CONTENTS

CHAMBER HANSARD

Committees—
Electoral Matters Committee—Report........................................................ 27673
Migration Committee—Report................................................................. 27679
Foreign Affairs, Defence and Trade Committee—Report.......................... 27682
Procedure Committee—Report ................................................................. 27687

Statements By Members—
Bass Electorate: Launceston Air Quality Project ...................................... 27689
New England Electorate: Rangers Valley Feedlot ...................................... 27690
Australian Rules Football: Barrie Robran ............................................... 27690
Joint Standing Committee on Electoral Matters ...................................... 27690
Oxley Electorate: Woogaroo Meals On Wheels ...................................... 27691
Telstra: Telephone Call Charges ............................................................... 27691
Wilton, Mr Greg ....................................................................................... 27691
Nugent, Mr Peter ....................................................................................... 27691
Telstra: Telephone Call Charges ............................................................... 27692
Wilton, Mr Greg ....................................................................................... 27692
Cook Electorate: Festival of the Sails....................................................... 27692
Sri Lanka: Appointment of High Commissioner ...................................... 27693

Ministerial Arrangements ........................................................................ 27693

Questions Without Notice—
Sri Lanka: Appointment of High Commissioner ...................................... 27693
HIH Insurance .......................................................................................... 27694
HIH Insurance .......................................................................................... 27694
Economy: Growth ................................................................................. 27694
Howard Government: Advertising Expenditure ...................................... 27696
Electoral Reform .................................................................................... 27696
Howard Government: Advertising Expenditure ...................................... 27697
Education and Training: Funding .............................................................. 27698
Howard Government: Advertising Expenditure ...................................... 27699
Education and Training: Performance ..................................................... 27700
Howard Government: Advertising Expenditure ...................................... 27701
Rural and Regional Australia: Small Business ........................................ 27702
Goods and Services Tax: Survey .............................................................. 27703
Exports: Lamb .......................................................................................... 27704
Howard Government: Advertising Expenditure ...................................... 27705
Howard Government: Advertising Expenditure ...................................... 27708
Howard Government: Advertising Expenditure ...................................... 27708
Employment: Manufacturing Sector ....................................................... 27709
Howard Government: Advertising Expenditure ...................................... 27710
Commonwealth Heads of Government Meeting: Brisbane .................... 27711

Government Advertising Legislation—
Suspension of Standing and Sessional Orders ........................................... 27712

Answers To Questions Without Notice—
Howard Government: Advertising Expenditure ...................................... 27718

Questions To Mr Speaker—
Questions on Notice ............................................................................... 27718

Privilege ................................................................................................... 27718

Occupational Health And Safety (Commonwealth Employment)
Amendment Legislation ........................................................................... 27718

Personal Explanations ............................................................................. 27719
CONTENTS—continued

Petitions—
Fuel Prices ................................................................. 27720
Australian Broadcasting Corporation: Independence and Funding ................. 27720
Pensions: Compensation ...................................................... 27721
Fuel Prices ........................................................................ 27721
Asylum Seekers .................................................................. 27721
Vietnam Veterans: Assistance .................................................. 27722
Kirkpatrick, Private John Simpson ........................................... 27722
Centrelink: Staff Cuts .................................................................. 27722
Medicare: Belmont Office ....................................................... 27722
Medicare: Bulk-Billing ................................................................. 27723
Health: Diabetes ........................................................................ 27723
Child Abuse .............................................................................. 27723
Australia Post: Winston Glades .................................................. 27723
Maroochy Airport: Aircraft Noise ........................................... 27723
Uranium Mining: Jabiluka ......................................................... 27724
Asylum Seekers .................................................................. 27724
Private Members Business—
Proposed Select Committee on Reform of the Opening of Parliament .......... 27724
Banking Services ........................................................................ 27731
Grievance Debate—
Howard Government: Social Justice .............................................. 27739
Hann, Mr Colin ................................................................. 27741
Great Barrier Reef: Coral Harvesting ........................................... 27741
Employment and Unemployment: Hunter Region ....................... 27743
Education: Funding for Non-government Schools .................. 27745
Economy: Globalisation ............................................................... 27747
Drugs: Tough on Drugs Strategy ................................................. 27749
Makin Electorate: Government Funding ....................................... 27749
Sydney Airport: Sale .................................................................. 27751
Third World Debt ..................................................................... 27751
Bundaberg Irrigation Scheme ...................................................... 27753
Bills Returned from the Senate ........................................................ 27755
Excise Tariff Amendment Bill (No. 2) 2001 .................................... 27756
Customs Tariff Amendment Bill (No. 3) 2001—
Second Reading ..................................................................... 27756
Third Reading ......................................................................... 27775
Customs Tariff Amendment Bill (No. 3) 2001—
Second Reading ..................................................................... 27775
Third Reading ......................................................................... 27775
Privilege ......................................................................................... 27775
Family and Community Services Legislation (Simplification and Other
Measures) Bill 2001—
Second Reading ..................................................................... 27775
Adjournment—
HIH Insurance ......................................................................... 27781
Forde Electorate: Centenary of Federation School Essay Competition ...... 27782
Paterson Electorate: Dairy Industry ............................................... 27784
Telstra: Telephone Call Charges .................................................. 27785
Telstra: Privatisation .................................................................. 27786
Centrelink: Call Centres ................................................................. 27786
CrimTrac DNA Database ............................................................... 27787
Notices ......................................................................................... 27788
CONTENTS—continued

MAIN COMMITTEE HANSARD
Appropriation Bill (No. 1) 2001-2002—
Second Reading.............................................................................................................27789
Questions On Notice—
Higher Education Contribution Scheme: Tax Treatment—
(Question No. 1657).......................................................................................................27852
Aviation: Air Operators Certificates—(Question No. 2454).................................27852
Goods and Services Tax: Surgical Shoes and Orthopaedic Footwear—
(Question No. 2494).....................................................................................................27853
Mr SPEAKER (Mr Neil Andrew) took the chair at 12.30 p.m., and read prayers.

COMMITTEES

Electoral Matters Committee

Report

Mr PYNE (Sturt) (12.31 p.m.)—On behalf of the Joint Standing Committee on Electoral Matters, I present the committee’s report, incorporating a dissenting report, of the inquiry into the integrity of the electoral roll, entitled User friendly, not abuser friendly.

Ordered that the report be printed.

Mr PYNE—The cornerstone of our democracy is the presumption that our electoral rolls are free from distortion and manipulation. Accurate electoral rolls give us confidence that democracy works because, regardless of whether you are the richest or poorest person in Australia, at the ballot box we are all equals—we all have just one vote. But in recent times evidence has emerged that this is not always the case. The combined effect of the Shepherdson inquiry, the Ehrmann, Foster and Kehoe cases, the revelation in this report that 445 cases of electoral fraud were referred to the Australian Federal Police in a five-year period, the evidence of witnesses in public hearings, the written submissions to the inquiry, and investigative reports by media outlets like the Courier-Mail, ABC radio in Brisbane, ABC television in Sydney and the Sunday program has shaken confidence in the electoral system.

According to the Australian Electoral Commission’s submission, almost three-quarters of cases of enrolment fraud came from New South Wales. The AEC has evidence of enrolment fraud in Queensland, Victoria, Western Australia, South Australia and the Northern Territory. The Shepherdson inquiry report was able to identify, within the terms of reference of that inquiry, a series of cases of enrolment fraud in Queensland spanning from 1986 to 1997 at state and local government levels.

More anecdotal evidence of bogus enrolments continues to emerge. Yesterday’s cover story by the Sunday program’s investigative reporter Ross Coulthart uncovered more distressing allegations about electoral fraud. The Nine Network’s report included evidence of bogus enrolments at the addresses of car parks and cemeteries. Clearly, we need to make improvements to the electoral system.

The recommendations put forward in this report, User friendly, not abuser friendly, address the integrity of the electoral roll. The report recommends 18 changes to the management of the roll and the regulation of political parties. The majority of the committee, including the Australian Democrats, supports all of the recommendations. A key objective of the committee was to identify the flaws and strengths in current roll management practices and make recommendations aimed at restoring public confidence in the accuracy of the roll.

Whilst the allegations of fraudulent enrolment in Queensland have achieved the most prominence and media comment, the evidence gathered by the committee suggests that this practice is not confined to Queensland. To use the words of Tom Shepherdson QC:

I do not consider that the small numbers of persons who engaged in this practice should necessarily lead the Electoral Commission to believe that such conduct is relatively uncommon. Such conduct is in fact a form of political cheating. These unlawfully cast votes can prove decisive in polls where the margin between winning or losing is small.

The coalition and Australian Democrat members of the electoral matters committee have, in our majority report arising out of the committee’s inquiry into the integrity of the electoral roll, agreed that real reform is needed. I might add that it is the first time since 1993 that the Australian Democrats have not lodged their own minority report but have in fact joined with the coalition.

