to realise that we do have a problem. In my area over recent years we have certainly had a significant increase in illegal immigration, particularly through the Torres Strait. We cannot forget the recent incidents where illegal immigrants actually beached near Cairns. I think it is fair to say that, with the additional resources of night flying helicopters in the Torres Strait; the additional vessels that have been built for Customs; the additional powers which have been given to Customs officers in regard to detention, for example, the right to carry out arrests; and the not insignificant role which Torres Strait islanders have played in keeping an eye on any activity that is not seen to be normal, we are certainly ensuring that we are able to control this very well. It is important that we continue to acknowledge the role of the general public, without whose cooperation there is no way in the world we could expect to carry out the job. While every time we see one of these vessels apprehended there tends to be an outcry about the hordes flooding in, I would suggest that we should be highlighting the effectiveness of the authorities working to contain these problems. There is no evidence that that is not the case. They are doing a sterling job and I congratulate them for their work, particularly up in my area and in the Torres Strait.

Another $35.15 million is being appropriated for anticipated claims under the natural disaster relief arrangements. This is anticipated for payments that will be made to individuals who suffered damage as a result of Cyclone Vance in March 1999. People from my area appreciate the value of this type of financial support, given in the last three years—we have had three cyclones in three years. We had Rona two years ago which hit around the Mossman-Daintree area and inflicted a tremendous amount of damage not only on the vegetation but also on cane
farms. This was followed by Cyclone Steve last year, flooding from which caused a tremendous amount of damage to cane farms. As recently as last Saturday we had another one called Cyclone Abagail, which turned out to be a bit of a non-event in that, fortunately, there was no great amount of rain. Nevertheless, there was a considerable amount of water generated from that cyclone which is certainly going to cause some damage. It is great to see that money is being put aside to ensure that in these situations we are able to draw on some resources to assist those who are affected by circumstances which are certainly well and truly out of their control.

Concerning the Department of Health and Aged Care, I note some $6.55 million is being drawn primarily for East Timorese evacuees in Australia, plus an additional $17.28 million for temporary haven for support of some 3,960 Kosovars who were evacuated to Australia. Looking at the aged care aspect of the health department funding, I think also of my community in Mossman. I noted today in question time that there was a comment made by the member for Burke suggesting that we were withdrawing opportunities for nursing home facilities from regional areas. I was amazed that such a comment would be made, given the fact that in the last two years something like 22,000 places have been put in—14,000 in the last 12 months, of which about 44 per cent have been into rural areas; of that $44 million, 74 per cent went into rural Australia. Some have gone to the Mossman area where some $425,000 has been set up to establish a multiservice unit.

They now have 15 flexible beds—high care places—in Mossman. We actually have eight beds currently in the hospital as they are going through the process of developing a multipurpose unit. This multipurpose unit will certainly guarantee the long-term viability of the Mossman community, a small sugar town north of Cairns. I should point out that the community had been fighting for about nine or 10 years for the allocation of these beds, and it was only last year that we funded them through the government, and with tremendous support from Minister Bishop. I would like to take the opportunity to commend Marge Norris and Shirley Vico, who were instrumental in driving this. In particular, I would also like to make mention of Bob Gray, who started this process many years ago. Unfortunately, he passed away before he had the opportunity to see it come to fruition. The other day I had the opportunity to go through the beginnings of the new facility. It is absolutely outstanding. I have no doubt that it will serve the Mossman community for many years into the future.

I would also like to touch on the Department of Transport and Regional Services. Some $25 million is going towards infrastructure development in the Alice Springs to Darwin rail link. Mentioning infrastructure, in particular roads, brings to mind that, two days before the recent state election in Queensland, I was somewhat surprised to receive an invitation from the Queensland main roads department to a road opening—the Portsmouth bypass in Cairns. When I arrived there I was somewhat surprised that the Queensland minister Steve Bredhauer took the opportunity to be quite critical of me and the Commonwealth government, not acknowledging the fact that the road was, in fact, 100 per cent funded by the Commonwealth government. One could be a little cynical in suggesting that, by the way it was planned, he was clearly trying to take that credit two days before a state election. It needs to be pointed out that not one single cent from the state government was spent on that road. If anybody deserves to take credit for the establishment of that road, it is my good friend and the previous mayor—and, I might point out, a life member of the Labor Party—Tom Pyne, who certainly was the one who drove that and who worked very hard to achieve it. Full credit should go to Tom rather than individuals who had very little to do with it, quite frankly, but five minutes before an election stand up there and try to take all the credit.

In mentioning roads, I would also like to acknowledge the fact that at last we have...
been able to convince the state government to put in a nomination for a road of national importance—the Cape York Peninsula development road, some 800-odd kilometres long. Currently the road is closed for about seven months of the year, which makes it very difficult for all my communities to get in and out. It holds back economic opportunities and health, particularly relating to many of the Aboriginal communities that I have that feed off that road. It is very difficult for those communities to access affordable fresh fruit and vegetables and other supplies during the wet season, which lasts, as I say, some seven months. While funding, I understand, is fully committed for the Roads of National Importance program at this particular time, I have been assured that the Commonwealth is going to consider the late submission from Queensland. I understand that comments have already been sought on this proposal, and I will certainly be doing anything I can to ensure that we make this a reality. It is something that has been long overdue for the Cape York community.

In closing, I would like to say that, again, the appropriations in these bills are certainly very responsible. They are 100 per cent paid for; there are no borrowings here. It demonstrates again the responsible fiscal policies that we have as a government. It shows that we have continued the development of sound economic and social policies. It certainly goes way beyond the city limits—certainly out into my area—for the benefit of all Australians. (Time expired)

Mr HORNE (Paterson) (8.20 p.m.)—Over recent months the anger of people of rural and regional Australia has become evident. That anger, of course, has been directed—and quite correctly—at the Howard-Anderson government. Rural dwellers, such as those I represent in the electorate of Paterson, are angry at the contraction of services, at the lack of job opportunities for their children, at the inadequate health and aged care facilities, at the lack of choice of education and at government ripping money out of the public education system when, essentially, in many towns that is the only system they have. Rural dwellers are angry that the party that was supposedly created to look after the interests of rural dwellers—the National Party—has become a Liberal Party clone and is no longer doing its job.

I would like to take this opportunity to identify the areas of declining service in the Paterson electorate specifically, and in rural Australia generally. Let us take health and aged care. Patterson has communities with no doctor. We have communities with very few doctors and we have doctors who have moved to the area to retire and who, out of the goodness of their hearts, have gone back into practice to help out in the communities where they live.

The little town of Bulahdelah—a town and region of about 1,500 people—is perched on the Pacific Highway, and is a centre where accidents are very common. There is a single doctor and there is a hospital—a hospital which, like so many other country hospitals these days, is used for stabilising patients, for recuperation and for holding patients while a diagnosis is made, and is a hospital in name only. What happened in Bulahdelah before Christmas was almost a tragedy. The sole doctor developed a serious heart condition. I guess the stress and constancy of being the only doctor in such a community took its toll. He required surgical treatment and he was off work for about a month with no-one to replace him and then he resumed duties on a half-day basis. The general practitioner in the community of Medowie—about 5,000 people—simply walked out of his practice because he could no longer stand the stress. The medical practice in my own town of Raymond Terrace has been advertising for a GP partner for about the past 18 months without any success—hardly a reply. These problems are indicative of problems faced by the whole of rural and regional Australia and they are not being addressed satisfactorily.

I now turn to aged care. We heard today from the Minister for Aged Care about the supposed increase in aged care places in rural and regional Australia. The figures she used were reminiscent of a Lotto prize list. Let us have a look at where the beds went in
the Paterson electorate and I am sure, by comparison, that in every other rural and regional electorate a similar pattern would unfold. Harbourside Haven, which is one of the largest aged care facilities not only in the Paterson electorate but in the whole of Australia, got 35 low care beds. Fortunately, most of those places have already been constructed and they will soon be occupied by those in need of aged care. Moran Health got 60 low care bed licences—this is a facility that is not even on the drawing board! I believe it will take well in excess of 12 months for those aged care places to come into existence.

Let me compare that with the small community of Stroud. Stroud Community Lodge got an allocation of four low care places. I am particularly proud of this because I have worked with the committee from Stroud Community Lodge and I have been very supportive of their application over recent years. Stroud Community Lodge is symbolic of an aged care facility in a small rural community. It represents the very sort of facility that is under siege by zealous bureaucrats and by posturing ministers. Facilities such as Stroud Community Lodge are often the focal point of a small community. They involve the service clubs, they involve volunteers and they are the pride of the community. But, more importantly, they provide places for people who come from that community. They have reared their family there, they have lived their life there, they have a network of family and friends there and they want to stay there and live out the remainder of their life.

In the five years since the Howard government came to power this is the first allocation of places that has gone outside the larger population centres such as Nelson Bay, Maitland and Forster-Tuncurry. Despite the minister’s glowing rhetoric at question time today, the electorate of Paterson not only has a higher number of aged people per capita but also fewer aged care places than average and, what is most important, fewer operational aged care places than it had when the Howard government came to power in 1996. That is one reason why the people of rural and regional Australia have lost faith in this government.

Another reason is Medicare, and I spoke on this last evening. This is a government that hates Medicare and I think the minister showed that at question time today, but what he does not understand is that Australians are people that love Medicare. The minister came into the House today quite happy to quote the number of people who are now covered by private health insurance. He feels that because people have private health insurance they are happy about that situation. I defy any member of this House to stand up and say that they have not had a number of calls from people who have recently joined a medical insurance fund and who now claim they are unhappy about the service and about what private health insurance brings them. They are unhappy. They know they were conned, they know they were trapped and they know there was no alternative. What this minister and this Prime Minister, in particular, do not understand is that the task of government is to give the people of Australia a health system that works.

The minister today was quite distinct in indicating that the number of procedures that had taken place in private hospitals over the past 12 months had increased and the number of procedures that had taken place in public health systems had decreased. Everyone knows why. Everyone, particularly in rural and regional Australia, knows why that is, because they live in an area where there are virtually no private hospitals and where, if they need surgical procedures, they have to go to the nearest large city where there will most likely be a public hospital. It is really the task of this minister to ensure that those people have adequate service by those hospitals. This government is failing the people of Australia. This minister does not even understand the concept of what his real task is.

From time to time, both sides of politics tend to become the prisoners of bureaucracy. Here I would like to talk about another major effect that this government has had on the communities that I represent and, Mr Deputy
Speaker, the communities that you represent. I talk about dairy deregulation—

Mr DEPUTY SPEAKER (Mr Mossfield)—I remind the member for Paterson that the chair does not represent an electorate.

Mr HORNE—In another life, then, you do. But I will talk about dairy deregulation because over recent weeks even the Prime Minister has been repeating a furphy about Victorian milk, about something that never happened and was never going to happen, about how the dairy farmers of New South Wales and Queensland, before the decision was made on dairy deregulation, were told by the bureaucracy and by the milk processors that we were going to be flooded with Victorian milk. The fact is that not a drop of Victorian milk has come into New South Wales or Queensland; in fact, milk has gone the other way, with Murray-Goulburn sending milk into Victoria for processing. I think that is probably the way it will continue to be. This is a classic example of how governments abrogate their responsibility to communities. The minister came in here and announced that he had created a fund. It was a fund that the federal government did not put one cent into. It was a fund that was derived from the milk consumers of Australia at 11c a litre. That is how that money will be paid. It is not the federal government that is providing that money at all. Once that fund is created, the government conveniently forgets.

When I read through the recent ABARE report, I was horrified to find out that I represent two of the three communities in Australia that have suffered the most adverse effect. Dungog is the most adversely affected community and Gloucester is the third most adversely affected community in Australia. Let me just talk about the level of government assistance for these communities. I can tell you that, seven months after deregulation came into place, Dungog Council was advised that it was going to be the proud recipient of $85,000 to employ a consultant to write a report to tell the farmers of Dungog what they can do now that the dairy industry faces an almost certain demise. That report will be handed down in six to 12 months time. But I suggest that the government would then need to fund another study, because this is a dynamic situation, not a static situation; most of the farmers will no longer be there. The towns are already in decline, and it is not only the farmers who are feeling the pinch but the service people and the retailers. It will be the schools, it will be the health services—all of those things will go into decline. Dungog will lose $17 million a year in dairying income. Gloucester, a smaller community, will lose not quite as much, but it is certainly the most significant component of the income for a town like Gloucester. Yet this is a government that can simply wash its hands of those sorts of situations. Small towns like these do not have the resources to help themselves.

Looking at it in retrospect, the planning really should have been put in place before deregulation occurred—not after deregulation occurred, not after the farmers had to decide whether or not they would have a place in the future of a dairy industry. The planning is being done too late, the level of assistance is minute, and those towns most likely will never recover.

We can go on to other issues. We can go on to the sale of Telstra. There is another thing that has now suddenly had a cloud over it. I thought it was quite ironic that the minister, Senator Richard Alston, went on radio immediately before the Queensland election to say that he supported the full privatisation of Telstra, because nothing could harm rural and regional people more. We know that the level of service has declined. We know that in towns that used to have workshops of linesmen those jobs have gone. We know that when there is a telephone breakdown people are brought in from out of town. And this is a government that at the same time is telling small business people that they have to be competitive. They have to be competitive with reducing services, and that is almost an impossibility.

What this government has forgotten is that government is about people. It can talk all it
likes about the economy, the tax system and the tax reforms, but, if there is no hand extended to the people of our great country, it counts for nothing. I believe that is what this government is going to find out down the track this year. This is a government that has governed for the big end of town. It has governed for increased profits of large corporations. It has governed for people to say, ‘I own shares in a company.’ I can well recall the Minister for Financial Services and Regulation, the Hon. Joe Hockey, standing up here on a number of occasions saying that Australia is now the greatest shareholding nation in the world. What good are those shares if you do not have a job? What good are those shares if your children cannot find a career? I guess people of my generation were the lucky ones where we had a job for life. Young Australians today certainly do not have that luxury. Young Australians today have no idea where they are going to finish up. Many in the electorate I represent find it difficult to get a job. In the Hunter, unemployment is still over 12 per cent. I find it quite ludicrous when ministers stand up here at question time and tell us about the high level of employment, because in rural and regional Australia that is simply not a fact. If you want a job, you leave home. People who live in rural and regional Australia are definitely second-rate citizens as far as this government is concerned. This is a government that has ignored the needs of people, and it will pay dearly for it.

Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Education, Training and Youth Affairs) (8.37 p.m.)—I am pleased to speak on the appropriation bills which provide funding in addition to moneys allocated in the last budget. These appropriation bills provide funding of some $2,258 million, partly offset by expected savings made against the last budgetary allocations. It is not often that I have the opportunity to speak on the AM program on 21 August 2000, Labor’s deputy leader and shadow Treasurer, Simon Crean, was asked three times whether Labor would cut petrol excise in office. Mr Crean refused three times to give any commitment that Labor would cut excise. In an interview with Michael Spooner from the
ABC in Central Queensland on 31 March 2000, Mr Crean was asked:
What sort of commitment can Labor make regarding fuel excise?
Mr Crean answered:
Well, what we’ve—basically our position has been that there needs to be this mix between indirect taxes and direct taxes. We always had fuel excise in that mix. We were not proposing to make any changes to the fuel excise regime. That wasn’t the issue.

I challenge Mr Rann to say how much he would forgo of the $154 million, which is equivalent to 6.3c per litre, that is collected by the Commonwealth for funding to South Australia. What commitments would he give as he approaches a state election in South Australia? How would he reduce the cost of petrol? And, as a consequence, which schools and hospitals would he reduce funding to? The Prime Minister said that he is having a careful look at petrol pricing. I remind colleagues of the editorial in the Financial Review on 21 February this year which said:
Any sudden unwinding of the fuel excise system will hurt the Budget and do the country much more harm.
It also said:
The brutal facts of the federal Budget are quite clear. Excise cuts of 1c per litre would cut revenue by about $300 million. A serious cut of 5c to 10c a litre, which voters would really notice, would carve $2 billion to $3 billion from the Budget, sending it into deficit in the absence of other cuts to spending. Possible renewed weakness in the dollar in response to a weaker Budget could even wipe out much of the planned petrol price cut, because the oil price is set in US dollars. The latest State government political fad of 24-hour price freezes is only going to make the petrol market less efficient and will probably result in new complaints when a sustained oil price fall should be reducing retail prices.
It goes without saying that I want my constituents to pay less for petrol and I know its high price impacts on their weekly expenses. I have noted that between the end of December and the middle of February, prices have fluctuated between 79c per litre and 98c per litre in metropolitan Adelaide. The question is begged: were state Labor leaders writing letters of concern to federal Labor when interest rates for farmers, small business people and home owners were going through the roof?

I have recently been looking at some old newspapers of 1989 and 1990. There are some very interesting advertisements. The Advertiser of 5 August 1989 said that if you decided on a three-year fixed rate and you were lucky, you could get 16.5 per cent for a home loan. The variable rate and interest only was 19.75 per cent. On 18 June 1990, a National Australia Bank ad which appeared in the Advertiser advised clients that the benchmark rate was 18.25 per cent, the base rate was 18.75 per cent, the home loan rate was 16.5 per cent, home equity loans were 18.5 per cent and the flexi plus mortgage rate was 18.5 per cent; while the Advertiser of 8 August 1989 carries a Hindmarsh Adelaide advertisement extolling the benefits of a $50,000 loan at 17 per cent for 25 years. These figures are grim reminders of Labor’s legacy.

By contrast, in the Advertiser yesterday, the National Australia Bank advertised a fixed home loan rate of 4.99 per cent per annum and the Adelaide Bank was advertising a home loan rate from 5.49 per cent. Having discussed the Mike Rann letter, no doubt a stunt emanating from a Labor Party campaign committee meeting, I am reminded of other Labor Party campaign stunts. The issue of preferences involving the ALP and a so-called Independent candidate, Rita Hunt, is currently under investigation by the Federal Police. Because of that investigation I will refrain from commenting, other than to inform the House of what has already been publicly revealed by the Advertiser. ‘No GST’ candidate, Rita Hunt, was a candidate at the last federal election in my electorate of Adelaide. One of the largest unions affiliated with the Labor Party, the shop workers union, told the Advertiser it helped fund her campaign. The Advertiser later revealed that the Australian Electoral Commission records show that neither Rita Hunt, nor the shop workers union, disclosed any funding arrangements between them. I quote from an
opinion piece written by Samantha Maiden for the Advertiser:

Should you, the voter, know when a union that funds the ALP to the tune of $114,000 in this state and $300,000 nationally backs an Independent candidate?

When voters cast their ballot for an independent voice in a tightly contested marginal seat, is it relevant to know one of the ALP’s largest donors is paying for photocopying, printing costs and manpower? If you believe it is relevant, you would have been kept in the dark at the last election because the union didn’t disclose it. Just say you really got a bee in your bonnet and went and checked the Australian Electoral Commission records on funding disclosure. You would still be none the wiser.

On 2 February this year the Advertiser revealed further, and particularly relevant, information. A senior member of the state Labor Party headed the No GST coalition which fielded a ‘dummy’ Independent candidate for the marginal seat of Adelaide. A document obtained by the Advertiser shows that Adelaide solicitor, Jeremy Moore, was chairman of the No GST coalition at the same time that he had an elected internal position in the ALP. Mr Moore is a member of the ALP state executive and fifth on the party’s ticket for the Legislative Council.

Phil Coorey, writing for the Advertiser on 2 February this year, says:

A printing account for some of Ms Hunt’s campaign expenses was sent to Mr Moore care of his city legal practice address. Dated September 24 1998—about three weeks into the election campaign—the account charges $487 for posters, artwork and films for ‘Rita Hunt—Adelaide’. The account lists Mr Moore as ‘the Chairman (sic) No GST’.

Whichever way these revelations and investigations are viewed, there can be no escaping the unpleasant reality that Labor was trying to dupe the voters of Adelaide and was happy to use any trick in the book. It is no surprise to me that the state ALP member for Ross Smith, Ralph Clarke, would say on ABC radio in Adelaide on 7 February this year:

Well effectively what I’ve been saying is, we need to change the culture within the Labor Party in South Australia. We still have a culture of whatever it takes.

I am pleased to be able to remind the people of my electorate that, while no doubt there is much more the government can and will do for our country, 800,000 more people are in jobs since we came to government, home loan interest rates are lower now than they have been for 30 years—in other words, pre-Whitlam—and inflation is at its lowest in 40 years. These circumstances do not occur by chance. Should Labor come to office and once again bring things unstuck, the Australian people would look back fondly to the year 2001.

I now turn to other events in my electorate. In January I was pleased to join the Lord Mayor of Adelaide, Mr Alfred Huang, in officially naming and opening Adelaide’s Pathway of Honour—a project with which I have had personal involvement over a number of years. The Pathway of Honour, running between King William Road and Kintore Avenue, links a number of Adelaide memorials commemorating South Australian military units which served their country in war and in peacekeeping forces from the Boer War and the Boxer Rebellion right through to the recent Australian efforts in East Timor.

The Pathway of Honour is a special place, almost a sanctuary amongst the trees in the heart of Adelaide, where future generations can remember the sacrifices made for them by men and women who served their country in two world wars and other conflicts. I have been delighted to obtain funding for various monuments. I am determined that future generations of South Australians will be reminded of the sacrifices made by the men and women who are commemorated along this pathway.

At the commencement of the walk is the United Ex-service Women memorial which I unveiled in April 1997 and which has great personal significance for me. I say ‘personal’ because for two years I worked with the late Coral Farrell, whom I much admired, to see the monument come to fruition. We got the money by campaigning to a number of
sources, the largest proportion coming from the Commonwealth when we came to government. Not only did we get the money; we got the design and we got the end result.

I pay special tribute to Bill Schmitt, who is the Secretary of the 2/3 Machine Gun Battalion Association and the Secretary of the Ex-Prisoners of War Association of South Australia, and a former prisoner of Changi. I met Bill during the very special Australia Remembers year of 1995. We have done quite a few things together and, when Bill sought my help to have the walkway named and recognised, I just knew that I had to set about the task and make sure it happened.

Early on Sunday morning, 11 February, I had the honour of representing the federal government at the farewell of Australian Army personnel leaving from Adelaide for a six-month deployment in East Timor. Our prayers, thoughts and best wishes go with our troops as they represent our country and assist our near neighbour. The group of 39 Defence personnel from Keswick Barracks 3rd Health Support Battalion are mainly Army reservists and part of the first general reserve unit to deploy operationally to East Timor. They underwent final checks in Darwin before travelling to East Timor on 15 February to join their advance party of 10 members in the United Nations Military Hospital.

This group of general reservists were trained in Adelaide and joined 1,600 other Australians currently deployed with the multinational force in East Timor. They are a highly trained and specialised medical unit who left behind their civilian employment and families and friends in Adelaide to take up positions in the United Nations Military Hospital, working with specialists from 30 other nations involved in the peacekeeping force. All Australians should feel proud of the sacrifices these Defence personnel and their families are making to help the East Timorese people, contributing to a stable and secure East Timor as it moves towards independence.

This is the first time a general reserve unit has been deployed to East Timor, and it will form the majority of a joint health unit, under the command of Colonel Viki Anderson, an Adelaide based medical specialist. I know that the people of East Timor will be forever grateful for the medical services and help this unit will provide.

Most members will no doubt agree that the majority of constituents who contact their electorate offices do so when they want something done. Helping people is one of our important roles as elected representatives of the people. However, it is always very gratifying to receive a letter of thanks and to hear that our efforts have had some good results. This government has taken initiatives to assist pensioners and self-funded retirees and I would like to quote a letter from one of my constituents, Dorothy Evans, who asked me to convey the following message:

I want to ask you to convey my thanks to the Prime Minister and all concerned, including yourself, for the improvement in my circumstances due to the raised level of income and also the Self-Funded retirees Bonus. I am now in possession of a Pensioner Card occasioning cuts in several areas such as Council rates, car registration and Driving Licence, telephone, electricity etc as well as receiving a very good Bonus payment.

School funding is always important, and the education unions have already broadcast that they will spend their members’ fees campaigning against the government at the next election. Most parents I know would prefer the unions’ efforts to be focused on teaching rather than political activity. Contrary to union and Labor Party rhetoric, the Howard government has no agenda to expand the non-government sector at the expense of government schools. The government’s objectives would be equally well met if parents were to see government schools as an even more attractive option and the flow from the sector were reversed.

The Commonwealth is leading the way in financial support for government schools. Commonwealth spending in government schools is at the highest level ever. Total funding for government schools in this year’s budget is $2 billion, and over the next four
years is $8.6 billion. Every state and territory has received increased funding every year from the Howard government for government schools. There have been no cuts whatsoever to funding for government schools as claimed by the unions and the Labor Party. This year the Howard government is spending $402 million more on government schools than Labor did in its last year of office, an increase of 26 per cent.

While the Commonwealth provides funding for both government and non-government schools, historically it has always had a bigger role than the states in the funding of non-government schools. Whether it is the right judgment or not, it is not for any of us, or for me personally, to judge to which school parents choose to send their children. Recent data from the Bureau of Statistics show that parental choice in schooling is not confined to families who can afford high fees. For example, of the 21 per cent of school students who come from families with an annual income of less than $26,000, 20 per cent attend a non-government school. Of students who come from families in middle-income brackets—between $41,600 and $77,999—over 31 per cent choose non-government schools. These data shatter the idea that non-government schooling is somehow elitist and divisive.

Given the fact that many parents make a significant financial sacrifice and contribution to send their children to non-government schools, and pay their taxes in full thus saving taxpayers more than $2 billion a year, the government has decided to increase funding to non-government schools, purely on the basis of fairness and equity. It is a matter of concern that there are some people who seek to gain political advantage by constantly talking down government schools, claiming—incorrectly—that they are being run down and cannot deliver quality education. Personally, I have very fond memories of the government school that I attended and feel that it is unfortunate if government schools, and the teachers that teach in them, have their reputations harmed by the way the unions and the Labor Party are acting.

This point was reinforced to me recently by Mr Allan Wilcox, Australasian representative of the European Council of International Schools. Mr Wilcox is a distinguished Australian educator with considerable experience teaching and working in international schools overseas. On returning to Australia after 31 years, Mr Wilcox heard and believed the media reports and union rhetoric that Australian schools were run down and that the quality of education in this country was poor. Having visited numerous government and non-government schools in Australia, Mr Wilcox informed me that he was pleasantly surprised to find that this is not the case at all. In his opinion, Australia has some of the best schools in the world, even when compared alongside schools of high international repute such as the International School of Geneva, the United Nations International School in New York and the Vienna International School.

If we listen to the teachers unions and the Labor Party, it is easy to think that our schools are in crisis. Although there is always scope for improvement, this is not a true snapshot of the state of education in this country. Such misinformation is a gross disservice to the hardworking principals and teachers in this country. (Time expired)

Ms MACKLIN (Jagajaga) (8.57 p.m.)—The Appropriation Bill (No. 3) 2000-2001 allocates additional expenditure to the Department of Health and Aged Care, and in particular—and this is what I want to focus on tonight—additional money for one particular drug under the Pharmaceutical Benefits Scheme. It provides an additional $36.8 million just for this financial year for the arthritis drug Celebrex. This is unfortunately way short of what the final costs for this new medicine will be to the Australian taxpayer. Tonight, I want to go through the story of how Celebrex came to be listed on the Pharmaceutical Benefits Scheme and of the implications for our Pharmaceutical Benefits Scheme and for the budget.

The matter is of very serious concern. The original budget estimates for Celebrex were $217 million over four years. In the five
months since Celebrex has been on the Pharmaceutical Benefits Scheme, it has cost Australians a staggering $92 million. On rough estimates, there is going to be a $600 million budget blow-out over the next four years—equivalent to the amount of money the Commonwealth government has short-changed our public hospitals. It is a budget blow-out that the Australian taxpayer should not be paying.

Let us look at how this budget blow-out came to be from the self-proclaimed great economic managers that we have on the other side. If the Minister for Health and Aged Care had only taken the advice of his independent Pharmaceutical Benefits Advisory Committee and listed the drug at a cost-effective price, with a price volume agreement, there would be much more significant controls over how much Celebrex is costing the federal budget. But, of course, that is not what occurred. Australians are, in fact, very fortunate to have one of the best subsidised medicine schemes in the world. Medicines are affordable in Australia because of our Pharmaceutical Benefits Scheme. Unlike people in the United States, Australians do not have to go without food or heating or other necessities of life in order to afford critical medicines. In fact, tonight on the 7.30 Report, we saw a very clear picture of what that means in the United States: 13 million elderly Americans have no health insurance cover for their prescription medicines. The 7.30 Report also showed a number of those Americans going across the border to Canada to get access to affordable medicine; otherwise they just were not going to be able to get the medicines they needed for their health.