Key points of User friendly, not abuser friendly include the following. The AEC has made various improvements in maintaining the integrity of the roll through its comput-
erised roll management system and the continuous roll update process. The committee supports the AEC’s further enhancement of this approach. However, we cannot ignore the fact that the requirements for electoral enrolment are often less onerous than those for gaining membership at the local video shop. Indeed, the AEC imposes higher standards in the ballots it conducts on behalf of some trade unions than it does in the election of federal governments.

The committee believes that the public’s confidence in the electoral system would be improved if identification were required for new enrolments and the movement of existing enrolments. This reform was originally recommended by a previous electoral matters committee inquiry and adopted by the government. Unfortunately, the states have failed to agree to a uniform application of identification for enrolment. Because of the importance of bringing about this overdue reform, the committee believes the Commonwealth should proceed with identification for enrolment without the states, if that is required.

Section 85 (1) of the Commonwealth Electoral Act 1918 provides for the creation of new rolls for divisions. The committee has recommended that the AEC investigate the possible use of this section to create new rolls in divisions, such as Herbert, where the accuracy of the roll has been brought into question. This recommendation has the support of Professor Colin Hughes, the Federal Electoral Commissioner from 1984 to 1989, who told yesterday’s *Sunday* program that it would be a good ‘acid test of what’s happened’.

The committee has stopped short of recommending identification for voters when casting their votes, but believes that gender and date of birth should be included on the certified lists of voters used at polling places in elections, to assist AEC staff to ensure that a vote is cast by the person eligible to vote and not by some other person. This is a simple change that would go a long way to eradicating fraudulent voting at elections.

Evidence provided to the committee suggests that the deterrent value of the penalties for enrolment fraud is not sufficiently high. The report recommends that the benchmark penalty for enrolment offences in the Electoral Act be increased to 12 months imprisonment or a fine of 60 penalty units. This will have the added benefit of disqualifying people convicted of these offences from running for the Commonwealth parliament.

The Australian National Audit Office is currently conducting a performance audit of the electoral roll. The committee believes that, as part of the performance audit, it would be useful for the ANAO to test the accuracy of the roll by conducting a data matching exercise. If the exercise is successful, the ANAO should use such exercises to test the accuracy of the roll on an annual basis.

The committee found that one of the main incentives for electoral fraud is gaining control of preselections by both union and non-union forces in the Labor Party. The step from defrauding the electoral roll for the purposes of internal party preselections to voting for fraudulently enrolled electors on polling day is a very small one. For that reason the committee recommends that the principle of ‘one vote, one value’ be enshrined in the Electoral Act to end external influence over political parties. I expect there will be great resistance from the Labor Party to this recommendation. Indeed, in yesterday’s *Sunday* program cover story on electoral rorts Senate Labor Leader and committee member John Faulkner said:

I think any such interference in any Australian political party would be utterly preposterous. I mean, this wouldn’t just go to having an impact on trade union affiliations to the Labor Party. This would cut across all political parties in a whole range of areas.

Mr Schultz—Surprise, surprise.

Mr PYNE—As the member for Hume says, ‘Surprise, surprise.’ The Australian Electoral Commission has a difficult job. An electoral roll will never always be completely correct. In the 1999-2000 financial year the AEC processed 2.46 million enrolment forms. Occasionally some people in the community innocently and unintentionally
forget to change or vary their enrolments. But there is an onus on the Australian Electoral Commission and on us as legislators to restore the public’s confidence in our system of democracy. The electoral roll must not only be beyond reproach but also be seen to be beyond reproach. We must be ever vigilant.

The 2000 presidential election in the United States is a clear example of the dangers of an electoral system that does not have the public’s confidence. The controversies surrounding the electoral college result in the state of Florida have cast a pall over the legitimacy and mandate of George W. Bush’s presidency. This is not a situation we want to see replicated here in Australia.

Mr Speaker, as befits an issue of this importance, there was wide community consultation and participation in this inquiry. The committee received 87 submissions and held public hearings in Canberra, Brisbane, Townsville and Sydney. There was also wide media interest in this inquiry. The committee has tabled its report today in the hope that the government will have time to implement reform before the next federal election. I would like to thank the AEC and members of the community who contributed to this review, particularly the AEC, which made detailed submissions and responses to submissions and also appeared before the inquiry on a number of occasions. I would also like to thank all the members of the committee and the committee secretariat for their contributions to this inquiry and report, particularly Bev, Kevin, Quintin, Slav, Sonia and Christine, and the members of the committee, all of whom showed great forbearance in the face of what was at times a controversial position taken by some members of the committee.

I commend the report to the House and urge the government to make the changes that this report recommends as quickly as possible so that they can be in place before the next federal election, so that we can restore people’s faith in the integrity of the electoral system.

Mr McCLELLAND (Barton) (12.40 p.m.)—It is disappointing and concerning that, in a flow of drama, no doubt, after this report is tabled, the integrity of our electoral system will be questioned for base political motives. The facts of matter are that we have a first-rate electoral system administered, indeed, by a first-rate organisation in the Australian Electoral Commission. Sure, as the Australian Electoral Commission indicated, it is always open to constructive criticism. Indeed, over a number of years constructive suggestions by the Joint Standing Committee on Electoral Matters have been taken on board willingly by the Australian Electoral Commission. So to sensationalise matters, as the majority report does, is really quite unfortunate. We are seeing all over the world tremendous cynicism that so many people in the electorate have, in particular young people who are out there demonstrating against the World Trade Organisation and the like because they feel disenfranchised from the political process. To slander, in many instances unjustifiably, as this report on the Australian Electoral Commission does, can only contribute to and hasten that sort of trend.

My speech was going to focus on looking at how this committee operated. One of the most satisfying things I as a member of this parliament have had to do is to participate in the committee process. Committees under government chairs that I have been on have been really first class and have really made some constructive suggestions on the development of policy and legislation. Regrettably, this was not such a committee and, quite frankly, while I appreciate the work done by the committee secretariat, I must express my sympathy for what they had to go through, and I know that we had at least one resignation along the way because of the intolerable circumstances that they confronted.

I say this in the context of what we have in this country as a cornerstone of a system of responsible government, and that is a system where the executive—that is, the ministers of the Crown—are accountable to the Australian people through the parliament. One of the instruments of that process of
accountability has been the committee system. How dangerous does it become when the committee itself is used as a sword for the executive? The blatantly political terms of reference that this committee had, dismissing the former chair and bringing on a chair for a specific purpose of blatantly discrediting the Labor government in Queensland and trying to draw into controversy federal Labor members of parliament, is an example of the executive using the mechanisms and the procedures of this parliament for its own purposes. We as parliamentarians, no matter what side of the fence we sit on, should be deeply concerned about that.

The procedures adopted by this committee were really quite outrageous. They were throwing subpoenas around like confetti. The Australian public must be aware that being summoned by a committee of the parliament effectively deprives an Australian citizen of their liberty for a day. As I say, subpoenas were thrown around like confetti. In the case of one of the witnesses, Lee Bermingham, who was likely to be referred to this parliament for contempt of parliament—the parliament itself having extremely broad coercive powers—that was going to occur in circumstances where there had been no personal service of the subpoena, there had been no endeavour to ascertain the witness’s availability to give evidence and there had been no conduct money, as required in all court rules, to facilitate that person’s coming and give evidence and assist them to do so. That is one circumstance where an Australian citizen can be deprived of their liberty by a committee of this parliament acting at the direction of the executive. Then the next step is when they get before the committee.

We have in this country a fundamental reverence, if you like, for the concept of procedural fairness, and that is that if you are going to face allegations you should be forewarned of those allegations and be given the opportunity to rebut them. In our minority report we contrast the fundamental principles of procedural fairness with the medieval star chamber. When people were brought before the famous star chambers they were required to swear an inquisitorial oath, which effectively required them to meet charges and declare their own innocence, to prove that they were not guilty. We in fact witnessed, in this committee, a taking of the concept of the star chamber one step further. Not only did we put allegations to witnesses; we effectively said to witnesses, ‘Well, what are the allegations that have been made against you?’ For instance, we refer in our minority report to a question by the chairman on 29 January 2001 when he said to Mr Mooney, who was himself facing serious allegations before the Shepherdson inquiry:

Therefore, what are the allegations in front of the CJC about fraudulent enrolment involving you? I defer another question to when the CJC’s interim report recommends that you be referred to the DPP. So what are the allegations before the CJC regarding your role?

So here is an Australian citizen compelled to attend before a committee of this parliament—

Mr Pyne—I thought it was important to know.

Mr SPEAKER—The member for Sturt!

Mr Pyne—Why don’t you look at the report rather than playing the man?

Mr SPEAKER—The member for Sturt is in defiance of the chair.

Mr McCLELLAND—and the committee of this parliament says, ‘Well, you tell us the allegations that have been made against you and then prove your innocence.’ That is outrageous; that is taking the concept of the star chamber even one step further. This is something the Australian public should be very concerned about. Indeed, I think in years to come scholars will look at the conduct of this committee and express their very grave concerns about what has transpired. It has fundamentally breached any concept of procedural fairness, it has been an arm, or a sword, of the executive, and it has been used for blatantly political purposes.

We should all be quite ashamed at how this committee has conducted itself. And it was all in the context where, yes, we concede that there were serious allegations being made, particularly in the state of Queensland, but there was a professional organisation, the
Shepherdson inquiry, taking place with professional cross-examiners and professional advocates testing the evidence and giving people the opportunity to rebut those allegations. Indeed, I note that, because of the shemozzle of how the evidence before this committee came out, virtually no findings are made on the basis of evidence before this committee but, instead, the majority report harks back to the findings of the Shepherdson inquiry, where these issues should have been tested. A committee of this parliament should not be used to investigate criminality. That is the job of a specialist judicial inquiry and ought not to be pursued for blatantly political purposes, using the tremendous coercive powers that this parliament has.

In our minority report we address a number of concerns. We vehemently and strongly say that the Australian public are entitled to an electoral system that they can be proud of, and we are convinced that they can be. What we do not want to see, however, is for blatantly political purposes huge sectors of this society being disenfranchised, such as, in particular, the most vulnerable in our community, the indigenous populations, who do not have access to identification. Indeed, we have heard throughout the evidence how easy it is for this identification to be fabricated. The Westpac Bank found in their survey some 13 per cent of birth certificates presented to them were fabricated. So without effective means of cross-checking, which we emphasise, presenting some form of personal identification would be futile. At the same time, it would disenfranchise large sectors of the community, as indeed would shutting off the rolls so far away from the election, as this government majority report proposes. On our estimates we would lose about 80,000 young people if the recommendation is adhered to. (Time expired)

Mr St CLAIR (New England) (12.51 p.m.)—I rise to make comments as a member of the Joint Standing Committee on Electoral Matters. It has been an interesting experience being on this committee since November. Like the chairman, I would like to pay special tribute to the staff, who have helped, and have certainly helped me in certain areas and been there through some extraordinarily difficult periods of time of robust discussion. I suppose that one of the beauties of this parliament is that the robust discussion is held in the rooms, not out in the streets—

Opposition members interjecting—

Mr St CLAIR—‘It should be,’ said the opposition. I have heard that before in this place. It disturbs me when they say things like that. But can I say that the professionalism of the staff of not only this committee but also many others is a great credit to the system that we have in this place, and I respect it greatly.

I also pay tribute to the chairman of this committee, the member for Sturt, who has been subjected to such comments as we have just noticed. I came to this place to listen to some constructive comments from the opposition members that were here. I certainly have time for many of them—not all of them—and I did expect to hear some very constructive things. I now look forward to seeing their minority report, if it is released at some point.

Opposition members interjecting—

Mr St CLAIR—It is in the back of this, and I will read it in great detail. The reason that I have not looked at it is that I thought it would be discussed by some of the opposition members today. But what did they do? Instead they attacked the man again—and, being part of this, that is what I have noticed. But enough of that. Congratulations to the chairman and to all those others who have been members of this committee; it certainly has not been an easy task.

I will pick up a couple of the issues here, in particular a couple of the recommendations that are coming through. I refer to recommendation 2:

That when following up return to sender mail the Australian Electoral Commission use all practical means in contacting electors to confirm their enrolment details.

As all of us in this place are constantly sending letters out to our constituents to seek better forms of communication with them
and to understand the concerns that they have, the sheer volume of mail returned to sender is amazing to me and certainly to my office, as I am sure it is to others. We take it down to the Electoral Commission, and I do hope that they take notice of what is recommended there, to take more efforts to have a look at what is happening with those enrolments. Recommendation 3 is:

That the Australian Electoral Commission investigate and report on the possible conduct in accordance with section 85 of the Commonwealth Electoral Act ... of a revision of the Electoral Roll of a Division such as the Federal Division of Herbert.

Certainly when we were in the division of Herbert we heard many things put before this committee. One of the submissions was put in by a member of parliament, my colleague De-Anne Kelly, the member for Dawson, who believes the evidence presented to the Shepherdson inquiry reveals that the integrity of the electoral roll in Queensland has been compromised. Mrs Kelly recommended that there be an exhaustive cleansing of the electoral roll in Queensland. The cleansing process, according to Mrs Kelly, should involve both an AEC mail-out to all electors requesting an immediate confirmation of their enrolment at the declared address and subsequent statewide house to house visits by AEC officers. We know that is expensive, but I am certainly pleased to see that recommendation. I move to recommendation 18 and that is, listening to the other side:

That the Commonwealth Electoral Act 1918 be amended to ensure that the principle of one vote, one value for internal party ballots be a prerequisite for the registration of political parties.

I will also quote what was said by Mr Courtice:

The fact is that the AWU faction is the AWU’s union’s faction and is there to maintain the political influence to protect the industrial power that the AWU has ...

(Time expired)

Mr LAURIE FERGUSON (Reid) (12.56 p.m.)—This particular committee, the Joint Standing Committee on Electoral Matters, is always going to be characterised by a degree of partisanship because the electoral laws of this country are of fundamental interest to both political parties. However, this year’s inquiry into the integrity of the electoral roll was especially disturbing. If there were an indictment of the present chairman to be made, it would be the very number of resignations and/or purges of coalition members on this particular committee. Not only was the previous chairman replaced at a very early stage for Mr Pyne to come in and, basically in an attempt at careerism, manipulate this committee in a very partisan fashion, but also in the course of the inquiry we had an unprecedented two resignations from other members on the coalition side. That was of course preceded by the manner in which the minister set up the inquiry itself, without any consultation of the parliament itself. Then we had the display of the chairman: throughout the inquiry we had commentaries by him about witnesses, evidence and whether people were guilty or not guilty. We had his continual refusal to bring before this committee the Minister for Sport and Tourism, despite a very sustained interest by the media in her performance and involvement in the situation at Penrith City Council. We had, as we have said earlier, people threatened with a variety of public attacks on them and subpoenas threatened for all and sundry around the country, and at the same time this chairman would not even allow a number of Liberal Party MPs to be invited to speak to the committee. So there is a very big contrast in the way in which he handled those witnesses identified by the Labor Party and those identified by the coalition.

The situation is that he came here today and said, ‘We are not about making a dis-
ntinction between rich and poor. Everyone’s vote should be equal. What this inquiry is fundamentally aimed at is to try to ensure that significant parts of our electorate do not vote. When he talks about 445 cases being referred to the police over a period of time, the reality is—he knows this, the police know it and the AEC knows it; everyone knows it, including him—that with the vast majority of these cases eventually it turns out that the people on the polling booths might have made mistakes or that people with intellectual disabilities are involved in this kind of field. But a more telling statistic than that is that, over the last four elections, a referendum and a constitutional convention, the total number of proven cases is 71—71 cases have emerged where there appears to have been electoral fraud proven. How many people voted in that period? Seventy-two million votes were cast in this country in those six electoral events.

Mr Danby—Exactly.

Mr SPEAKER—The member for Melbourne Ports.

Mr LAURIE FERGUSON—Seventy-two million people voted, and yet that group over there can only come up with 71 proven cases. They are saying that, because of that very scant evidence, that meagre number of instances, we should change our electoral laws to make it more difficult for people to enrol and more difficult for them to vote. The chairman did not make much reference today to their attempts to close down voting enrolment very soon after an election is called—within three days. Those opposite do not tell the Australian people that.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The time allotted for statements on this report has expired. Does the member for Sturt wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Mr PYNE (Sturt)—I move:
That the House take note of the report. I seek leave to continue my remarks later.
Leave granted.

Mr DEPUTY SPEAKER—In accordance with standing order 102B, the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting and the member will have leave to continue speaking when the debate is resumed.

Migration Committee
Report

Mrs MAY (McPherson) (1.00 p.m.)—On behalf of the Joint Standing Committee on Migration, I present the committee’s report, incorporating a dissenting report, entitled 2001 Review of migration regulation 4.31B, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be printed.

Mrs MAY—Migration regulation 4.31B was introduced on 1 July 1997 as part of a package of measures to combat abuse in Australia’s refugee determination system. The regulation provides for a fee of $1,000 to be charged to those whose claim for refugee status has been refused and who then unsuccessfully appeal to the Refugee Review Tribunal for refugee status. The regulation is intended to deter applicants who have no real claim to be considered refugees.

The committee previously reported to the parliament on this regulation in May 1999 and recommended that it be subject to a sunset clause. The Minister for Immigration and Multicultural Affairs requested that the committee again review the regulation prior to its scheduled expiry on 30 June 2001. The committee received 28 submissions from 21 organisations and individuals. This was more than the committee had received for the 1999 review.

In the course of this review, the committee heard evidence from a number of people with relevant expertise. These included the Refugee Review Tribunal, the Department of Immigration and Multicultural Affairs, the International Commission of Jurists, the Migration Institute of Australia and the Refugee Advice and Casework Service. Many submissions argued against the continuation of the fee, some urged that it be continued and
increased and others believed that the fee should not exist.