As I say, the scheme that we have in Australia does deliver all of us a fantastic program that makes sure that we can afford our prescription medicines; but, unfortunately, it is under threat from this government. It is under threat from budget blow-outs, such as the one we are seeing tonight from the drug Celebrex, that will, if we continue to have decisions like this, threaten the ongoing viability of our Pharmaceutical Benefits Scheme; budget blow-outs will weaken the reputation of our cost-effective scheme. It is also under threat because this minister for health appointed an industry lobbyist to the Pharmaceutical Benefits Advisory Committee and then so many experienced members resigned in protest. It is under threat particularly because it is clear—as a result of the decision that I will outline now on Celebrex—that this minister for health, Dr Wooldridge, exposed himself to be bullied by the pharmaceutical companies into paying a higher price for this new drug Celebrex.

The government has set a very dangerous precedent by listing Celebrex on the PBS at a price higher than that considered cost-effective by the previous Pharmaceutical Benefits Advisory Committee. We have very serious concerns about the way in which this minister for health, Dr Wooldridge, listed Celebrex on the Pharmaceutical Benefits Scheme. For the first time ever, the minister for health ignored the pricing conditions recommended by the Pharmaceutical Benefits Advisory Committee for a drug. The Pharmaceutical Benefits Advisory Committee recommended that Celebrex be listed at $1 a day, with a price volume agreement. Instead, the Howard government set the price for this drug at $1.17 a day and with no cap on the number of scripts issued at the higher price. The minister blames the Pharmaceutical Benefits Pricing Authority for this result; but I should say again that this is the first time the Pharmaceutical Benefits Pricing Authority also has not agreed with the PBAC's price recommendations. It is the first time a minister for health has approved a drug for listing on the PBS at a higher price and with less stringent conditions than those recommended by its expert committee, the PBAC. Under the National Health Act, the PBAC is required to take into account economic factors, including the cost effectiveness of a drug, before it can recommend listing on the PBS.

The Pharmaceutical Benefits Pricing Authority and the minister have now set a very new precedent. They have effectively downgraded the role of the PBAC by not taking the advice that it is legally required to give. They did not take the advice that was provided by the PBAC about the price at
which Celebrex should be listed. And you have to ask the question: why did the minister ignore this advice? Why did he decide to list the drug at a higher price and without any price volume caps? The minister’s answer to the parliament was that, if the government had not paid the higher price without a price volume agreement, ‘the drug would never have been listed’. What he is effectively saying is that he has been bullied by the pharmaceutical companies Pfizer and Pharmacia into accepting a price for a drug that was not cost effective. He is the first minister for health to have buckled under this industry pressure. He buckled under pressure from what is now known as his favourite pharmaceutical company, Pfizer. The parliament knows all about this minister’s close relationship with Pfizer. The minister’s actions, of course, fundamentally undermine the Australian pharmaceutical benefits approval process.

The PBAC found that, compared with current therapy, the advantages of Celebrex in terms of safety and efficacy were only valid at a lower price. Once again I say to the House that the minister ignored that advice and listed the drug anyway at a higher price—one that the industry demanded. As if this was not bad enough, the pharmaceutical company came along, argued for a higher price, and the minister caved in to it. The company is also responsible for providing data to the PBAC that estimates the volume that it expects to sell over the coming year and into the future. What happened in the case of Celebrex is that the companies concerned, Pfizer and Pharmacia, seemed to have drastically underestimated the amount of Celebrex that was going to be bought by Australians. We can certainly see that in this budget blow-out. Unfortunately, from what I hear, this is a common tactic amongst the pharmaceutical companies—underestimate the demand so that the cost of the drug will not frighten the horses. But, by the time it gets out of control, by the time it is out there in the market and people are having it prescribed, it takes some time for the Pharmaceutical Benefits Pricing Authority and the Drug Utilisation Subcommittee to review the whole pricing issue.

These committees usually only review once a year—it takes time for the process to run its course—so the companies get access to a higher price based on these soft figures before they are called to account. We should have known about this and we should have had the companies concerned present to the committee the United States data which demonstrated that, in the United States as well, there was a huge uptake of Celebrex. We should have had that information available to us. That data would have then been able to be used to prevent this massive blow-out to the Australian budget.

We also find recently that there has been some new information received on the efficacy and safety of Celebrex. There has been a review of clinical trials by the advisory council to the United States Food and Drug Administration that has concluded that Celebrex shows:

... no clinically meaningful safety advantage in upper (gastrointestinal) safety ... and did not cause fewer stomach related side effects than cheaper products. This, once again, is contrary to Dr Wooldridge’s public comments at the time he announced that Celebrex would be listed on the PBS. He described the decision as:

... the biggest single decision that has been taken in the 52 year history of the pharmaceutical benefits scheme ...

He went on to say that the drug represented a ‘major breakthrough’ that relieved symptoms of arthritis without the gastric irritation caused by traditional drugs.

The conclusions of the FDA review, which were released in the United States on 7 February this year, show that Australian taxpayers are paying $33 per prescription for a drug that has now been shown to have efficacy and safety similar to current therapies which cost between $9 and $15—so, $33
compared to drugs of similar safety and efficacy that we could have got for somewhere between $9 and $15. The results certainly should teach this minister for health two important lessons: one, to stop appeasing the pharmaceutical industry by heaping praise on new products and, more importantly—and this really goes to the heart of the issue before us—to take the advice of the Pharmaceutical Benefits Advisory Committee.

We are now paying a very high price because this minister ignored the advice of the PBAC about the price at which Celebrex should be listed. It will cost as much in its first year as it was budgeted to cost over four years and, as a result, the government is facing a $600 million cost blow-out. There certainly are many arthritis sufferers who are using Celebrex, but these people do need to be confident that the government is listening to expert advisers, rather than making decisions that just line the pockets of drug companies.

Just tonight on the ABC news there was a report that the National Prescribing Service are so concerned about this drug that they have launched a new inquiry. They are concerned about this drug from two points of view: firstly, the increase in the number of adverse events—that is, the number of people that are having bad effects from Celebrex; and, secondly, they are very concerned about the aggressive marketing that has been undertaken for this drug that has led to this very significant blow-out in cost.

All this information has come out and was published in the Age newspaper following the government’s appointment of an industry representative to the PBAC. Of course, if the PBAC is not able to carry out its responsibilities and the industry is able to dictate to the government which medicines are listed on the PBS and at what price, then the great concern that Australians have is that the budget for our Pharmaceutical Benefits Scheme will blow out further, providing this government with an excuse to restrict access to the PBS or increase prices to consumers. That really is the most serious concern that comes from this blow-out and from ignoring and downgrading the advice of the PBAC.

We have just been sent a copy of a confidential minute that was sent to the Minister for Health and Aged Care last December just when he was considering the changes to the membership of the PBAC. The minute outlines how, in fact, the minister should have managed the transition from the old committee to the new committee. It recommends, for example, that, because of, as they say in the minute:

... the litigious atmosphere which has recently emerged from sections of the pharmaceutical industry ... It is of concern that an inexperienced chair and an uncertain committee could be intimidated by this situation into recommending the listing of some drugs which would not normally be regarded as cost effective. The fiscal implications of even one such decision could be substantial.

That is, obviously, a very grave concern. It goes on to say:

... as many existing members should be reappointed as possible. If any fewer than eight members (including the chair) carry over into next year, it is our judgment that the new PBAC will find it very difficult to fulfill its function.

Well, they have not got anything like eight members from the last committee—only two of the old committee members stayed on, and they are the most inexperienced members: both have had less than 12 months experience on this very complex committee. In fact, we now have 10 new members on this committee making decisions about which of our medicines are going to be listed as subsidised medicines. Only two members from the old committee are still there, and those are the ones with the least experience of all. Many of the other members, of course, refused to serve on the committee, because the minister insisted on putting an industry lobbyist onto this very important decision making committee.

So we have this very experienced committee—and I just go back to the minute which came from the whole of the old Pharmaceutical Benefits Advisory Committee—sending a confidential minute to the Minister for Health and Aged Care warning him that,
if any fewer than eight members were to continue on the committee, it would expose the PBAC and, more importantly, the government and our Pharmaceutical Benefits Scheme to very serious risk. The most serious risk is that some drugs which are not cost effective will be listed because of the pressure that the pharmaceutical companies could bring to bear on the new committee.

This minute also refers to the extremely important role that the staff play in advising the committee and it recommends the importance of maintaining the key officials in their posts. I see in the most recent edition of the Medical Observer that, alongside this huge shake-up in the PBAC, there has also been a major shake-up of the prescription medicine bureaucracy. So not only have we seen the resignation of most of the people from the PBAC; we have also seen a very big shake-up of the people who are responsible in the bureaucracy as well. That means that the whole Pharmaceutical Benefits Scheme is put in a very dangerous situation.

This scheme is a critical part of Australia’s universal health care system, and certainly we on this side of politics, the Labor side, will continue to fight against the government’s changes. We do not support an industry lobbyist being on the PBAC. As far as we are concerned, the independence of the PBAC is critical to making sure that Australia’s world leading process for determining which medicines are subsidised remains independent of industry interference. It is absolutely vital that we do not go down the American path and see medicines become unaffordable. We want to make sure that this outstanding scheme, the Pharmaceutical Benefits Scheme, and the independence of the Pharmaceutical Benefits Advisory Committee are guaranteed. Certainly that will be the case under a future Labor government. We are very worried that the blow-out in the cost of this drug, Celebrex, means that under this government we will see medicines removed from the PBS to bring this scheme under control and, even more worryingly, that the price to consumers of medicines under the PBS will be increased by this government to pay for this appalling cost blow-out. We are going to have to wait some time before the independence of the PBAC is returned, but that will certainly be a Labor commitment at the next election.

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (9.17 p.m.)—I rise to support Appropriation Bill (No. 3) 2000-2001. In particular, I want to address some of the environmental issues and expenditures that we as a government are very proud to put before the Australian people in the dawn of this new century. This year we celebrate 100 years of a united, federated Australia. In 1901 the colonies relinquished their separate allegiance to the Crown in exchange for, amongst other things, common defence and immigration policy, and postal and meteorological services. They also empowered the new Commonwealth government to raise some taxes to finance these initiatives. But what the colonial governments did not choose to relinquish was any law-making or regulation to do with their longstanding interests in their own lands or water or natural resources management. Those particular areas of their colonial activity were regarded as not the business of the new Federation or Commonwealth government.

It was three-quarters of a century later, in 1975, that the Commonwealth first enacted some natural resource legislation in the form of the Environmental Protection (Impact of Proposals) Act. That was 74 years after federation. So for most of the 20th century we saw the states and territories compartmentalising their ecosystems, the continent’s rivers and artesian basins, their coastal fisheries and their inland catchments, according to whether all or part of them fitted within their borders. The Murray River, the boundary between New South Wales and Victoria and between Victoria and South Australia, was treated as a line on a map dividing one jurisdiction’s business from another’s. The state of New South Wales understood that its territory extended to the top bank on the Victorian side. It is interesting that in the very earliest days, when the first paddle steamer to make its way up that river reached its grand destination near Albury, it was greeted...
with a demand for customs to be paid from the New South Wales colonial government, which saw the river border as also the place where you would expect the trade between the two colonies to be dealt with by way of tariffs.

It was at a non-government conference— in other words, a local people’s conference—organised in 1902 on the banks of the Murray at Corowa, after a very serious series of droughts, that the locals demanded that there be some recognition of the need for interstate cooperation in the sharing of the waters. More than 10 years later, in 1915, the River Murray waters agreement was signed by the governments of Australia, New South Wales, Victoria and South Australia. It was another two years before the River Murray Commission managed to get agreement on the regulation of the main stream of the Murray to ensure that the three riparian states received their agreed share of the Murray River’s waters. At that time, however, it was beyond the powers of the commission to deal with problems in tributary streams or adjacent land use. It could not deal with flood mitigation, erosion or catchment protection, water quality, the needs of flora or fauna, recreational, urban or industrial use, or in fact any environmental consequences of the river water’s allocation or consumption by the users in the states along the river. The commission was confined to constructing locks and weirs along the Murray and the lower part of the Darling or Murrumbidgee.

It was not until the 1960s—over half a century later—that the River Murray Commission conducted some salinity investigations. By then, the saltwater intrusions into the Murray, in particular from the irrigation districts on the Victorian side, were very serious indeed. While the first investigations took place in the 1960s, it was another 20 years later, in 1982, that the River Murray Commission’s role was broadened to take into account some water quality issues. After intensive pressure and two more years of intensive meetings between negotiators from four governments—not including Queensland—the Murray-Darling Basin agreement was achieved. This agreement, negotiated only 15 years ago, put in place a process for cross-basin consideration of the effective management of the water and land and other natural resources of the states. The agreement included the ACT, four states and the Commonwealth—all of which have some jurisdictional powers within the great Murray-Darling Basin. The Murray-Darling Basin is Australia’s largest river catchment area, supplying some of the most significant food resources of Australia—in an area the size of Spain.

I would like to tell you that the 85 years of our failure to address the basin as an integrated catchment are now well behind us. I would like to tell you that we learned our lessons along the way: from the different ways of managing the irrigation systems deriving from the streams in the great Murray-Darling Basin system, how we have learned about different vegetation management issues, how we have learned that you cannot charge different prices for water from the same system and have maximum efficiency and a competitively neutral situation when it comes to product being sold within our Australian marketplace. But, sadly, we still see the absurdity of ecosystems divided by state borders and, while COAG water law reform has done a magnificent job so far, the job is far from done. As we enter the third tranche of the COAG water law reform process, there are still some states with a great deal of distance to travel before they bring in the sorts of reforms that we know as a country we cannot afford to ignore.

Let me talk about the absurdity of ecosystems still being divided by state borders, particularly on the Murray River. I am the member for Murray, and my family has lived there for six generations. I understand only too well the problems of living on an interstate border, dividing two great states, Victoria and New South Wales. We have parts of one wetland and forest ecosystem managed with different objectives and levels of protection from other parts. I am talking about the largest river red gum forest in Australia, the Barmah-Millewa forest, around Echuca. The forest has two names because, of course, two states, New South Wales and Victoria,
claim part of the forest and wetlands within it. The Barmah-Millewa wetlands have the Murray River flowing through them. I could have said ‘are divided by’ the river, but that would be to fall into the old ways of thinking. On the Victorian side, for decades now we have had the wetlands Ramsar listed. In other words, they are recognised for their significance to migratory wetland bird species, which come there as part of their great trek from Pacific areas through Australia, through those wetlands on the Murray River, and down towards the south. The Victorian side has had its part of those wetlands Ramsar listed for several decades. The New South Wales side still does not have that listing, and yet it is the one ecosystem. The birds have no idea, when they fly from one bank of the river to the other, that they are entering two differently managed and protected parts of the one ecosystem, because one state jurisdiction has nominated their side of the wetlands while the other has failed to do so. One half remains unlisted as different government departments and agencies in New South Wales argue about who should be the lead agent managing a Ramsar listed site on the New South Wales side.

This is clearly nonsense. Interestingly, in the great Barmah-Millewa forest there is an organisation called the Barmah-Millewa Community Forum, drawn from community and government representatives from both New South Wales and Victoria. The forum advises on forest and water management. It is a model of cooperation because those representatives see themselves as having a shared community of interest. They have the interests of the whole of the biggest red gum forest in Australia absolutely at heart. They understand that this huge area should be managed as one ecosystem, and yet the Murray River is still treated as the Great Wall of China; as a barrier rather than as an artery running through that part of Australia. Clearly this is nonsense, and it is doing a great deal of damage to what is one ecosystem that needs to be managed with the same objectives and the same levels of protection and resourcing on either side of the state border.

While it was the Murray River communities from the different states, desperate to guarantee their access to the water, who brought the governments to the table in 1915, it has required very special action over many years to have the same level of cross-catchment cooperation on farm properties, to bring farmers to understand that they cannot behave as our states have done in the past and manage their farms or their land holdings as if their neighbours did not exist. In Australia, we have had a long-entrenched set of rural values which state that, if you own a farm, it is your right and your business to manage that farm in such a way that you will do your best for your family and for your family’s future. It is your own farm to manage in your very best interests and in the best way that you can.

It has taken us until very recently to foster a new understanding that no farm family stands alone when it comes to managing sustainably and for the long term. No farming family or land manager in Australia can deal with ecosystem degradation by farming as if they were an island. We now understand the damage done to the fragile environment of Australia, the largest and driest continent on earth. We understand that we have to sustain the ecosystem at the same time that we manage agribusiness production. We have to manage urban and industrial development in such a way that we pass on to future generations a land and water resource that has its biodiversity preserved and that is in better condition than it has been for the last 100 years of unsustainable development.

What has been the legacy of our past failure to manage natural resources across catchments in an integrated way? Of course, it is the loss of biodiversity. It is soil erosion, nutrient loss, soil salinisation—some of it occurring so fast that in one generation the productivity of a farm is lost—and algal blooms, to name a few of the problems. We do know better now, and in the beginning of the 21st century this government has put that better understanding into practice, building in particular on the work of the Natural Heritage Trust, the best resourced environmental package that any federal government
has ever put into place. The Natural Heritage Trust began with a one-stop-shop process and some other programs that were in existence before the NHT, but in particular in the first year the aim was to make sure that there were physical, measurable changes on the ground. As the Natural Heritage Trust has evolved, it has become patently clear that it will be across catchments and across regions that our most important work has to be done and our most sustainable work will be achieved.

On 3 November 2000 our Prime Minister built on the Natural Heritage Trust and announced at the conclusion of the Council of Australian Governments meeting that the Commonwealth and the states had reached agreement on the Commonwealth proposal in relation to dryland salinity and water quality. One century after Federation had been brought into being, with the colonies agreeing that the Commonwealth should not in fact be there to organise across jurisdictional borders, the Commonwealth led the states and territories to understand that unless we in the future act in a coherent and cooperative way we can have no solution to and no mitigation of the worst environmental problem currently facing us, our salinity and water quality degradation. The Commonwealth will contribute $700 million of new moneys, and the states have agreed to match that with another $700 million, giving $1.4 billion in resources to, in the first instance, some 20 targeted regions which will have their salinity problems addressed in a totally integrated catchment management process.

The communities in the salinity targeted regions are in different stages of understanding what the problems are on the ground and what to do about them. In some areas, like the electorate of Murray, where three of these targeted regions occur—that is, the Goulburn-Broken, the Campaspe and the Loddon-Avoca—there is already a well-understood connection between the way farms are managed, the way water is managed and the way our ground watertables behave. There is still not, unfortunately, a full understanding of what mitigation measures there are to deal with the problems of the high watertables, and that is where these new resources will be so useful—to give the regions, already highly productive, a future in terms of enhanced productivity.

In some other parts of the country in other target regions—for example, the Ord River region in Western Australia—there is still not exactly a universal understanding of what is at risk and what the high saline watertables may do to their new irrigation developments. So there will be different strategies in different parts of the country for these 20 targeted regions. But what is consistent and understood across these 20 targeted regions is the principle; that you cannot anticipate or expect any salinity mitigation or better management unless you have the stakeholders—the land managers, the government agencies, local government, your non-government organisations and your business sector—cooperating and together agreeing on what the outcomes and the objectives must be.

So at the Commonwealth level we are working with the states on firstly bilateral and then multilateral agreements to determine what should be achieved at the end of a designated period of time working within the special targeted regions. These are to be the agreed outputs or outcomes in terms of end-of-the-valley salinity targets. We understand the need to build the capacity of these salinity or salt affected communities so that they understand both the cause and the effect of the higher saline watertables and the range of possibilities in mitigation strategies.

We also have to ensure that, while we set about revegetating parts of the landscape, biodiversity and environmental conservation considerations are part of the revegetation thinking. Obviously, we can capture more than just the benefits for salinity through this $1.4 billion of investment in the future of all Australians; we can also address our international and domestic obligations in terms of our greenhouse gas emissions. We now understand that human induced climate change is a serious problem for this and future generations.

As a sixth generation Australian whose family has for four generations farmed a salt
affected property, as the member for Murray and as the Parliamentary Secretary to the Minister for the Environment and Heritage, I am proud to be part of a government that has been sufficiently strong to insist upon a co-ordinated and Commonwealth led approach to salinity management in this country. It has been a problem understood in states like Victoria for over 70 years. It is a problem more recently understood in the states with fewer generations of agribusiness development, like Queensland, the Northern Territory and Western Australia. But our Commonwealth government has shown leadership that will, I am sure, see salinity mitigated in a way that would not have been possible without a total catchment approach. Such a development may not have been possible without the Natural Heritage Trust first building the links between the state and federal governments so that cooperation was understood and processes were put in place. As well, this salinity management program may not have been possible without the water law reform that COAG has helped usher through with the first two tranches in the last five years.

So it is a proud moment for me as a northern Victorian to see that at last we are doing something serious about our salinity problems. It will be a long, hard haul. It will require a significant change in land management practices for numbers of people. It will require compensation for some who will not be able to continue to farm in the way that they anticipated they would be able to years ago, and who may have no viable commercial options when it comes to agribusiness production of their farms in the future. But I think that as an Australian society we are now understanding enough to realise that land managers also manage their farms for the environmental services or the good of more than just those who have depended in the past on the product of their farms for their own economic wellbeing. I commend this bill to the House, and I certainly commend the environmental works of this government to the nation.

Dr MARTIN (Cunningham) (9.37 p.m.)—The legislation which we are debating this evening provides additional estimates for the year 2000-01 annual appropriations. Last week, the Senate estimates committees conducted a number of hearings into the purpose for which these additional amounts of money were being appropriated for the various departments of state. It is interesting that within the appropriations themselves, in particular in Appropriation Bill (No. 3) 2000-2001, one of the largest appropriations required is for the Department of Defence. An additional $1,009 million, comprising $659 million transferred from capital and additional funding of $350 million, is required. I will say more about that in a moment, but it is important that we state at the outset that, when you look at paragraph (4) of the amendment being proposed by the opposition, we refer to ‘mismanagement of the Defence Budget’.

In recent times, we have seen a change in the leadership of Defence as represented in the national parliament. John Moore, the former Minister for Defence and member for Ryan, who has now retired, was asked to move on by the Prime Minister. In his view, there was a need for change, to bring in some fresh blood. So what did we end up with? We ended up with Minister Peter Reith coming across. In the last couple of days in question time, Minister Peter Reith has endeavoured to bring to the Defence portfolio an absolute lack of any integrity and knowledge about the issues associated with it, which, frankly, I find a little disturbing. One of the features of the relationship which John Moore and I enjoyed as minister and shadow minister, and from what I understand has been successively enjoyed over a long period of time between ministers and opposition spokespeople, was that there was a degree of bipartisan when it came to defence matters. As I am often quoted as saying as I give speeches to a range of people around this nation of ours when talking on defence matters, I find it important that you do not play
politics with national security. What is even more important is that something like 97 per cent of defence issues enjoy that degree of bipartisanship. But on the evidence I have seen in the last couple of days from the new minister, that degree of bipartisanship which we have been prepared to share, as has been the case successively before, seems to be fraying a tad at the edges.

I hope the minister gets some advice from his departmental officials and even from his own ministerial office on this issue and understands that, on these matters of great moment in respect of national security and the protection of Australia, the ways in which we can ensure that we have the correct numbers of personnel serving in the Defence Force and the way in which the equipment we buy is going to meet our needs into the next 10 or 20 years will all come unstuck if he continues to play political hard ball. I think he will come grossly unstuck if he goes down the route of the Collins class submarines that he tried in the last couple of days. Instead of bagging out the submarines, he should have listened to what Minister John Moore had to say about it before he left office. He adopted it virtually as the government’s own. He should listen to the experts in the Defence Department as to the success that our Collins class submarines have had in trials against the United States Navy—undetected, beating the United States Navy in war games; not only did they talk about them as the best conventionally powered submarines ever but also, once those combat systems are fully operational, we are going to have a piece of kit which will stun the world in terms of its capability. Yet in the last couple of days we have a minister trying to denigrate this great piece of equipment for some cheap political point about costs associated with some promises that may or may not have appeared in an opposition policy manifesto as to whether we are going to acquire another couple of submarines.

At the end of the day, what we are trying to ensure is the process of defending Australia, providing a Defence Force with appropriate levels of skilled personnel and equipment to do that job, providing the opportunity for the Defence Force not only to participate in the defence of Australia through denial of access through the air-sea gap but also to be involved in peacekeeping operations, working in unison with some major ally like the United States, as we have done in the past, or being involved in a range of things like assistance in flood relief and so on, and of course being involved in policing activities in drug detection, as we have seen with the Fremantle class patrol boats in Northern Australia. That is what we should be talking about and that is what we should be enjoying—a bipartisan approach. As we said after the government’s white paper was delivered last year, we did support it. Why wouldn’t we?

Imitation is the sincerest form of flattery. As I have said, what the government did was simply to go back to what Labor’s policy had been in defence for all those years. We walked back from where people like Ian McLachlan were proposing to take us, suggesting that we might have a defence capability that would see Australian men and equipment deployed on the Korean Peninsula or on the Taiwan straits—an approach to defence that a lot of people thought was quite bizarre. What we saw was a rational document come forward and a set of dollars that was about right—still after 10 years in the forward projections it is going to be about 1.9 per cent of GDP, about what it is at the present minute, in line with what Labor would propose, in line with the needs that needed to be addressed for personnel and a whole raft of equipment purchases and acquisitions in the coming years. So let us not get into this nonsense about there being some sort of silence or reticence on Labor’s side about embracing defence. Clearly that has not been the case.

Nevertheless, notwithstanding all of that, there are examples where government mismanagement of the budget for Defence could have been improved. I already alluded to the fact that, in terms of the appropriation bill itself, what we are seeing is an appropriation of additional funds that are going to come from the facilities or equipment budget and be directed to prop up the costs associated
with Defence personnel. Under this government, they are making an art form of that. They continue to raid the Defence capital budget to prop up expanding costs associated with personnel. Yet what we saw was a government that, when they came into office in 1996 and inherited a 58,000-strong uniform personnel in the ADF, made a decision through the Defence Reform Program to reduce it down to 42,700 until the situation in East Timor arose and suddenly they realised that maybe we need a few more. As a consequence, they have now drawn the line under 55,000. Yet, because of that, what we have failed to see recognised in terms of the budgetary constraints on the Department of Defence is that personnel costs are going to continue to rise.

What we saw in the white paper released last December was an actual shortfall in the calculations with regard to personnel funding. My colleague the member for Reid, the Labor Party spokesman on defence science and personnel issues, knows as well as I do, from his discussions around Australia with Defence personnel, that the government are worried about this because the white paper showed that there was a provision for only a two per cent increase in personnel costs, yet they are expected to increase by 4.9 per cent. That is what the white paper says. Where is that magical 2.9 per cent difference going to come from? What we have seen on past performance is that they raid the capital budget. They raid the budget that is there to carry out the necessary upgrade works on much needed defence equipment.

Of course, what the white paper is also talking about tackling over the next 10 years is this problem of block obsolescence. When the white paper came down people were dazzled by the big numbers—the global budget figure that was going to be there for 10 years—and the photographs of the cyber soldiers with all their latest equipment and what they might have if they were equipped to the fullest extent that was possible. They saw glossy photographs of the new jets that perhaps we were going to acquire—up to 100 new jets for the defence of Australia—the new airborne warning capability for the Navy to replace our ageing destroyers and the new replacements for the Fremantle class patrol boats to carry out the necessary work, particularly in terms of drug interdiction and people-smuggling and so on, which Labor would see as falling more squarely under the responsibility of a coastguard, which we have already announced over 12 months ago as our policy to deal with those sorts of issues. What people have failed to do is to look a little bit behind that. As I have said, if you just take the personnel problem that is there, we see not only a shortfall in terms of funding being made available—which was even identified in the white paper—but also the government still having problems in retaining personnel and recruiting personnel to meet the 55,000 target. Yet we have this new minister come in here and start bagging our submariners and the submarine program—calling them ships instead of boats. I think he had better just get back to his briefing papers for a bit longer before he decides to take it on.

Then, of course, we have seen a couple of other problems with the Defence budget, as well. Let us take the airborne early warning and control aircraft. It was about September of 1999—perhaps a little later—when I had the opportunity, having been made the opposition spokesman on defence matters, to travel to the United States to talk to people about defence related issues. When I was in Washington I travelled down to Baltimore where I met representatives of the Boeing and Northrop Grumman companies—the two companies that had been chosen as the successful tenderers for the supply of an airborne early warning and control aircraft for Australia. Seven was the figure—we were going to buy seven. When we were going to buy those seven—the contract had to be signed off then and there—we could have got the seven for the price that this genius of a government has now decided we will be able to buy four for. What sort of bargain is that? We are going to pay the same money now because the government procrastinated on buying the seven 18 months ago, and for the same price we are going to get four for. Not only that; had we chosen to go with the
seven, the first two would have been manufactured in the United States by Boeing because they are prototypes—the US has not even got them yet; we are going to be the first country to fly this kit—and the other five were going to be assembled in Australia, meaning jobs in Australia, meaning a semblance of some sort of an industry policy and a defence industry policy coming from this government.