The committee returned to the basic questions it had asked in 1999: whether there was abuse of the refugee review system, whether the fee had an effect on any abuse and whether people with bona fide claims to be considered refugees were being discouraged from seeking review. In looking at abuse of the refugee review system, the committee found that one in three applicants invited by the Refugee Review Tribunal to put their case in person did not take up this invitation. The committee considered that this evidence indicated that the applicants knew that their claims could not be sustained. Most of those who had been refused refugee status since the fee was introduced were still in Australia. This indicated that their motivation was a desire to prolong their stay in Australia. In short, there is abuse of the refugee review system which requires attention.

The committee then examined whether the fee was reducing the level of abuse. The Department of Immigration and Multicultural Affairs argued that applications for review which lacked merit would be concentrated in nationalities from which there were very few successful refugee applications. The proportion of applicants from this group who were refused refugee status by the department and who then appealed to the tribunal had been increasing by 10 per cent each year prior to the introduction of the fee. Since the fee was introduced in 1997, the increase has been only one per cent each year. The committee considered that this was evidence that the fee was deterring applications which were not made in good faith.

An equally important consideration for the committee was that the fee should not discourage bona fide applicants—that is, those who genuinely believed that they would meet the refugee definition. The department provided an analysis of nationalities from which most refugee applications were successful. Applicants with a genuine belief that they would qualify as refugees could be expected to be concentrated in this group. The proportion of these unsuccessful applicants for refugee status who appealed to the Refugee Review Tribunal was rising prior to the introduction of the fee in 1997 and was unaffected by the fee. The committee considered that this indicated that the fee was not discouraging bona fide applicants from seeking review.

The committee also sought comment on this important point from those directly involved with refugees. Not one of them claimed that the fee had discouraged any bona fide applicants from applying for review. The statistical and practical evidence convinced the committee that the fee was not adversely affecting bona fide applicants. This conclusion was also relevant to the argument advanced by a number of organisations that the fee was discriminatory and therefore breached Australia’s international obligations. However, the evidence showed that the fee was not discouraging bona fide applicants; it was therefore not discriminatory. The committee considered that the fee did not put Australia in breach of its international obligations.

Another argument advanced for removing the fee held that it was not cost effective. However, the committee observed that a total of $1.3 million has been collected thus far, and in the last financial year receipts were five times the total expenditure on processing. The committee therefore concluded that the financial argument against continuation of the fee could not be sustained.

The committee also received submissions which proposed alternatives to the fee. A number of the proposals had been made during the 1999 review but had not been adopted by the committee. During the current review, the committee was not provided with any new information to support those proposals. The committee therefore did not pursue them during this review. In addition, some proposals for the replacement of the fee had the potential to open up new avenues for delay or litigation. The committee therefore did not endorse them. In its review of migration regulation 4.31B, the committee noted that the refugee determination process takes some time to reach a conclusion.
Therefore, the full effects of the fee might not yet have become apparent. The committee concluded that the regulation should be extended for a further two years and be subject to another review.

During the review, the committee’s attention was also drawn to the continuing level of concern about the activities of some migration agents. This issue had been raised in another of the committee’s reviews in 2000, and the committee had commented on it in its 1999 report on this regulation. The committee has therefore recommended that the activities of migration agents be brought under closer scrutiny by the Department of Immigration and Multicultural Affairs and the Migration Agents Registration Authority.

(Extension of time granted)

Examining this regulation again highlighted to the committee how the legitimate processes involved in determining migration issues can be exploited to permit people to remain in Australia who otherwise would be unlikely to have a valid reason to stay. The committee considered that this aspect of the migration system requires continuing review. It has therefore recommended that the Department of Immigration and Multicultural Affairs systematically examine the existing migration processing and review operations with a view to streamlining them.

I thank those who provided the committee with submissions and evidence and also made available further material as needed by the committee. My thanks also go to my committee, particularly to the Deputy Chair, Senator McKiernan, for his work, and to all involved for their work on what was really the second review of the regulation in two years. Although already familiar with the main issues, the committee approached the new inquiry with open minds, seeking new insights into the crucial questions involved. I also extend my thanks to the small committee secretariat of Richard Selth, Steve Dyer and Vishal Pandey for their assistance with the inquiry arrangements and processes. I commend this report to the House.

Mr RIPOLL (Oxley) (1.08 p.m.)—It gives me great pleasure to speak on the 2001 review of migration regulation 4.31B. This is a significant review that the Joint Standing Committee on Migration undertook. It not only examines the imposition of a $1,000 post-decision fee for failed reviews of grant of a protection visa through the Refugee Review Tribunal but also looks at issues revolving around the imposition of that fee and the criteria for which that fee is supposed to achieve change. It has been the subject of much debate and discussion, with no clear view from any sector of the community or the government on the merit or otherwise and success of the fee imposition.

This review of the regulation by the Joint Standing Committee on Migration looked at the possibility of removing the sunset clause, which was applied in 1999 to run for two years. The committee accepted many submissions and held numerous public hearings, in most states, to review this clause. The resulting report is well balanced and makes a number of recommendations that will improve the effectiveness of the Department of Immigration and Multicultural Affairs in dealing with the migration matters related to this report.

The real contention within our system is that it offers people the right to appeal a rejected application for a protection visa through the Refugee Review Tribunal but then imposes a $1,000 fee if they are unsuccessful at that point. This system creates the argument that the fee is needed to weed out those that are not bona fide applicants, while at the same time it imposes hardship on those that are genuine but still fail in their application. The effect of this fee became a central theme in our review and in the submissions. There is also some claim that the fee is a minor recouping of the costs involved in the department having to go through the review process.

The system of primary application, the number of days in which to apply onshore, the ability to appeal through the RRT and finally, if unsatisfied, seek redress through judicial review in the Federal Court creates a system that is confusing and expensive and can be corrupted. This whole system is what,
in effect, creates the problems that we now see as needing to be addressed through such mechanisms as imposing a post-decision fee to try to sort out those who are bona fide and those who would otherwise be abusers of the system.

This is not to say that the system itself does not work effectively or deliver correct outcomes; it is more to say that the system itself opens the way for the full processes to be exercised and therefore contributes to the perceived problems of using or otherwise abusing the system. (Extension of time granted) When any system is created, there will always be the potential—and probably an expectation—that people will use the system to its fullest extent. This does not in my mind create a situation of abuse of the system because those people might seek to use it to its full extent. I think this is also a problem in the base understanding that when someone uses the full system right through to its final position—that is, seeking judicial review in the Federal Court—they potentially are an abuser of the system.

The purpose of review of the regulation was to establish a number of issues that remained unclear to that point: whether the sunset clause should be removed or whether perhaps the sunset clause should be extended for a further period of time, to fully ascertain the effectiveness of having this $1,000 post-decision fee. The most important and central part of all of those mechanisms put in place by the regulation is, of course, the $1,000 fee itself. The question, as can be deduced from the committee’s decision to recommend a further sunset period and review, has not been satisfactorily answered by the evidence brought to the committee by any submissions or public hearings. This is not necessarily a failing of the review but perhaps a matter of many factors, including the difficulty in establishing a direct correlation between the imposition of one measure—that is, the $1,000 fee—and a range of other factors that may influence more or less movement in the system of application and review of a grant of a protection visa.

The Department of Immigration and Multicultural Affairs could not provide to us sufficient evidence or data that supported their claim that the fee was a direct disincentive to reduce the number of people that might use the system to its fullest or perhaps abuse the system. On the other hand, no other submission could show that the imposition of the fee was in any way preventing or deterring people who would be bona fide applicants from seeking further review. None of the statistics or empirical evidence provided could demonstrate clearly any correlation between the imposition of the fee and any change in numbers of applications or, further, any full use of the system. Claims by the Department of Immigration and Multicultural Affairs that the fee is part of a complete system—a package of measures, as it was put to us—that helps in deterring mala fide applications are accepted by the committee as being a more likely positive measure of its success or otherwise. The issues of migration agents and ethics in the industry rated highly in our deliberations.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The time allotted for statements on this report has expired. Does the member for McPherson wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Mrs MAY (McPherson)—I move:
That the House take note of the report.
I seek leave to continue my remarks later.
Leave granted.

Mr DEPUTY SPEAKER—In accordance with standing order 102B, the debate is adjourned. The resumption of debate will be made an order of the day for the next sitting and the member will have leave to continue speaking when the debate is resumed.

Foreign Affairs, Defence and Trade Committee Report

Mr HOLLIS (Throsby) (1.15 p.m.)—On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I present the committee’s report, incorporating a
dissenting report, on visits to immigration detention centres.

Ordered that the report be printed.

Mr HOLLIS—As Deputy Chairman of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I am proud to note that this is the 100th report tabled by the committee since it was formed 50 years ago. The Human Rights Committee, because of their and community concerns about the alleged treatment of detainees, obtained permission from the Minister for Immigration and Multicultural Affairs, Mr Ruddock, to visit all detention centres over a four-day period in late January this year. These centres were Curtin, Port Hedland, Perth, Woomera and Villawood. One month later committee members visited the Maribyrnong Centre.