But if you go and talk to people in industry now they just shake their heads. I had the opportunity a couple of weeks ago, while the Leader of the Opposition was doing his very successful bus tour to northern New South Wales, to be in Victoria at the Australian international air show. I was talking to leading figures in the Australian defence industry. I am talking about people who come from overseas and the Australian chief executive officers—whether they be with Tenex, EADS, ADI or Thomson, it did not matter; they were all there and they all wanted to talk to us. What they were saying was that there is this concern about the lack of an industry policy, and a defence industry policy in particular, from this government. The AEW&C fiasco is typical of that. It does put strain on the Defence budget because if we are going to acquire this kit that we need—and it is going to give us a tremendous capability; it is going to enable us to protect Australia with fantastic parameters, particularly when you see the sort of radar that is going to be associated with it—the procrastination has meant that this cost blow-out for us is just ridiculous. I raised this in question time today. This issue of the acquisition of this major kit again reflects on this government’s ability to handle the tough decisions.

The defence integrated distribution system is a $1 billion, 10-year program of outsourcing that this government has embraced. It has called for tenders, it has been stringing along a variety of defence industry suppliers and cajoling them and saying to them, ‘Don’t drop out because we want you to be in there; spend all those millions of dollars putting the tender in for us.’ It has been giving them a truckload of tender documents that they have to go through because this is a logistics exercise that is going to supply everything from, virtually, toothpaste through to tanks almost, for the Defence Force of Australia, and yet what we have seen is, again, procrastination and delay, but expenditure by the industry to get up to speed to get their tenders in. What we know is that former Minister for Defence Moore had the recommendation come from his department six months ago as to who the successful tenderer should be. But has anything happened? No, it has not. And why? Because it means job losses in regional and rural Australia where Defence Force bases are located and it means job losses for regular Defence Force personnel and their families and it means flow-on effects through the multiplier effect in regional Australia that this government is going to run away from again.

I alluded to this this afternoon in a question to the minister but he had absolutely no idea—I do not think he knew what DID stands for or stood for. The dogs are barking in the defence industry: the government has decided to pull the plug on this billion dollar program. Again, they are running away, but the people who have spent all of the money on this are expected to cop it. It is like there will be no claims for compensation coming against the government from the companies that have spent millions of dollars to get up to speed in terms of tender documents. If the government walks away, I will not be surprised if these companies decide to take the government on. I hope the budget is prepared for that. If it is not, it means that money that could have been spent on a whole variety of projects around Australia’s Defence establishment—such as ensuring our troops on peacekeeping operations in East Timor and Bougainville have kit that is comfortable and can sustain the sorts of tropical conditions in which they find themselves—will not be spent. They will miss out because of the stupidity of the government in not getting on and awarding the contract. Not only will it mean the whole distribution system will be up in the air and more uncertainty amongst people; it means they will have to pay out compensation.
I shake my head in disbelief that we had a minister in John Moore who decided to take the baseball bat to the department saying, ‘We have to clean up the financial management of the place’, and yet we still have these problems. I said to John Moore, the then minister, on a number of occasions that I did not mind, and no-one would mind, if we were trying to get value for our Defence dollars—bigger bangs for our bucks. That is not a problem and Labor supports that. But, on the evidence presented, we have not seen that happen. Now we have in the new minister someone who, clearly, is not on top of his brief; someone who at this stage—I am prepared for a short period of time to give him the benefit of the doubt—

Mr Laurie Ferguson—You are too kind.

Dr Martin—I know I am kind. However, he is a senior minister in the government and I would have thought, trading as he has done on the few months he spent as the opposition spokesperson for defence, that he might at least have known one or two things about it. I find it startling to think that, with some of these issues about morale, recruitment, defence acquisition, major kit—such as airborne early warning control aircraft—the DIID system, a whole range of things, he seems a little off the game.

What needs to be clearly understood, from the opposition’s perspective, is that we thought the white paper basically got it about right, and I have said that. We said that in terms of the dollars that was basically about right and that it was the sort of thing we would do. I think the Minister for Defence was trying to bait the opposition in the last day or two by suggesting we would walk away from the commitments that were in that 10-year strategy plan in the white paper. I have said previously that as far as we are concerned it was about right. The Leader of the Opposition said it was about right. But we still reserve the right, as an incoming government, to have a look at some of those issues that are contained in there. We might find better ways in which to deliver some of those outcomes which do not distract from the basic strategic issues associated with the white paper or the delivery of appropriate defence systems that overcome the problems of block obsolescence that Australia will be faced with anyway.

I make no apology for that and I do not think anybody would expect anything different. An incoming government always reserves the right to have a look at some of the issues associated with the broader policy outcomes that a previous government has outlined. But the defence white paper is about right. We will certainly need to look at these things on personnel, on some of these shortfalls—how money is being constantly transferred out of the capital budget to prop up the shortfalls that have been identified in personnel. We will have to look at the thousands of dollars that get spent on cancelled conferences and on delegations that get sent away to look at ships, which the minister had already indicated were never going to get off the drawing board and, in fact, were not going to be part of any board proposal that he had in mind. These are issues that need to be addressed but it needs strong leadership in the department; it needs strong leadership in the government. What we are not seeing at the minute is that leadership from government.

(Time expired)

Mr Secker (Barker) (9.57 p.m.)—I take the opportunity to discuss some of the major positive aspects that have flowed to my electorate of Barker as a direct result of this government’s commitment to people who live in rural and regional Australia. There have been important funding initiatives such as the Roads to Recovery program, the highest ever levels of aged care funding, extra funding for non-government schools and outside school hours care, well-deserved assistance to our veterans and further funds to guarantee ongoing rural crisis counselling—to list just a few.

Last year’s announcement by the Prime Minister of a $1.6 billion boost in funding to the nation’s road network is the most significant commitment ever made by a federal government to our lifeline of country roads that are so necessary. It is a commitment with the emphasis on investment in the repair
and maintenance of our road system and it is over and above existing budget allocations from this government for local roads. As an example, in my own state, in very round figures, the funding from the federal government has gone from $80 million to $180 million, and I can assure everyone in this House that every council is very pleased by that.

This commitment covers budget allocations for such things as local roads, roads of national importance and national highways and, of the $1.6 billion, $1.2 billion will be distributed directly to local governments through the Roads to Recovery program for local road construction and repair. That is taking the position that local government knows best because they are there on the ground to make those decisions. We provide the funds but they make the decisions as to where that money is spent. I am assured, after speaking to all of the 14 councils in my electorate, that that money will be well spent.

The Roads to Recovery funding of $1.2 billion over four years represents a massive 75 per cent average increase in current federal government grants for local roads. More important to me and other members in my state is that the increase to every council in the state of South Australia is an even more massive 112 per cent. As I said, the figures are roughly $80 million to roughly $180 million each year for the next four years. On top of that, a further $400 million over four years from 2001-02 will be allocated to national highways and roads of national importance projects to develop key arterial link roads in outer metropolitan areas and regional areas.

This investment is made possible because of sound economic management of our country’s economy by this coalition government. Our budget position is even better than anticipated, so we have made a commitment to give back to our local communities some of the rewards of sound economic management. We believe that Roads to Recovery is one of the best ways to invest these funds for the long-term benefit of the nation. Can I say to those opposite that when I first came into the parliament I was told that spending money on roads does not win votes. That may be the case, but we are not here just to win votes; we are here to do what is necessary. I am a proud member of the Primary Industries and Regional Services Standing Committee of this House, and we put together a report which dealt with needs in the electorates. Certainly roads was a very large factor identified by that committee, and I am very proud that this government has reacted to that committee’s report and has been very generous to local councils to ensure that local roads are maintained and built up as they should be.

This investment is far too important to be used as a political football by our political opponents. To ensure that they do not make allegations that there was some bias in the allocation of funding for local councils within each state—which will not really stop them, because they still make allegations, whether they are true or not—it will be done strictly in accordance with the formula adopted by the States Grants Commission. I might add that this was established and applied under the previous government. So this is an increase on level terms over an existing formula provided by the previous government. Any suggestion by those opposite that this funding would somehow unfairly benefit coalition electorates is totally false. There seems to be a recent phenomenon of the opposition talking about our being out of touch. They think that if they say ‘out of touch’ all the time, people will believe it. But when the Leader of the Opposition talks about this program as being a boondoggle, that would have to be the height of being out of touch with country people. I say to you, Mr Deputy Speaker, that no amount of stunt filled bus trips will convince country people that the Leader of the Opposition will ever understand country people.

As a member for a large country electorate of some 54,000 square kilometres, I particularly appreciate approximately $850 million of that $1.2 billion Roads to Recovery program being allocated to country areas like my own. The government recognises that these are the areas of greatest need and that
they are the areas that will give the greatest return and greatest result to our economy for our investment. There is absolutely no doubt that local road funding is critical, and nowhere is this more evident than in regional and rural Australia, where much of the local infrastructure was built in the 1950s and 1960s—again under coalition governments, of course. Now they are in urgent need of upgrading. As I travel around my vast electorate, there is not a single place in Barker that cannot identify roads that need fixing. They identify issues such as all-weather access to local towns, allowing school buses to stop at local farm gates and, most importantly, strengthening road bases for the heavy vehicle traffic necessary to transfer our wealth to markets intrastate, interstate and overseas. That is very important in an electorate like mine which has a huge amount of exports. The electorate has something like eight per cent of the population of the state of South Australia but actually produces 40 per cent of the wealth of the state. That is because it is a very highly productive area. As a result, we need those roads to make sure that our produce can get to the markets.

In my electorate of Barker, the Roads to Recovery funding for local government has been widespread. For the record, I would like the House to know what those amounts were. The Alexandrina Council, which takes in a fair amount of the Fleurieu Peninsula, south of Adelaide, is very important for tourism as well as industry. It is receiving $1,233 million. Many people relish visiting the beautiful Coorong area. It has a small population but has a large road network which is very much in need of extra funding. They will receive $1,761 million extra. The Grant Council, which surrounds the Mount Gambier township, is quite a large country area. They are receiving $908,000. Kangaroo Island is one of Australia’s foremost tourist spots. It receives about 160,000 visitors a year, and 40 per cent of those are from overseas. It is very much in need of improvement to its roads. They are receiving an extra $991,000. I emphasise that all these figures are on top of the existing funding that we already give them. Karoonda-East Murray is an area in the Mallee with a small population but is very productive. That is receiving $818,000 extra. The Lacepede area around Kingston on the coast of South Australia is receiving another $642,000. The Mid Murray Council, very much a Mallee based council, is receiving an extra $1.705 million extra.

The Mount Gambier City Council—the largest town outside Adelaide with about 23,000 people—will be receiving an extra $939,000. They have some very important roadworks to do there because of the population pressures on the township. The Murray Bridge Rural City Council, where I have my electorate office, will be receiving $1.036 million. The Naracoorte and Lucindale District Council will receive another $1.385 million on top of what they already receive. The Robe District Council will receive nearly $300,000. Southern Mallee District Council—again another Mallee district with a low population but with a large road network—will receive $1.007 million. Tatiara District Council—my own council where I live—receives an extra $1,460 million. The Victor Harbor District Council—I think many people in this House would have heard of Victor Harbor; a very large tourist town which has a large ring route to fund—receives another $521,000. The Wattle Range Council, which takes in the magnificent Coonawarra and Millicent area, receives $1,501 million. Yankalilla District Council, in the south-west of Fleurieu Peninsula, receives an extra $349,000.

I would assure everyone in this House that every one of those councils is absolutely rapt with this extra funding. It is something that they have been crying out for for years and they know that we are listening to their needs. I certainly believe that, with a growing revenue source flowing to the states as a direct result of the GST, state governments will be able to increase their contribution to local road funding on a par with that of the federal government.

Another area of major commitment by this coalition government which has been particularly beneficial in the Barker electorate is the increase in real terms of aged care fund-
ing. My government is totally committed to ensuring that frail, older Australians have reasonable access to residential and care services at home or in aged care homes. Certainly, we are out there trying to meet their individual needs. In the year 2000 round of funding, 44 per cent of all places were allocated to rural and regional Australia. Unfortunately, the previous government neglected country areas when it came to aged care, which was identified by the report that we commissioned when we came to government. It was really noticeable that the capital funding for country areas was virtually non-existent under the previous government. I am very pleased to announce that 74 per cent of all capital funding has gone to rural and regional Australia. That is more than twice what you would expect on the population because we recognise that capital funding is needed out there in country Australia.

The year 2000 round had the largest ever allocation of places. This was necessary to make up the 10,000 bed shortfall left by the previous Labor government's cutback as identified by the Auditor-General, a totally independent body. As part of the largest ever allocation Australia-wide, it demonstrates the government's commitment to building a sustainable and accessible aged care system in country Australia. It focuses on quality of care for any individual who may need it. As well, the Commonwealth government provides 60 cents in every dollar spent for Home and Community Care, most commonly known as HACC. Residential care expenditure across Australia has increased from $2.5 billion when we came to government to $3.9 billion this year. That is about a 60 per cent increase in this very important area.

The recent Productivity Commission report on government services backs up the significant growth in resources devoted to caring for older Australians. Since our first budget in government, we have been committed to increasing funding to this sector and have continued to consolidate and build on those original changes. Commonwealth spending on community aged care packages have increased fivefold from $33 million in 1995-96 to $150 million in 1999-2000. By June 2001, some 24,000 aged care packages will be in operation. I can assure anyone in this House, and anyone else that would care to listen, that the people involved think this is one of the best things that the government has ever done. It allows aged people to stay in their local surroundings, often with their family and surrounded by their friends, and it certainly gives very good value for taxpayer dollars.

In the year 2000 aged care round, we saw the largest ever release of new aged care places in Australia's history. In South Australia, that amounted to 46.3 places per thousand people in high residential care for those aged over 70 years and 47 places per thousand people in low residential care for those aged over 70. Again, in a significant recognition of the importance of rural and regional Australia, as I said before, 74 per cent of the capital grants went to country areas, greatly exceeding the population target of 30 per cent. As well, 38.6 per cent of HACC services are delivered to country areas and 28 per cent of aged care recipients are in country areas. In Barker, for example—my electorate—the residential aged care funding translates to seven beds at the South East Regional Community Health Service at Mount Gambier, six beds at Pinchunga at Penola and six beds at the Naracoorte Health Service. I was personally congratulated in the street the other day by the person in charge of the Naracoorte Health Service. They were tickled pink. They thought they would be lucky to get two beds, so they were absolutely over the moon when they received six beds. The Murray Mallee Aged Care at Murray Bridge received 15 beds; Mary Cecilia Hart Court Hostel in Millicent received 15 beds; HCS, which is in the Fleurieu, Victor Harbor, received 15 beds; Longridge Retirement Village in Naracoorte received five beds; and Kiana Encounter Bay received 17 beds, plus an extra status of 50. Most importantly—I was very pleased with this because of the amount of the work that I did with the minister and the department—there are over 100 new places on the Fleurieu Peninsula for Port Elliott, Victor
Peninsula for Port Elliott, Victor Harbor and Yankalilla.