Prior to undertaking the program of visits the committee was briefed on the operation of these centres and department processes by the Department of Immigration and Multicultural Affairs. At each centre, committee members were briefed by departmental officers and representatives of Australian Correctional Management—the holders of the contract for the provision of services at detention facilities—about the operation of that centre. In addition, facilities available to detainees were inspected. In all, 15 meetings were held with detainees. At all but one centre, separate meetings were held with the women and children.

To ensure that the detainees’ views were heard, no DIMA or ACM staff, other than interpreters for the major national groups, were present during meetings with detainees. What members saw and were told during these visits to the detention centres formed the basis of this report. Subsequent to the visits, two further meetings were held with officials from DIMA and ACM. In addition, the committee met privately with the minister. At each of these meetings we discussed a range of issues that had arisen during our visits.

This report is not the result of the normal comprehensive inquiry process undertaken by the committee. We did not seek a range of views and test that evidence at public hearings. However, this type of report is not without precedent. For example, the committee has previously reported on visits made to Defence establishments, and such reports are dealt with in the procedural guides for both Houses. It is also common for this type of report to include recommendations.

Committee members are keenly aware of the difficulties in housing those who seek asylum and in processing their applications for protection under the 1951 Refugee Convention. However, the difficulties experienced by both detainees and staff in the detention centres must be the focus of further attention. Conditions are far from perfect. In particular, I would like to draw the attention of the House to the section of the report that refers to Juliet Block at the Port Hedland Detention Centre. The members who inspected this block at the instigation of the detainees were shocked by the conditions in that block. DIMA has since advised the committee that this block is being refurbished, and that only pressure of numbers after a disturbance in January had led to its use at the time of our visit. The committee was extremely disappointed that it was not informed in detail about the use of Juliet Block and the substandard conditions there during our pre-inspection visit. This was fairly typical. Although no information when requested was withheld, some members felt information was not always readily volunteered.

This report recommends some courses of action that could be taken to improve conditions of detainees, particularly women, children and families. I am somewhat constrained in presenting this report because I must do so in this chamber on behalf of the committee. Had I been speaking in a personal capacity, my comments would be somewhat stronger and far-ranging. I was one of the few committee members who went to all six detention centres. I have serious concerns not only about the conditions within the detention centres but also about the image being portrayed to the world. We have a well-deserved reputation as a protector of human rights and an enviable interna-
tional record for accepting and resettling refugees.

Nothing quite prepares one for the visual image when approaching detention centres, especially ones such as Curtin and Woomera—the high wire fences and the general prison appearance. One could question why these centres have been established in the harshest, most inhospitable parts of Australia.

One difficulty the committee faced was that we were not conducting a parliamentary inquiry into detention centres as such. Such an inquiry could well be warranted. In this report we give our impressions of visits to the detention centres and of discussions with the detainees. A close reading of the report will indicate on each issue that there is not unanimous agreement, even if we are bringing down a unanimous report with a qualifying report with which I am in broad agreement. The perceptive reader will note that on many occasions the report says ‘some members’ rather than ‘the committee’. The real difficulty that we face is that, although we wish Australia to adhere to international conventions, we also do not wish to send a ‘green light’ to people smugglers in different parts of the world. The challenge is whether Australia can handle this new phenomenon of people movement in a just and humane way.

The world faces an unprecedented problem of people movement. Never before have so many people been crossing borders—legally or illegally—because of persecution, fear or seeking a better economic future. No country in the world automatically opens its borders to all who arrive on its shores. Perhaps it is even time to look again at the refugee conventions: after all, they have been operating for some 50 years. Some people may question whether they are appropriate for today’s circumstances. Fundamentally, however, Australia must not close its borders to those genuine refugees from wherever they come. The world will judge us on how we handle this problem. One should bear in mind also—with some of the hysteria in the media, on talkback radio and among opinion makers—that the overall numbers in Australia are minuscule, even though unprecedented, when compared with the numbers of refugees around the world, particularly in parts of Europe.

The committee has made a total of 20 recommendations: for example, that, subject to constraints, a time limit be placed on the period that people should spend in detention; the department trial a release into the Woomera community for women and children, and I welcome the minister’s recent announcement that this will occur; the option of developing a sponsorship scheme for those who are security cleared and have not been processed within a specified time be examined; accommodation blocks within centres be designated for the exclusive use of families; access to detention centres be provided by appropriate community organisations, including religious and welfare groups; and the adequacy of psychological services provided to detainees be reviewed.

The treatment of illegal arrivals is a sensitive and complex issue. Increased numbers of detainees since the end of 1999 have placed great pressure on DIMA and on its contractor, ACM. The string of disturbances in the Curtin, Port Hedland and, indeed, Woomera centres this year have drawn these difficulties to the attention of all Australians.

Sometimes one wonders whether the response of many Australians is based on an adequate understanding of the frustrations and the tensions and the very fact of being detained that leads to these disturbances, especially being detained in a very harsh and often inhospitable part of Australia. The committee hopes that the department will examine its recommendations as part of its ongoing review of service provision in detention centres.

I thank the committee members, especially those who went around all the detention centres. For all of us, it was very much a learning experience. For those who claim that the detention centres, as has been said in some papers recently, are all airconditioned—they are not airconditioned. They are not the holiday camps that sometimes
they are portrayed as being. They are not Butlin’s in the sun and, if you wanted to have a holiday, you most certainly would not select a centre at Curtin, Woomera or Port Hedland. I thank the secretariat, especially Patrick Regan and Inga Simpson, who both worked tirelessly on the arrangements of the visit and the report. I commend the report to the House.

Mr Baird (Cook) (1.25 p.m.)—I would like to support the member for Throsby and Deputy Chairman of the Human Rights Subcommittee in commending this report to the House today. I would also like to pay tribute to the former Chairman of the Human Rights Subcommittee, the late Peter Nugent, whose vision it was to undertake this inquiry and who led and chaired this inquiry in its visits to various detention centres. We owe a great debt to his leadership. I would also like to commend senators Alan Ferguson, Marise Payne, Vicki Bourne and my colleagues the member for Throsby and the member for Chifley for their hard work and compromise in bringing this report together. It is a report which challenged us all—we all felt that we had to bring together our collective wisdom in understanding the real circumstances of this difficult issue. I would also like to commend the secretariat, particularly Patrick Regan and Inga Simpson, for their excellent work on this report.

In the 13 years that I have been a member of parliament, both in New South Wales and here, there are very few things that I have found as confronting as the Human Rights Subcommittee visit to the migration detention centres around Australia. The physical environment of these centres is one thing—centres with 20-foot high barbed wire fences, the remote locations, the lack of vegetation around the locations, especially the ones in Curtin, Port Hedland and Woomera, the absence of recreation fields and the very basic nature of the accommodation—but the psychological impact of these centres is another: the feeling of despair that permeates these places, the general unhappiness and the lack of activity, with detainees either lying on their beds in the middle of the day or wandering around camp aimlessly.

The purpose of our visits was to report on the human rights implications of detentions and, where appropriate, make recommendations for changes. There is no doubt that in the general community the prevailing opinion is that we should turn back illegal immigrants immediately they arrive on our shores, that no exception should be made and that, where arrivals are made by boat, the boats should be refuelled and sent immediately back to sea. The problem is, however, that we are signatories to international conventions on the rights of asylum seekers and that due process should be taken for those who claim asylum to determine the genuineness of their claims. The focus of this committee was not on the question of whether asylum seekers should be detained but rather the conditions under which the detainees are held.

We visited the Curtin, Port Hedland, Perth, Woomera, Villawood and Maribyrnong facilities and held hour-long discussions with three groups of 25 randomly selected detainees at each location. One group in each location was restricted to women and children. DIMA and ACM officials were requested not to attend these sessions, so the committee believed that the discussions held were open, free-flowing and frank. I have no doubt that during the following six days we were able to gather an accurate picture of conditions, living standards and the state of mind of many of those held in detention centres.

I believe the committee has come up with a strong series of recommendations unanimously endorsed by the committee members, although there were additional recommendations, I understand, by Senator Harradine and Senator Bourne. Some of the recommendations dealt with the physical facilities, encouraging an expanded range of educational, sporting and exercise facilities. Even Australia’s jails have fully equipped gyms, but this is not the case in detention centres, where there is just a total absence of appropriate recreational facilities.

In addition, having three Australian newspapers in centres of several hundred people
hardly seems appropriate, especially as many asylum seekers are successful in their application and need to prepare themselves for life in Australia. On the same basis the committee recommended that English language classes and classes preparing participants for life in Australia also be provided. The committee sees access to schools for the children in detention centres as very important. It was disturbing to find that some state governments have refused access to schools for the children of detainees. Clearly protocols need to be put in place to ensure that full access is provided.