Last month I was delighted to attend the launch of the Aged Housing Group at Yankalilla. This group put an enormous amount of time and effort into well coordinated funding submissions that drew on resources from both the Commonwealth and state governments. It was a good partnership, as well as a very strong commitment from the Yankalilla District Council which they ought to be proud of. The local community has been absolutely stunned by their success. They will now be able to build a top class facility that will service the aged care needs of not only Yankalilla but also the surrounding areas. I am delighted that they have been awarded funding for 60 beds in their new facility. I would urge all rural communities to follow their well planned example to assist the aged and frail in their community. As well, there will be a new 40-bed facility servicing Port Elliot and Victor Harbor.

Young people in the electorate of Barker have also been assisted by the government’s funding allocations. For example, the Murray Bridge Christian College was awarded $295,000 under the Commonwealth capital grants program. The grant will go towards the construction of a new library—dare I mention the Knowledge Nation—with a storeroom and computer facilities, a special education area and a staff administration area. This will also be designed around a common internal courtyard providing a very pleasant outdoor environment for its students. As well, the Glendale Christian College has been awarded a grant of $790,000 under the Commonwealth grants program. The grant will go towards the relocation of the entire junior school campus which will necessitate the construction of 13 general learning areas, a physical education building, library, administration area and student amenities. The grant will also assist in the purchase of new furniture and equipment.

Initiatives such as this recognise the demand from the community for improved literacy standards, safe and drug free schools and a greater focus on the quality of teaching. Recognising that family needs in today’s world are changing and the need for safe and secure care out of school hours, the coalition government has also committed $52,000.

Mr COX (Kingston) (10.17 p.m.)—The issue I want to discuss tonight is the bid by Royal Dutch Shell for Woodside Petroleum. The national interest test that should be applied in the case of the current foreign investment application is that exploration and development of the North West Shelf not be impeded by the conflicting interests of Shell. Those conflicting interests are in Brunei, Oman, Malaysia and Russia—Sakhalin Island. It is critical that, in applying the national interest test under the Foreign Acquisitions and Takeovers Act, the government gets it right because, once approval is granted, its influence will be minimal.

The wide ranging opinion of Professor Ian Harper, written for Shell, concludes that there are no national interest issues that require the government to exercise its foreign investment power. Most of it deals with issues that are not critical to the national interest in this case. It is weakest on the single issue that is critical—the national interest test described in my first paragraph. Professor Harper’s opinion deals with the issue in a theoretical manner. It does not work through the detail of Shell’s conflicting LNG interests or the extra influence Shell would have as operator of the North West Shelf. Instead, we are asked to accept that Shell has no influence where it does not have total control, and that Shell’s best interests are served by each of the projects in which it has a stake competing aggressively for new business opportunities, free from any overarching Shell agendas.

Professor Harper’s economic theories are blown apart by a report in a Scottish newspaper, the Evening News, that takes an interest in the world petroleum industry, probably because of its proximity to the North Sea. On Friday, 15 December 2000, it quoted Raoul Restucci, the Chairman of Shell Australia Investments Ltd and the executive of Royal Dutch Shell who is in charge of that com-
pany’s bid to take over Woodside Petroleum, as saying:

If Shell wins control after the shareholder vote, probably in late March or April, it will aim to stop Woodside competing directly with Shell, as it has in liquefied natural gas receiving terminals in China and India.

That is nothing short of a confession that Shell’s intentions for Woodside are to stop it competing with Shell’s other interests. When the Prime Minister and the Treasurer examine the national interest issues relating to this bid, that statement by the man who is driving Shell’s bid should be at the front of their minds. In making its decision on the national interest test, the government should be looking at commercial reality, not economic theory. That is a view backed up by a recent piece of analysis published by Salomon Smith Barney that canvasses the conflicting interests of Shell, including where it ‘is effectively competing with the North West Shelf project in an initial tender’ in China, and concludes:

We believe the FIRB decision must address the potential for conflicting situations that may be contrary to the North West Shelf or Australia's national interest.

In the face of this evidence—particularly Mr Restucci’s self-confession that Shell has a conflict with the interests of the North West Shelf—the Prime Minister and the Treasurer ought to be prepared to say whether they are prepared to act to protect Australia’s national interest. To date Shell have not commented publicly on the Restucci statement. They have, however, given very general assurances that Shell’s interests would not impede development on the shelf. General assurances by Shell about the project have something of a history, as revealed by Kevan Gosper in his autobiography, co-written by Glenda Korporaal, *An Olympic Life*. Kevan Gosper was once a senior Shell executive. The book tells how, in 1981, Gosper had advised Shell’s board that the Australian government was stable and reliable and would not shift the goal posts on issues such as the tax regime and licences. Gosper then goes on to say:

Just as I arrived back in Australia, the Treasurer, John Howard, announced, with little notice, that he was inviting Shell Australia to sell 25 per cent of its shares on the Australian Stock Exchange. The announcement sent shock waves through all international companies based in Australia and raised serious concerns with my shareholders who wondered if I could continue to deliver on the North-West Shelf project.

I found out that a friend of mine, Sir Peter Derham, was hosting a dinner at the Hilton which Malcolm Fraser was attending. I got myself an invitation to the dinner, sat next to the Prime Minister and gave him a strong serve about his government’s announcement about Shell putting 25 per cent of its shareholding on the market. For an international company any decision to float off part of its capital on a local market had to be its own decision, not the government’s. There was also a concern that if Shell agreed to this suggestion, any other international company operating in Australia could be faced with a similar request. I told Fraser that if the Government insisted on the sell off, I couldn’t guarantee that the North-West Shelf project would go ahead with Shell’s involvement. ‘You are changing the rules, moving the goal posts,’ I said.

Fraser said to me: ‘What you’re saying is, we got it wrong.’ I remember replying: ‘Have you ever, Prime Minister!’ He advised me to talk to Howard and other key ministers such as his deputy, Doug Anthony, Billy Snedden, Phillip Lynch and Ian Sinclair. For the next two weeks I practically lived in Canberra, meeting all these ministers and pointing out the importance of having a stable and consistent government policy. I never threatened them—you never threaten government—but I went to great lengths to explain to them the importance of our investment in the North-West Shelf and how Shell may have to rethink the project if it were forced to sell off 25 per cent of its corporate presence in Australia against its wishes. Howard then took the unprecedented decision of suggesting that we both make a joint statement saying that it wasn’t a good time to be talking about an international company having more local shareholding but that Shell Australia would endeavour to ‘augment’—Richard Searby’s magic word—local participation in any future resource investments and the matter was dropped.

Richard Searby is now one of the independent directors of Woodside, so he has moved on—but how far? This story makes two relevant points. The first is that Shell are past
masters at using nebulous phrases to give meaningless and unenforceable assurances about the company's future intentions in relation to the project. The second is John Howard's previous foreign investment policy failure in relation to the project, a failure in terms of both policy development and implementation.

The question is: what options are available to the government short of rejecting the application to ensure the national interest is protected? To do that, the government must consider what additional influence Shell would have on the joint venture. When a $440 billion company makes a bid for control of a $10 billion company, it is not a merger; it is a takeover. If Shell's bid is successful, it will transfer substantial assets and liabilities into Woodside and lift its stake from the current 34 per cent to 60 per cent. Shell's direct 16.7 per cent interest and the 16.7 per cent interest of this 60 per cent Shell subsidiary will give it one-third of the votes in the North West Shelf joint venture.

But what is more important than its substantial minority interest is that Woodside is the North West Shelf operator and that, in acquiring the operatorship, Shell gets a degree of influence that goes well beyond its percentage interest. It will control the information and processes for managing the project. This is a sensitive matter for the non-Shell joint venture partners, and it should be for the government. The chairman of Shell Australia and the CEO of Shell Development Australia recognised this sensitivity in an email I received two weeks ago saying:

Shell has indicated its willingness to enter into discussions with its joint venture partners in the NWS to review post-merger governance arrangements, if these are required to give further assurances.

Changes to governance arrangements could range from window dressing to the substantial, and need to satisfy both the joint venture partners and the government. I would put any commitments to an independent chairman and a substantial minority of independent directors on the Woodside board in the category of window dressing. After all, it would be Shell, with a 60 per cent stake, who would appoint the majority of the board. These and other changes to the various formal and less formal operating arrangements might offer some comfort, but will doubtless come under great pressure sooner or later, particularly if there are further attempts to concentrate ownership.

Given how fluid these commercial arrangements can be and how little capacity the government has to police the national interest implications of future changes, it should be very wary of propositions in these areas. There have been reports that more than one of the non-Shell partners want to ensure the operator remains independent. If that is being put to the government from within the joint venture, then that is something it should take very seriously.

In deciding whether there are satisfactory conditions it could impose to protect the national interest, the government must ensure that they will be effective, including in the face of possible future changes to the ownership arrangements. If the government cannot devise an effective set of conditions that are acceptable to Shell, or if the company is unable or unwilling to amend its application to satisfy the national interest test, Shell should be told to withdraw its application, to avoid rejection. The only thing that can save the government from these difficult decisions is a white knight, preferably an Australian white knight, who does not have the conflicting interests that Shell has and is prepared to give the shareholders full value.

Since this is a debate on appropriations legislation, I would also like to talk about the state of the budget. Since I last had the opportunity to speak in this place on the state of the Commonwealth budget, the government has released its midyear economic and fiscal outlook. I seek leave to incorporate in Hansard a table that shows the effect of policy decisions made by this government up to the 2000 midyear review and a table that shows how, over the Treasurer's first five full budget years, the reduction in net debt is expected to be $52.2 billion, of which $50.3 billion will be derived from asset sales.

Leave granted.
The documents read as follows—

NET IMPACT OF POLICY DECISIONS 1996 TO 2000 ON OUT-YEARS

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(Note change from cash to accrual accounts in 1999)

Positive numbers represent improvements to the budget bottom line. Negative numbers represent a deterioration in the budget bottom line.

Source: Compiled from the reconciliation and measures tables in the Budget papers and Mid Year Economic and Fiscal Outlook for 1996 to 2000

CONTRIBUTION OF ASSET SALES TO REDUCTION IN COMMONWEALTH NET DEBT

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Columns may not add due to rounding

Source:
OASITO sales list
Budget Paper No. 1 2000

Mr COX—Thank you. In the midyear review of its budget, the Treasurer and the Minister for Finance and Administration said that the Commonwealth’s fiscal outlook has strengthened since the 2000-01 budget. The expected underlying cash surplus for 2000-01 has increased by $1.5 billion to $4.3 billion, with a revised fiscal surplus of $8.4 billion. This improvement was entirely as a result of parameter changes—that is, changes that are not the result of explicit policy decisions of government but rather the drivers of revenue and expenses that result from existing policies such as economic growth, inflation, wages, employment levels, and the number of Centrelink beneficiaries. Assumptions about strengthening revenue added more than $4 billion. Expenses grew by almost $1 billion and net capital investment was adjusted by almost $400 million. The effect of the government’s policy decisions made since the budget was handed down, however, had quite the opposite effect on the budget’s bottom line. Policy decisions taken between the budget and the midyear review weakened the budget bottom line by more than $2 billion over the remainder of this financial year and the three out years.

Mr Speaker—Order! It being 10.30 p.m., I propose the question:
Tuesday, 27 February 2001

That the House do now adjourn.

**Public Education Day**

Ms HALL (Shortland) (10.30 p.m.)—I rise to speak tonight about Public Education Day, on 15 March, when public schools and colleges will be celebrating and sharing with their local communities the excellent work and achievements of the students and teachers in our great public education system. It will be a day when the community learns about what is happening in their local public schools and colleges and the challenges being faced on a daily basis by both students and teachers. Public Education Day is supported by peak parent bodies, principal organisations and the Teachers Federation. It is a unique opportunity to learn about our great public education system and to say thank you to the school communities in our local areas.

On 15 March, public schools and colleges will be involved in a number of activities. Morning teas will be held with the parents and citizen organisations and students in the local schools to tell the community about the great things that are happening in their schools. Barbecue lunches will be held for community members and new parents. A number of theme days such as grandparents day and generation day will be held, inviting parents and prominent ex-pupils to the schools and out into the community. There will also be performing arts groups and fitness displays. The purpose of these activities is to tell the community about what is happening in their community. The member for Braddon has told me that he also will be involved in his local area. It is a great idea, and I will be joining with the teachers, students and parents from one of my local high schools—Belmont High School, the school my children went to—and I can attest to the high standard of education, the dedication of the teachers and the supportiveness of the school community.

Why have our public schools and colleges declared 15 March Public Education Day? One reason is of course to tell people about what is happening in our schools and to share their achievements with the community. But I also believe that the public education institutions in our communities are under threat from this government. This government has directed money towards private schools and private colleges and has reinforced the private system at the expense of the public system. For instance, the enrolment benchmark has devastated public schools. We have 70 per cent of students attending public schools and 30 per cent of students attending private schools, yet this government delivered a bonanza to the 61 richest schools in this country—the category 1 schools. What have they done since they received this bonanza? They have hiked up the fees. They have put the fees up in their schools. This government is working towards a two-tiered education system, just the way it has worked towards a two-tiered public health system. Its approach to education is that, if you have money, you pay for it and you deserve to get a quality education. For the normal, ordinary, average Australian who relies on the public system, this government is punishing those students in the public system. So the teachers, the school communities and students feel that they need to get their message out into the community, to share with the community the wonderful things that they are doing and to ask for the support of the community.

Whenever I visit one of our outstanding public schools or colleges, I am overwhelmed by the achievements of the teachers, students, parents and other volunteers. The commitment of our teachers to our children—the students—is wonderful. The tragedy is that this great public education system is under threat from this mean, miserable government. I call on all members to contact their local public schools and colleges on 15 March and show their support for the achievements of these fine and outstanding institutions. Join with them, support the community, support the students and support the teachers.

**Kalgoorlie Electorate: Mining Operations**

Mr HAASE (Kalgoorlie) (10.35 p.m.)—I rise this evening to bring to the attention of the House a survey currently being conducted by Western Mining to determine the
future of the town of Leinster in Western Australia—not something that we hear a
great deal about these days but, unfortu-
nately, a common occurrence in Western
Australia. Mining operations and the de
velopment of resources in the Kalgoorlie elec
torate in Western Australia were so often
achieved by the establishment of towns and
all the infrastructure that goes with that.
Since 1984, and the decimating FBT intro
duced by the ALP, we have seen companies
move more and more to an arrangement of a
fly-in fly-out work force. This fly-in fly-out
work force has taken not just the wealth from
towns but, more than that, the heart from
towns. This arrangement has taken away
their character; it has destroyed the critical
mass necessary to provide all of the infra
structure necessary for a community to exist.
Sporting clubs have been decimated, volun
teer fire brigades have been destroyed, the St
John Ambulance can no longer be staffed
and swimming pools no longer have atten
dants and have to close. There is no end to
the destruction caused by the introduction of
FBT into remote area mining develop
ments—in particular, its effect on the provi
sion of remote area housing.

Thank goodness this government has had
the good sense to revoke the effect of FBT
on all employer provided houses in remote
areas. But it seems that this is not enough.
Having had the opportunity to cast the net of
employment extremely widely and employ
people who are now cosily residing along the
coast in primarily city areas, we now have
created a situation whereby people believe
that they will enjoy a career in the mining
industry but will no longer have to live in
remote Australia and endure its rigours.
The downside of this, however, is that
families are without one of the parents for
extended periods of time. The partner re
mained at home has to carry the sole re
sponsibility of looking after the domestic
situation and looking after the upbringing of
children. Furthermore, children often voice
the opinion that they are sick of seeing one
of their parents only occasionally. I believe
that children deserve to have the influence of
both parents in their developing years. The
arrangements of fly-in, fly-out workforces do
not provide for this. More and more I am
hearing that welfare agencies are being pres
sured by the results of fly-in, fly-out—the
destruction of domestic situations. More and
more I am hearing from mine managers who
speak of the increased discontent of employ
ees because they are away from their spouse
for extended periods of time.

There is a remote possibility that one
way—after having dangled the carrot for so
long on this issue—to rectify this is to use a
little stick. Perhaps it would be interesting to
see the effects of applying a fringe benefits
tax to those costs apportioned to the airfares
of employees flying in and flying out of
workplaces. It may bring to an end, once and
for all, the practice of having communities
decimated in the bush.

Veterans: National Service

Mr SIDEBOTTOM (Braddon) (10.40
p.m.)—On Sunday 18 February I had the
great pleasure of sharing the speakers dais
with Lieutenant General Peter Cosgrove at
Longford in Tasmania in the beautiful elec
torate of Lyons. I was there as patron of the
Mersey Regional Branch of the National
Servicemen’s Association and also the
Burnie Branch of the National Servicemen’s
Association, among hundreds of ex-nashos,
celebrating the 50th anniversary of national
service in Australia.

I remember commenting that the story of
peacetime conscription was a rather contro
versial one in our country, and yet, for all
that, it was about young men whose lives
were brought together to train, to serve and,
ultimately, to defend this nation. It was in
every sense of the word ‘national service’:
young men were conscripted, their lives were
changed and some, unfortunately, lost their
lives. In all, some 287,000 national service
man trained for, and served, their nation.

There were two main periods of national
service between 1951 and 1972 and each of
these surrounded real and/or perceived
threats to our national interest. Between 1951
and 1959, it was in the context of the Cold
War, the Communist victory in China, the
Malay situation of 1948 and the outbreak of
the Korean War in 1950. It was designed to build up our depleted forces after World War II, to raise a force of partially trained men and ‘to improve physical fitness and the discipline of young men’. Between 1951 and 1957, about 33,000 young men per annum trained—all but 5,000 in the Army—in effect, spending something like three months in training and then three years in the CMF. In 1957, universal obligation was abolished and replaced with a selective training system which was eventually abolished in 1959.

In 1965, events in South-East Asia and, of course, closer, including New Guinea, saw a reactivation of the previous system, with conscripts being liable for overseas service. Apart from these strategic considerations, it was a time of full employment and recruitment figures were allegedly low. Selection for military service was by ballot—variously dubbed ‘Russian roulette’ and ‘the birthday ballot’. Between 1965 and 1972 over 800,000 registered for national service. Of these, 64,000 were called up, 19,500 served in Vietnam alongside 21,000 ‘regs’, 200 were killed with 1,279 non-fatal casualties alongside 242 regulars killed and 1,500 non-fatal casualties. National service was abolished on 5 December 1972.

Over 287,000 men had their lives interrupted, spent time and effort to be trained and were on call to defend their country. Some 200 died in service and over 1,200 were injured. They deserve our thanks. Whatever their views were on national service—and many supported and enjoyed it—they were conscripted for training in peacetime. Their lives were in the hands of others—they had no choice. They did their job and many found fellowship in each other’s company, especially with the formation of the National Servicemen’s Association of Australia in 1987—in my home state in 1995.

But their compulsory service is not formally recognised by this nation. This is not politics; this is a fact—a fact I raised before in the federal parliament in May 1999 after I learned of the situation. In 1998, the Minister for Veterans’ Affairs said—and it has since been reiterated right up until recently:

National service was no more demanding than normal peacetime service and does not, in its own right, warrant the award of a medal.

But normal peacetime service is voluntary—national service was compulsory. National servicemen had no choice, but serve they did at the behest of their government and their nation. The National Servicemen’s Association’s request to have national servicemen’s compulsory service recognised by the issue of an Australian Service Medal with a clasp for national servicemen has been rejected. Yet there is no real reason why it should be. I believe that members on both sides of the House should support their call. Many others get formal recognition for far less. Their call should be accepted.

**Farm Forestry**

Mr BILLSON (Dunkley) (10.45 p.m.)—I rise tonight to talk briefly about farm forestry. As we know, farm forestry is about incorporating commercial tree growing into conventional farming systems to enhance and diversify agricultural production and farm income and also to improve the health of our natural systems. Farm forestry can take many forms and is widely recognised for its potential role in responding to the economic, environmental and social challenges that face many areas in rural and regional Australia. These challenges are the increasing impact of dryland salinity, the declining water quality of many inland river systems, the loss of native vegetation and biodiversity in our landscape, and also the steady fall in some areas of farm and rural sector incomes.

In our country of Australia there is an imperative to develop farm forestry systems that contribute not only towards natural resource management and forestry capacity generally but towards conservation objectives as well, to complement commercial timber production. To do so, we need to ensure that our farm forestry managers have the guidance and training to look after that shared objective of providing for commercial timber production as well as securing con-
To deliver that, I was pleased to represent the Parliamentary Secretary to the Minister for the Environment and Heritage, at the table, Dr Sharman Stone, at the launch of the National Graduate Program in Farm Forestry at the ANU yesterday. That program is designed to ensure that our farm forestry managers have the horsepower, talent, knowledge and expertise not only to enhance the commercial timber production capacity offered by farm forestry but also, in a complementary way, to secure conservation objectives.

The federal government has contributed $45,000 from the Natural Heritage Trust’s Bushcare program to support the development of this national graduate program. That Bushcare became involved is recognition that farm forestry can play a role in reversing the decline in the quality and extent of Australia’s native vegetation. It can help to restore, through revegetation, the environmental values and productive capacity of our degraded land and water systems. The program is the work of the ANU’s Professor Peter Kanowski and Jim Pratley from Charles Sturt University, who have put a lot of time into developing this program. It is actually available as an external studies online course. It involves a number of units and I will briefly run through those: the sustainable management of native forests; the planning and design of farm forestry plantations—not only to secure the timber production opportunities that farm forestry presents but to conserve some of the biodiversity values in the area where the plantations are being established—how to assess the regional benefits and the economic viability of farm forestry so that advice can be provided to the land-holders on how best to pursue farm forestry as part of an integrated farm management plan; how to assess the flora and fauna biodiversity in the area where the plantation is to be established; and how to measure trees and forests. Some people might think, ‘What is measuring trees and forests about?’ It is important to recognise that many land-holders have the real estate to support the establishment of farm forestry but not necessarily the capital to set up the crop in the first place. Where you bring in external investors to facilitate the establishment of farm forestry, those investors are wanting to know that their asset is valued, secure and being enhanced through sound farm forestry practice.

Also, in measuring the forest itself, we know that forestry generally, and farm forestry in particular, has a particular contribution to make in the sequestration of carbon. Our greenhouse responsibilities require us to look at opportunities to withdraw carbon from the atmosphere as part of our responsibilities under the Kyoto protocol, and farm forestry can play a role there. But we need to be serious about measuring the role that forestry plays. We do not want to go off to other parties to the protocol and say our farm forestry productions have achieved this and that but we cannot actually measure it.

This new national graduate program is a really thoughtful and sensitive response to commercial barriers where, if we cannot demonstrate sustainable forestry practice, we have difficulty getting our timber production into the marketplace. It recognises the investment culture that is supporting the expansion of farm forestry. It is also recognising that enhanced farm forestry management can play a role in greenhouse abatement strategies. So I commend the ANU and Charles Sturt University on this initiative and encourage anybody that wants to be at the leading edge of farm forestry into the future to make sure they are tooled up with the best possible knowledge, and we will be certain that the farm forestry managers in Australia will be world class as a result of the graduate program launched yesterday. (Time expired)

Second Sydney Airport: Sydney West

Mr MURPHY (Lowe) (10.50 p.m.)—The government’s announcement to expand Sydney (Kingsford Smith) Airport and make Bankstown Airport an overflow airport for jet aircraft raises serious questions about the operation of the Airports Act 1996. On 6 February 2001 I asked a series of questions on notice about this matter and I draw your attention to question No. 2305. Yesterday I
asked a further series of questions under No. 2374 that deal directly with this central issue.

What is the central issue? The issue concerns the operation of specific provisions of the Airports Act in light of the government’s decision. In particular, I draw to the House’s attention the provisions of sections 11 to 22 inclusive of the act. In particular, section 18 of the act is entitled, ‘Sydney (Kingsford Smith) Airport and Sydney West Airport are to be under common ownership’. Section 18 says that ‘under a grant of lease under this Act or under section 22 of the Airports (Transitional) Act the Commonwealth must not grant an airport lease under section 13 of this Act, or under section 22 of the Airports (Transitional) Act 1996, for Sydney (Kingsford Smith) Airport or Sydney West airport unless each of the airport lessee companies is a subsidiary of the same company’.

This raises a number of questions that pose difficulty for the government if it intends to implement the proposal it has put to the people. I use the word ‘proposal’ guardedly. A ‘proposal’ is a prescribed term that is submitted by a ‘proponent’ under Commonwealth environmental protection law. In this case the Department of Transport and Regional Services is the proponent to the Badgerys Creek airport proposal known as Badgerys Creek airport. Badgerys Creek airport, in turn, was the result of a two-site selection process conducted in the mid-1990s between the Holsworthy and Badgerys Creek sites. To date Badgerys Creek is the designated site for Sydney West airport and, notwithstanding a supplementary environmental impact statement, Badgerys Creek remains the designated proposal for Sydney West airport.

That is what makes this government’s rhetoric on Bankstown airport as an ‘overflow’ airport so inconsistent with the act. Bankstown airport is not Sydney West airport. However, it is clear that the statutory intent is that each of the airport lessee companies, or owners, of Sydney (Kingsford Smith) Airport and Sydney West airport must be a subsidiary of the same company. So what does this mean in practice? The objective of placing an airport in Western Sydney is to relieve persons affected by aircraft noise from Sydney (Kingsford Smith) Airport.

I say again that, as at today, Badgerys Creek remains the proposal for the Sydney West airport. This is the reason why I support an airport there. It is because, in light of the act, if we do not support the statutory proposal as assessed under a full environmental impact statement, a number of serious statutory implications may result. And what are those statutory implications? A reading of the second reading speech by the then Minister for Transport and Regional Development, the Hon. John Sharp, for what became the act reveals that it was never intended that Sydney (Kingsford Smith) Airport be sold until that airport’s noise problems were solved. The solution to the noise problems as devised by this government are twofold: (1) develop a new, 24-hour international airport in Western Sydney; and (2) implement the long-term operating plan by implementing both noise sharing flight modes and respite periods.

The impact of the decision to sell Sydney (Kingsford Smith) Airport alone is that it makes ambiguous the operation of the granting of a lease to the lessee of Sydney (Kingsford Smith) Airport at a time when Sydney West airport does not as yet exist. The question I put to the Minister for Transport and Regional Services and the Attorney-General is: what is the statutory operation of section 18 and related provisions of the act in light of this fact? My question goes to the temporal nature of this provision—that is, must the sale of the 50-year lease for Sydney (Kingsford Smith) Airport be contemporaneous with the sale of a lease for Sydney West airport? If not, how is the act to be read?

I put to the minister that any reading of the act other than by grant of contemporaneous granting of both leases creates interpretational and administrative difficulties in the operation of the act as it presently stands. In particular, if we believe what the then Minister for Transport and Regional Development, the Hon. John Sharp, said in his second reading speech of the Airports Act
1996—as I read out in this House on 8 February 2001—the act was clearly designed to protect the people of Sydney from adverse aircraft noise impacts from Sydney airport by delaying the sale until the long-term operating plan is fully implemented. To achieve this, the government hard-wired the lease of Sydney airport to Sydney West airport in the act, thus affording statutory security for residents affected by noise from Sydney airport. A reading of the provisions of the act and the minister’s second reading speech of the Airports Act clearly demonstrates this.

However, the recent decisions of the government for Sydney and Bankstown airports require a contorted interpretation if the purpose of the act is not to be breached altogether—that is, in the leasing of Sydney (Kingsford Smith) Airport alone before Sydney West airport is built and the long-term operating plan fully implemented. For this reason, I call upon the Minister for Transport and Regional Services and the Attorney-General to immediately shed light to this House as to how the Airports Act 1996 is supposed to operate without alteration, in light of the government’s intentions for Sydney (Kingsford Smith) Airport and Bankstown airport. (Time expired)

Veterans: National Service
Barker Electorate: Government Grants

Mr SECKER (Barker) (10.55 p.m.)—Before I go into what I was prepared to say, can I give my support to what the member for Braddon was saying earlier. I think there is no doubt that we should be giving recognition to our national service people, whoever they were. I think it was quite disgraceful how especially our Vietnam veterans were treated when they came home. They were not welcomed back, and I believe that they were the only group that fought for this country who were not. Whether we believed it was a right or wrong fight, they should still have been welcomed back home in the proper way instead of having to wait 10 years for the welcome home parades. There is no doubt that it was because of the politics of the time—the fact that we had a Whitlam government at the time of the Vietnam war—that these national servicemen who served in Vietnam were disgracefully treated. One of the few things we can do is support what the member for Braddon suggested.