The committee put a particular emphasis on the processing of applications. That was deliberate and it reflects our main area of concern. We have made a number of specific recommendations regarding the processing— in particular, that a maximum time limit of 14 weeks be placed on the time that asylum seekers spend in detention while their applications are being reviewed. A similar amount of time should be established in the Refugee Review Tribunal and a reserve list of members for the RRT should be provided to assist in times of peak workloads. We saw that extensive waiting periods due to processing and review time frames are the main cause of the desperation and depression that was obvious on the part of detainees. As part of this process, the committee recommended that all detainees be given appointments on a regular basis with their case officers to provide accurate current information on the exact status of their application for protection.

Families also represent an important aspect of the refugee program. Although most asylum seekers are single males, there are also a considerable number of family units in the centres. Accommodation varied and not all the families could be accommodated together. The committee recommended that, wherever possible, blocks within detention centres be designated for the exclusive use of families. Moreover, the committee supported the proposed trial of facilities for women and children in towns, with access to nearby facilities. This would assist with schooling and would also protect women and children from the harsh environment of the centres. It is the women and children who have clearly been affected by the harsh environment of the centres and are often there not by their own choice but by the decision of their husbands.

The committee believed that there was a greater need for access to the detention centres by various welfare groups, particularly the religious welfare groups that have in the past expressed interest in being given access. We also saw the need for the establishment of a facility with higher security to accommodate detainees with criminal records, those awaiting trial and those who instigated serious disturbances in existing centres. Screening out people who had caused problems in the past we see as also assisting detainees abiding by existing regulations within the centres and who have committed no offence, either in their own country or within Australia. The committee recommended that visual checks of detainees during the night should cease, except for special security reasons. It has caused considerable distress amongst detainees, as has been noted by a number of them when we were speaking at the detention centres.

Finally, and very importantly, the committee was concerned about the psychological health of many of the detainees. It appeared to the committee that many of the detainees were suffering from some form of depression. It is suggested that further work should be carried out in this area and that a coordinated program of psychological support be developed.

The committee spent some considerable time visiting detention centres and talking to ACM and DIMA officials. We believe that the human rights issues facing asylum seekers in this country demand urgent attention. The recommendations put forward in this report will go some way in addressing contemporary issues. Obviously there is an important balance in this process in ensuring that changes do not result in significant increases in the number of people applying to come to Australia. Minister Philip Ruddock has managed this important balance well. However, that does not excuse us from addressing the significant human rights issues
which confront us when asylum seekers arrive in Australia.

In conclusion, this report was a challenge for all of us. We visited all of the centres and listened with considerable attention to the three groups of 25 detainees in each centre. We were distressed at some of the reports that were given to us by some of the detainees in outlining the whole environment in which they were located. It is particularly difficult for the people who have not met the cut in the initial assessment, in their process through the RRT or, for some of them, in their cases taken through the court. It was confronting for all of us listening to the accounts of people who wish to be returned to their own home but who are without the papers that are necessary to establish passports for them to be returned and those who simply say, 'Just send us anywhere but don't keep us here in this environment.' It is not so much difficult for the people who are assessed in an appropriate way—many of them go through the process within 14 weeks—but for those who are long-term residents in the detention centres. That is why we brought forward these recommendations. The committee worked together well in bringing forward the recommendations. I for one believe that this outline is something which could be appropriately taken up by the government.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The time allotted for statements on this report has expired. Does the member for Throsby wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Mr HOLLIS (Throsby) (1.35 p.m.)—I move:
That the House take note of the paper.
I seek leave to continue my remarks later.

Leave granted.

Mr DEPUTY SPEAKER—In accordance with standing order 102B, the debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting. The member will have leave to continue speaking when the debate is resumed.

Mr NAIRN (Eden-Monaro) (1.36 p.m.)—On behalf of the Standing Committee on Procedure, I present the committee’s report entitled Promoting community involvement in the work of committees: Conference of committee chairs, deputy chairs and secretaries 6 March 2001, together with the minutes of proceedings.

Ordered that the report be printed.

Mr NAIRN—In 1999 the Procedure Committee undertook an inquiry to look at ways to improve the engagement of the community in the operations of the House. The report of the inquiry, It’s your House, has proved a very useful tool in focusing our efforts to build better understanding in the community of what we do as a house of parliament. A large part of that inquiry looked at the work of committees as the main area of interaction between the House and people in the community. This report follows up on some of the developments which have taken place since the original report.

One of the first recommendations of the report was that committee chairs, deputy chairs and secretaries should get together on a regular basis to share experiences and ideas on how to promote better understanding of the work of committees. The Procedure Committee hosted the first such conference on 6 March this year. This conference heard a report of action taken across the board to help committees. For example, we heard about new advertising approaches, signs and banners, the About the House magazine, and the appointment of a specialist communications adviser. We also heard from Mr David Hawker from the Economics Committee about their work with students and their hearings with the Reserve Bank Governor in Wagga Wagga. We heard from Mr Lieberman about the Aboriginal and Torres Strait Islander Affairs Committee’s approach to working with remote communities. These and other experiences of individual committees are detailed in the report.

The conference also provided an opportunity for members to put forward their com-
ments and ideas for continuing efforts to expand the reach of committees beyond the bureaucracy and well-organised interest groups. The positive approach and sharing of ideas was very encouraging, and a number of areas were highlighted for further improvement. This report of the conference includes five recommendations. Two relate to continuing the effort through holding regular conferences each parliament and a proposal to rotate the hosting arrangements to bring a continuing freshness of ideas to the process.

Other recommendations are directed at governments now and in the future. They ask government to, firstly, strengthen its undertaking to provide responses to committee reports within three months of tabling; secondly, post responses to committee reports on departmental Internet sites so that the committees can provide links from their sites; and, thirdly, report to the House every six months on progress in implementing recommendations contained in committee reports.

There was a deep concern among all those present at the conference on 6 March that, unless there are clear and timely outcomes to committee inquiries, there cannot be adequate recognition of their contribution to policy review and administrative improvement. People who contribute to committee inquiries must be able to feel that it has been worth the effort, that their views have been taken into account and that some decisions have been made or action taken as a result of their and other evidence. The work of committees is an aspect that I always raise with schoolchildren when they come to parliament because, unfortunately, the work of committees does not often go on the headline unless it is something very controversial. The old adage ‘if it bleeds, it leads’ seems to run. Therefore, a lot of the excellent work of committees is unheard of or unknown out there in the broader public. That is what this whole process and this report are really all about. Government as well can play their part in making the system better so that people feel it is worthwhile.

Governments can and do harness the good work of committees and use their input to improve policies and services of the government. Through publicly responding to committee reports in a timely fashion they can demonstrate their concerns about how policies affect people in practice and that they are willing to consult with and take into account the views of the community in general. Timely responses are good for government as well as the committee and the contributors to an inquiry—a win-win situation.

The report also encourages the government to take up an earlier recommendation of the committee to improve opportunities to debate committee reports in the week of their tabling. The issues and proposals raised in this report are part of an ongoing process of evaluation and improvement of the performance of our committees. I hope that we can continue to adopt a flexible and innovative approach to improving relations with the community. I thank those members of my committee and the members who came along to that conference. Unfortunately, I think that not enough came along to that conference, but I thank the ones who did for their contribution. Also, special thanks to our secretariat: Robyn Webber, Sonya Fladun and Celeste Italiano.

Mr PRICE (Chifley) (1.41 p.m.)—I want to support the remarks of the Chairman of the Standing Committee on Procedure in regard to the report Promoting community involvement in the work of committees. Mr Deputy Speaker Nehl, you would be aware that this is a follow-up report to the Procedure Committee’s report It’s your House. It is through the committees—and we have quite a number of committees; we have had, I think, three reports tabled today—that ordinary citizens of Australia can have their voices heard and, in some cases, things very dear to their hearts adopted. So I for one—and I do not think I am on my own here—think that anything we can do to enhance the work of committees is absolutely vital in terms of modernising this parliament and making it accessible to the people of Australia.
I spent some time when we tabled the original report noting the number of recommendations that the Speaker agreed to and also the number of recommendations that, regrettably, the Leader of the Government did not agree to. Again, I would like to place on record my appreciation of the enthusiasm with which the Speaker and the Clerk accepted the recommendations of the Procedure Committee in its original report. In regard to committees, I am disappointed, and I live in hope that either this government or the next government will take a more refreshing approach to implementing improvements to the work and impact of committees.

I do not think it is the role of committees to rubber-stamp the ideas, the policies or the administration of the government of the day. I do not accuse committees of doing that, by the way. The idea of committees is to get out there into voter land with a thermometer, test out how policies are working, how the administration is working and bring back their recommendations to this House. Indeed, on the report on detention centres that we tabled preceding this one—the treatment of detainees is clearly a contentious issue—I think the work of the committee and its report will stand the test of time.

Regrettably, when reports are produced by the committees there is no requirement that compels governments of the day to respond. So, for example, with the detention centre report, or indeed this one, there may be no government response whatsoever. I think that is unfortunate. This committee recommends that ministers should be encouraged to make timely responses.