One of the things that we need to recognise as parliamentarians is that family needs in today’s world are changing and there is a need for safe and secure care for children out of school hours. The coalition has recognised this and has committed $52,000 to an out-of-school-hours care program that goes across South Australia, with a fair hunk of that going to my electorate of Barker. Funding for an extra 75 places in out-of-school-hours care has been granted to Victor Harbor and Yankalilla. I was very much personally involved in the Yankalilla case, where funding of $2,055 was provided to the Yankalilla Primary School as a one-off grant for the purchase of play equipment and educational resources. A further $7,755 will be granted annually over a two-year period to assist with the establishment of that service. The funding will also help provide for another 30 vacation care places. The Victor Harbor reception to year 7 school was granted a one-off equipment and set-up grant of $3,544, and it will receive a recurrent establishment grant of $13,377 for two years to provide for another 45 vacation care places. In terms of a huge government budget, these are only small amounts, but I can assure everyone in this House that they are very warmly received by the families that make use of those facilities. These areas were identified as being of high need, and the funding is in recognition of the demands of work and family and the need for access to affordable and quality child-care services.

The elderly of the same region also received assistance with a grant awarded under the veterans and community grants scheme of the Department of Veterans’ Affairs. In December, a grant of $29,751 was awarded to the City of Victor Harbor for the Southern Communities Transport Scheme. There is no public transport there, just as there is not in nearly all rural and regional areas in my electorate. Certainly, this was very welcome, because the grant aided the purchase of an extra vehicle to allow the Southern Commu-
nities Transport Scheme to improve and extend their service to veterans and their spouses and to widows or widowers. This is a scheme that provides a very important and much needed service to our veterans and their families from Goolwa, through to Port Elliot to Victor Harbor. Medi Ride provides transport for people to and from medical appointments both locally and in Adelaide, alongside its sister program, Dial a Ride, a community bus service which transports people to businesses and services in Victor Harbor. I would like to congratulate all those involved in this service for their success in obtaining this grant.

Finally, I would like to draw attention to the ongoing commitment that this government is giving to rural financial counselling services. Areas from Kangaroo Island, through the Mallee and the south-east of South Australia have all received extra ongoing funding to continue their services at least until June 2002. In the case of the South East Rural Counselling Service, that funding amounts to $100,000 for the 12 months from the middle of this year.

Mr SPEAKER—Order! It being 11 p.m., the debate is interrupted.

House adjourned at 11.00 p.m.

NOTICES

The following notices were given:

Mr Danby to move:

That this House:

(1) expresses its support for the Commonwealth Director of Public Prosecution’s determination that there is no evidence to suggest that the 1996 Port Arthur shootings was a conspiracy;
(2) condemns those who continue to perpetuate the Port Arthur shootings conspiracy for political purposes, and thus continue to hurt the survivors and the relatives and friends of the victims; and
(3) calls upon One Nation to publicly disassociate itself from those who continue to perpetuate the Port Arthur shootings conspiracy.

Mr Katter to present a bill for an act to amend the Excise Tariff Act 1921, and for related purposes.

Mr Anthony to present a bill for an act to amend the social security law and certain other laws in relation to residence requirements, and for related purposes.

Mr Williams to present a bill for an act to amend the Copyright Act 1968, and for related purposes.

Mr Anderson to move:

That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposal for work in the Parliamentary Zone which was presented to the House on 26 February 2001, namely: Planting of International Tree of Peace.

Mr Slipper to move:

That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposal for work in the Parliamentary Zone which was presented to the House on 6 February 2001, namely: Construction of a permanent crowd safety rail to replace existing temporary arrangements.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Tasmania: Commonwealth Staff**

(Question No. 1283)

Mr Kerr asked the Prime Minister, upon notice, on 16 March 2000:

How many (a) full time, (b) part time and (c) casual staff were employed by the Commonwealth in (i) Tasmania and (ii) the electoral division of Denison on (A) 2 March 1996 and (B) March 2000.

Mr Howard—The answer to the honourable member’s question is as follows:

I am advised that information is not available against the categories and dates specified in the question.

**Goods and Services Tax: Education**

(Question No. 1737)

Mr Kelvin Thomson asked the Treasurer, upon notice, on 14 August 2000:

Has the Government defined what is an education course in relation to the application of the goods and services tax on education; if so, (a) how is that definition applied to adult and community education courses and (b) when was the definition released to the public.

Mr Costello—The Assistant Treasurer has provided the following answer to the honourable member’s question:

Parliament defined the terms “education course” and “adult and community education course” in A New Tax System (Goods and Services Tax) Act 1999, which received the Royal Assent on 8 July 2000. An “adult and community education course” is one kind of GST-free “education course”. Two important elements of the definition of “adult and community education course” are that, broadly speaking, the course of study is likely to add to the employment related skills of the people undertaking the course, and that it is of a kind determined by the Education Minister to be an adult and community education course.

The Education Minister issued a determination on adult and community education courses on 20 June 2000 and the Australian Taxation Office issued a taxation ruling on the meaning of the term “likely to add to employment related skills” on 28 June 2000.

**Veterans: Vietnamese Awards**

(Question No. 1875)

Mr Edwards asked the Prime Minister, upon notice, on 29 August 2000:

(1) Has he received a letter from Mr Bob Buick MM regarding the unfair treatment Australian veterans are receiving from the Government over approvals to wear Vietnamese Awards granted following the battle of Long Tan.

(2) Will he ensure that this matter is reviewed and will he give personal attention to that review; if not, why not.

Mr Howard—The answer to the honourable member’s question is as follows:

(1) and (2) A letter has been received from Mr Buick regarding South Vietnamese awards to Australian servicemen following the battle of Long Tan. This matter has been carefully examined since it was first raised some years ago. I am advised that it was established that the South Vietnamese Government made no awards of medals to Australian veterans of the Battle of Long Tan although it had been that Government’s intention to do so. There is, therefore, no further action that the Australian Government can now take.

**Immigration: Pacific Islands**

(Question No. 2010)

Dr Theophanous asked the Minister for Immigration and Multicultural Affairs, upon notice, on 3 October 2000:
Are the Government’s various visa requirements for skilled and extended family immigration designed to cater only for individuals coming from countries that have the educational and technical base to achieve high levels of skilling; if so, what is the Government’s response to claims that the requirements discriminate against people coming from countries such as the Pacific Islands where skilling opportunities are rarely available.

Will he introduce immigration guidelines which permit a variation in skills assessment such that people coming from those countries where skilled training opportunities are less available, or not available at all, would be given the opportunity to enter Australia on the basis that they can complete their training in this country.

If not, will the Government introduce a special immigration program for people from Pacific Islands, as currently exists in New Zealand, including a program to bring Pacific Islanders to Australia for skills training.

Have Australian parliamentary committees in the past recommended such a course of action.

Has the Government received representations from Pacific Island governments in relation to the availability of visas for Pacific Islanders; if so, what has the Government’s response to the representations.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) No - the Government manages a Migration Program that is non-discriminatory on the basis of race, religion and ethnicity. The Program is designed to select people who satisfy a number of selection criteria, including relevant work experience and qualifications, business skills and capital, and close family links. While some Pacific Island nations may not have educational and training facilities akin to those available in Australia, it is equally true that many Pacific Islanders obtain academic qualifications and employment experience and subsequently migrate on this basis.

(2) The Government will not resile from its commitment to administer a non-discriminatory Migration Program. I note that people from all parts of the world are able to study and work in Australia under existing arrangements. The Government has introduced a range of policy changes to enable overseas students to become permanent residents on the basis of their skills.

(3) See the answer to question (2) above.

(4) I am advised that during the past four years there have been no such major recommendations made by Australian parliamentary committees. However, the Joint Committee on Foreign Affairs, Defence and Trade recommended in its March 1989 report “Australia’s relations with the South Pacific”, that a work experience program be established for South Pacific countries, in particular Kiribati and Tuvalu, to assist their citizens gain access to the labour markets of the more developed nations in the region. The then Australian Government examined this recommendation together with a number of other private sector contract related recommendations and decided not to pursue it.

(5) I am advised that from time to time oral approaches are made from government representatives in the Pacific region to Australian missions about the availability of visas specifically for people from the Pacific region. The Tongan Ministry of Foreign Affairs approached the Australian High Commission in Tonga on 21 September 2000 about the possibility of Australia facilitating the entry of a group of Tongans from the outer island under a work scheme as they were without a reliable source of income locally. The Australian High Commission advised the Tongan Ministry of Foreign Affairs on 6 October 2000 that there was no visa available under Australian immigration law that could be used to facilitate a scheme of the type proposed.

Second Sydney Airport: Location

(Question No. 2046)

Mr Murphy asked the Prime Minister, upon notice, on 11 October 2000:

(1) Apart from Badgery’s Creek, what other sites is the Government considering in relation to the location of a second airport for Sydney.

(2) Is he able to confirm recent media reports which record him as saying that Sydney Airport coped well during the Sydney Olympics.
(3) In light of the success of Sydney Airport coping with the Olympics, does Sydney need a second airport.

Mr Howard—The answer to the honourable member’s question is as follows:

(1) On 13 December 2000 the Government announced its decision that it would be premature to build a second major airport in Sydney. The Government is confident that the policy measures it announced on 13 December, together with commercial decisions by the airlines, will ensure that Sydney Airport will be able to cope with increasing air traffic until the end of the decade.

(2) Yes.

(3) See the answer to (1) above.

People with Disabilities: Telephone Services
(Question No. 2216)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 5 December 2000:

(1) Is the testing of telephone lines by persons with a disability who are dependent on emergency telephone services a necessary function that must be performed once per day.

(2) Can the cost of such services total approximately $90 per year.

(3) Is the $16 telephone allowance insufficient to cover this estimated $90 per year bill.

(4) For the average disability pensioner is this added telephone expense an unjust burden.

(5) Will the Minister recommend a review of the telephone allowance for people with disabilities and who are on a disability allowance for the purpose of raising the telephone allowance in parity with their telephone expenditure which is necessary for the servicing of their emergency telephone system.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided, on advice from the line testing service provider and the Department of Family and Community Services, the following answer to the honourable member’s question:

(1) The testing of a telephone line to verify the line is operable is a commercial service offered by some security firms as part of 24 hour monitoring back to base alarm systems. Telephone line testing is not essential for persons with disabilities, nor is it part of the standard telephone service provided by Telstra in fulfilment of the Universal Service Obligation.

(2) Line tests are generally conducted for the cost of a local call. The intervals at which the testing occurs can be negotiated by the customer. The total cost of the service will depend therefore on the frequency of the testing.

(3) I am advised that the Department of Family and Community Services provides pensioners (including Disability Support Pensioners) and other eligible persons with a quarterly Telephone Allowance. The Telephone Allowance is designed to assist with the cost of rental of a domestic telephone service. It is not intended to cover all the costs associated with telephone usage. The Telephone Allowance is indexed, and currently is $17.20 per quarter for a single person and $8.30 per quarter for each eligible member of a couple.

(4) The decision to obtain a telephone line testing service is optional and a matter of choice by the customer.

(5) This is a matter which falls within the portfolio responsibilities of the Minister for Family and Community Services. The Department of Family and Community Services has indicated a review of the Telephone Allowance is not considered necessary at this stage.

Aboriginals and Torres Strait Islanders: Reconciliation
(Question No. 2226)

Dr Theophanous asked the Prime Minister, upon notice, on 6 December 2000:

(1) Does the Government support the process of reconciliation; if so, why is it opposed to the establishment of a treaty with Australia’s Indigenous population.
(2) Given the positive outcomes of the actions of nations like Canada and New Zealand, who have established treaties with their Indigenous populations, what are his detailed reasons for the belief that the establishment of such a treaty would not be positive for Australia.

**Mr Howard**—The answer to the honourable member's question is as follows:

(1) The Government is committed to the goal of lasting reconciliation between indigenous and non-indigenous Australians. That is why the Government is providing $5.5 million to Reconciliation Australia (the successor to the Council for Aboriginal Reconciliation) to help ensure that the momentum for reconciliation is maintained. In addition, the Government has agreed that contributions to the new foundation will be fully tax-deductible. However, the Government does not support calls for a treaty. It is concerned that a treaty would create legal uncertainty and result in greater recourse to litigation (by both indigenous and non-indigenous parties) to try to define and clarify the terms of the treaty. The Government also believes that the concept of a treaty remains a divisive issue and will not solve the real issues confronting Indigenous Australians, such as social and economic disadvantage. The Government believes that practical and effective measures that address this legacy of disadvantage are the cornerstone of true reconciliation. Accordingly, the Government is spending $2.3 billion on indigenous-specific programmes in 2000-2001.

(2) The reasons for the Government's belief that a treaty would not be positive for Australia are set out in (1) above.

**Aboriginals and Torres Strait Islanders: Reconciliation**

(Question No. 2227)

**Dr Theophanous** asked the Prime Minister, upon notice, on 6 December 2000:

(1) In light of the estimated one million Australians who have attended demonstrations around Australia in support of reconciliation with the Indigenous community, does he consider further concrete action is necessary in the process of achieving real reconciliation.

(2) If so, will he reconsider the abolition of the Council for Aboriginal Reconciliation on 31 December 2000.

(3) If not, how does he propose to further the process of reconciliation without the input of such a source of input on issues facing Indigenous Australians.

**Mr Howard**—The answer to the honourable member's question is as follows:

(1) The government recognises that while progress has been made, the process of reconciliation is not complete. To ensure that the momentum towards reconciliation and the reconciliation process is not lost the government has contributed $5.5 million seed funding to the Council for Aboriginal Reconciliation’s successor body – Reconciliation Australia. Donations to that body have been made fully tax-deductible. In addition the government has also announced the site of Reconciliation Place in the Parliamentary Triangle which, in depicting the shared journey between indigenous and other Australians, will also perpetuate in the minds of the Australian public the importance of the reconciliation process.

The government remains committed to practical reconciliation and overcoming the disadvantage that many Indigenous Australians experience. To this end the government has allocated a record $2.3 billion in targeted programmes for Indigenous Australians this financial year.

(2) No, the Council’s legislation lapsed on 1 January 2001.

(3) The government will continue to receive input on the issues facing Indigenous Australians, including through the Aboriginal and Torres Strait Islander Commission and the processes outlined above.