There were a number of recommendations involved in the original report. On a lighter note, we recommended that committees be better able to brief the media on the progress of a committee inquiry. I am pleased to say that our chairman, the member for Eden-Monaro, has been able to utilise that recommendation in the committee’s current terms of reference, looking at new procedures for the opening of the federal parliament. Like the chairman, I thank all those who participated. I regret to say that I was not able to participate on the day, but I followed matters with keen interest. (Time expired)

Mr SPEAKER—Order! The time allotted for statements on the report has expired. Does the member for Eden-Monaro wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Mr NAIRN (Eden-Monaro)—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted.

Mr SPEAKER—in accordance with standing order 102B, the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting and the member will have leave to continue speaking when the debate is resumed.

STATEMENTS BY MEMBERS

Bass Electorate: Launceston Air Quality Project

Ms O’BYRNE (Bass) (1.45 p.m.)—The environment is an issue of concern to all of us, whether it be in land degradation, water quality or air pollution. But this concern does not seem to be reflected in the actions of the government in assisting the Tamar region NRM, through the NRM process, to undertake a study of the air quality issues in Launceston. Launceston has a widely recognised air quality problem in winter; a problem so bad that a previous comparative study into air quality in Port Pirie, Newcastle and Dandenong—three heavily industrialised areas—found that, in terms of particulates, Launceston’s air was of much poorer quality. This problem is directly caused by the burning of solid fuel for heating. The government has approved $2.1 million for the Tamar NRM. However, despite approving the study into air quality in Port Pirie, Newcastle and Dandenong—three heavily industrialised areas—found that, in terms of particulates, Launceston’s air was of much poorer quality. This problem is directly caused by the burning of solid fuel for heating. The government has approved $2.1 million for the Tamar NRM. However, despite approving the study into the extent of this problem, the money for the conduct of this project is still to be delivered. The project needs to be undertaken in winter; if the funding for this project does not materialise soon, the conduct of the study will be delayed for a full year. I urge the government to stop sitting on its hands and to act in both the environmental and the
health interests of the community of Launceston by funding this important project immediately.

New England Electorate: Rangers Valley Feedlot

Mr St CLAIR (New England) (1.46 p.m.)—I rise today to again bring to the attention of the House the magnificent work of small councils in the area of Severn shire, which is a small area in New England. We have Rangers Valley feedlot, which is about to double its capacity. The present size is about 24,000 head of cattle, employing between 25 and 30 people out of the small town of Emmaville and between Emmaville and Glen Innes. Through this expansion, Rangers Valley are looking to go to 50,000 head, which will provide another 25 to 30 jobs in the district. That will add a further $13 million into the local economy, taking it up to $25 million a year. At present, they purchase about $22 million worth of cattle. The proposal will take that up to $45 million, of which the majority are grown through the New England region of New South Wales and up into Queensland. This is another example of businesses that have taken the opportunity to expand through the trade that has been offered and through export. This is providing jobs and opportunities for Australia. Rangers Valley have taken advantage of the reduction in taxation for the transport industry that is carting these cattle both in and out of the feedlot. I commend to the House the work of these businesses as they start to progress through export. (Time expired)

Australian Rules Football: Barrie Robran

Mr SAWFORD (Port Adelaide) (1.48 p.m.)—It pains me to even mention the names of less than noteworthy media tarts, social drop kicks, loose cannons and ill-informed ravers and ranters. However, I do refute the criticism by John Elliott, the president of the Carlton Football Club, of Barrie Robran’s induction as a legend of the game of Australian Rules football. As a Port Adelaide supporter, I am as aware and appreciative of the skills of former players such as those nominated by Mr Elliott in Stephen Kernahan and Malcolm Blight as I am of former Port Adelaide players such as Russell Ebert and of current players Nathan Buckley and Craig Bradley. They were and are all great players of the game. I have to say I also appreciate the skills of the greatest modern day player, James Hird, the captain of the Essendon Football Club. It is of course extremely difficult to compare players from different eras. However, I would unhesitatingly nominate Barrie Robran from the North Adelaide Football Club as the greatest Australian Rules player ever to grace a football field. That is a big statement, but I believe it is true. To give football supporters some idea of the superlative skills of Barrie Robran, think of James Hird, add some more skill, and then add even more skill—because Barrie Robran could be a ruckman too. That is how good he was. Elliott’s criticism of Barrie Robran’s induction as a legend of the game is yet another poisonous cheap shot from a football club president who is fast becoming an embarrassment to the great game of Australian Rules football.

Joint Standing Committee on Electoral Matters

Mr NAIRN (Eden-Monaro) (1.49 p.m.)—I am moved to comment on the report that was tabled this afternoon here in the parliament by the Joint Standing Committee on Electoral Matters, which I chaired for some three years from 1997. I was chair of that committee until late last year, and I want to put on the record my support for the matters that have come out of the report. The issue of voter identification is something that has been debated in the media generally, over the last few days in particular. This is an aspect that was debated very widely in the inquiry after the 1996 election, during the time that I was chairman of that committee. Recommendations were put forward. I cannot believe some of the public comments over the last few days from the Labor Party—that people would be disenfranchised because of being required to provide identification when they enrol. It is an unbelievable situation after what has happened in Queensland over the last few years—in fact, over probably more than a decade, as more and more is
revealed. Identification is a basic item for everything that we do these days, and the evidence that was provided in 1996—(Time expired)

**Oxley Electorate: Woogaroo Meals On Wheels**

Mr RIPOLL (Oxley) (1.51 p.m.)—It was with great pleasure that on Saturday, 16 June I attended the 20th anniversary of Woogaroo Meals On Wheels. This organisation in my electorate does an absolutely fantastic job of providing not only meals to people in need but also companionship and a quality of life that certain people need to remain in their homes. I would like to put on the record that a number of people were recipients of badges for 20 years of service. These were Noela Chalk, Wendy Gooding, Lyn Brown and Margaret Hart. Twenty years as a volunteer in any organisation is a great feat, but in the International Year of the Volunteer I thought it was especially appropriate that these people be recorded in this place.

The service extends right throughout my electorate in places like Wacol, Dinmore-Riverview, Goodna, Camira, Carole Park, Redbank Plains and Springfield. There are over 50 volunteers in this group, with up to a dozen people working every day, and only one person employed, a full-time cook working four days a week. There are 60 meals a day organised by this wonderful group of people. I would like to take the opportunity to also say thank you very much for their invitation to me to participate. I particularly want to thank the president, Laurie Boyne; the treasurer, Joan Preece; the volunteer roster captain, Margaret Hart; and the secretary, Susan Boyne. These people really are the champions in our community. They are the ones that tirelessly work day in, day out. Their only reward, their only compensation, is the good feeling they get to know they have done a great job. (Time expired)

**Telstra: Telephone Call Charges**

Mr BILLSON (Dunkley) (1.53 p.m.)—Sunday generated great feelings right throughout the Dunkley electorate with the announcement of the outcome of Telstra’s call zoning review. The great news for all of the citizens of Dunkley is that they are now able to call the Melbourne metropolitan area for an untimed rate of 25c. It is what is now called a wide area call. This is fantastic news. Colleagues in this place may not recall that it was on 8 May 1996 that I first started raising these issues in the parliament on behalf of my constituents. There is an area around Frankston—that is, metropolitan Melbourne—where people had to make an STD call to ring areas further away from Melbourne than themselves. That little enclave, and the citizens that lived there, were faced with about a $3 phone bill for a 20-minute call to Ringwood. As a result of the changes announced on Sunday, that will now be a 25c call. That is great news for those citizens and it is great news for the businesses operating out of those areas. As you move further south onto the Mornington Peninsula—

Mr Lee—What happens to their STD charges?

Mr BILLSON—For those members who are interjecting, that is a wonderful place to go and chill out for a while and get a grip on what is going on in our country. All the residents on the Mornington Peninsula down to as far as Mount Martha can also make that 25c local call into the metropolitan area of Melbourne. Beyond that and further down to the south of Mornington Peninsula we now have that terrific 99c capped call for three hours of conversation with friends, family, business associates and the like. (Time expired)

Wilton, Mr Greg
Nugent, Mr Peter

Mr LEO McLEAY (Watson) (1.54 p.m.)—Last Thursday, 14 June, was the anniversary of the death of our former colleague Greg Wilton. Members might recall that there were a lot of things said in this House on Greg’s death and it affected most of us quite considerably. On the Wednesday prior to last Thursday, my friend Anthony Byrne, who was also a close friend of Greg’s, drew to my attention the fact that one of the local councils in Greg’s former elec-
The treasurer was naming a skate and bike park after him. I thought that was a very good memorial to Greg because he was a person who was very interested in programs for young people. Sadly, since Greg’s passing, we have seen the passing of another colleague on the other side of the House—that is, Mr Nugent, the member for Aston. He was a highly thought of member of this place as well. Mr Speaker, it struck me that we might consider—and you, with the President, might give consideration to it—naming courtyards or features around this place after our colleagues who have died in office. It would only relate to people who served in this building. It might go some way to reminding us all to be a little kinder to each other. It might also remind us all, when we pass those areas, that we too are all very mortal.

**Telstra: Telephone Call Charges**

Mr **Lloyd** (Robertson) (1.55 p.m.)—I rise today to join with my colleague and friend the member for Dunkley in welcoming the new changes announced by Telstra in the STD rates. This is a great initiative which will have a significant impact on all outer metropolitan areas, and certainly in my electorate of Robertson it will be warmly welcomed. It means that residents in the electorate of Robertson will now be able to call the Sydney metropolitan area for an untimed 25c call. It is something for which I have also been lobbying for some time and it is pleasing to see that it has now become a reality. Of course, there is also the 99c three-hour community call. Even if you do not use the full amount of time, the STD rate is only 10c per minute, which is also a significant reduction. This change will have a great impact on areas such as the Central Coast of New South Wales. It will also be of great benefit to many of the elderly residents who live in my electorate. For many of those residents, the phone is their lifeline. They have family and friends in Sydney. They were always concerned about the costs of STD charges when they were ringing family members and friends in Sydney. They will now be able to make unlimited calls to Sydney for the cost of 25c. That will make a great difference to their lives. It will also assist in attracting businesses to the Central Coast from the outer to regional areas—

**Wilton, Mr Greg**

Ms **Burke** (Chisholm) (1.57 p.m.)—I also want to mark the anniversary of the loss of our colleague and my friend Greg Wilton. As I said in the condolences at that time, tragically male suicide was an issue Greg felt particularly passionate about. He is on the record in this place as lamenting the lack of support services for middle-aged men in crisis. As I said in my speech on the condolence motion, it would be a fine legacy if this enormous issue were given some serious consideration by the House. Tragically, 12 months have passed and we have not seen the issue raised by this House. We have seen another colleague die—obviously not through suicide but through the stress and strain, perhaps, of working in this building. The issue of male suicide is something that we need to put back on the agenda and give more consideration to.

**Cook Electorate: Festival of the Sails**

Mr **Baird** (Cook) (1.58 p.m.)—Today I draw the attention of the House to a very successful function, which was called a Festival of the Sails, in Kurnell, held a couple of weekends ago. It celebrated the coming together of two cultures in Kurnell—the beginning of European settlement in Australia in 1770, with the arrival of Captain Cook and the Endeavour, and also the Dharawal people who were at the celebrations. The Governor of New South Wales, Marie Bashir, attended, as did members of the Dharawal people. It was an event which was contributed to by the federal government, which allocated $47,000 to bring the Endeavour into Port Botany. It was a mark of tremendous celebration that, when the crew from the Endeavour came into Port Botany, they brought out a boat onto the shore and were welcomed by Beryl Timbaree Bella, the leader of the Dharawal people in that area. On behalf of the Dharawal people, she said that we must all go on together, that whatever has happened in the past is in the past; we must go on together as a nation and also as a commu-
nity. It was a great celebration, strongly supported by the people of Kurnell and my electorate. The Festival of the Sails is one of the great events in my electorate.

**Sri Lanka: Appointment of High Commissioner**

Mr **MURPHY** (Lowe) (1.59 p.m.)—I wish to place on the record the outrage that people in the Sri Lankan community are experiencing at the appointment of the High Commissioner for Sri Lanka, Major-General Janaka Perera, and today I addressed a large rally outside Parliament House attended by members of the Sri Lankan community.

Mr **SPEAKER**—Order! It being 2 p.m., in accordance with standing order 106A, the time for members statements has concluded.

**MINISTERIAL ARRANGEMENTS**

Mr **HOWARD** (Bennelong—Prime Minister)—I inform the House that the Minister for Sport and Tourism will be away from question time due to illness. The Minister for Employment, Workplace Relations and Small Business will answer questions in her absence.

**QUESTIONS WITHOUT NOTICE**

**Sri Lanka: Appointment of High Commissioner**

Mr **BRERETON** (2.00 p.m.)—My question is to the Minister for Foreign Affairs. It concerns his agreement to Sri Lanka’s request for the appointment of Major General Perera as the next Sri Lankan High Commissioner to Australia. What inquiries did you or your department make concerning the allegations of human rights abuses in areas of Sri Lanka where the major general held military commands? What was the precise nature of the assurance given to you by the Sri Lankan foreign minister concerning this diplomatic appointment?

Mr **DOWNER**—I thank the honourable member for the question. Can I say that the government, in this case through my department, did carefully examine the appointment of the Sri Lankan High Commissioner, as we examine the appointment of all ambassadors and high commissioners to Australia. In this particular case, these considerations have not established any basis from which the Australian government could challenge the Sri Lankan government’s advice that the high commissioner is a worthy and suitable appointment. I myself did speak to the Sri Lankan Minister for Foreign Affairs, Mr Kadirgamar, about this some time ago—I do not have the date with me but it was quite some weeks ago now—from my home. We had a discussion about the appointment of General Perera, and the foreign minister made it clear to me, as we have said on a number of occasions, that he regarded the general as a worthy and suitable appointment.

We have been made aware of claims, and we have sought to indicate that the circumstances of the high commissioner’s military service meant that he was likely to have served in areas where human rights abuses were alleged to have occurred, but none of these claims, my department advises me, has been backed by any direct evidence of his involvement. I understand that the high commissioner has endeavoured to correct what he believes to be errors of fact. As a senior commander in the Sri Lankan army, Major General Perera’s nomination was bound to attract some criticism from those on the other side of the conflict in Sri Lanka. I note that I have received representations from the Sri Lankan community in Australia, both supporting very strongly as well as opposing very strongly the appointment of General Perera.

Australia does take its human rights responsibilities very seriously and we have actively sought to promote respect for human rights in Sri Lanka, including during my visit there some time ago. We have constant dialogue with the Sri Lankan government at different levels. It is most unusual in the extreme for the Australian government to reject the nomination of a high commissioner or an ambassador. These appointments are made at the end of the day—although the government does have the prerogative to reject them—by the relevant government, not by the Australian government.
HIH Insurance

Mr CAMERON THOMPSON (2.04 p.m.)—My question is to the Prime Minister. Would the Prime Minister advise the House about developments towards the proposed royal commission into the collapse of the HIH insurance group?

Mr HOWARD—I thank the member for Blair for that question. I am pleased to inform the House that I have today announced that I will recommend to the Governor-General the appointment of Mr Justice Neville Owen of the Western Australian Supreme Court to head the royal commission into the failure of HIH. Justice Owen is eminently qualified to undertake this task. He has a special interest in commercial litigation and corporate insolvency. The proposed terms of reference I am sending to the premiers with a request that they clothe the royal commission with all the necessary powers to enable a full investigation of state instrumentalities as well as federal ones, and I have no doubt that, given their expressions of concern about this matter, the state premiers will immediately respond in a positive way to that request. I will of course also be recommending to His Excellency the Governor-General the approval of those terms of reference.

The announcements of these arrangements relating to the royal commission build on the government’s earlier decision to establish a relief scheme for certain policyholders suffering financial hardship as a result of the HIH collapse. I want to thank the Western Australian Chief Justice for agreeing to make Mr Justice Owen available and also record the cooperation of the Western Australian government. It is not always easy to get people of very high calibre to undertake these tasks. The judge is warmly regarded in legal and community circles in Western Australia. He is a very experienced judicial officer. He will do a very good and conscientious job. His appointment is an earnest of the government’s determination to get to the bottom of what happened with HIH, and I am sure it will be widely supported by both sides of the House.

HIH Insurance

Mr KELVIN THOMSON (2.06 p.m.)—My question is to the Minister for Financial Services and Regulation. Why did your government allow the Australian Prudential Regulation Authority in 1998 to downgrade the independent government actuarial audit of all insurance companies operating in Australia? Is it true that, as a result of this penny-pinching measure, which saved a mere $60,000, the HIH insurance company did not have a full APRA actuarial audit at any time since 1988? Wouldn’t a comprehensive actuarial audit have uncovered the unsustainable insurance risks being taken on by HIH?

Mr HOCKEY—APRA answered those questions and addressed those matters in estimates last week. As the Prime Minister has announced, there is going to be a very full and complete—

Mr Sidebottom interjecting—

Mr SPEAKER—The member for Brad- don! The minister has the call.

Mr Bevis interjecting—

Mr SPEAKER—The member for Bris- bane is now defying the chair.

Mr HOCKEY—As the Prime Minister has indicated, there is going to be a very full and wide ranging royal commission into all of the issues surrounding the collapse of HIH, and I am sure the royal commissioner will deal with those issues.

Economy: Growth

Mr PROSSER (2.08 p.m.)—My question is directed to the Treasurer. Would the Treasurer advise the House of the results of any recently released indexes of consumer sentiment?

Mr COSTELLO—I thank the honourable member for Forrest for his question. I can inform him that the Westpac Melbourne Institute index of consumer sentiment, released last Wednesday, showed that consumer sentiment rose by 14.8 per cent in June as against May. This is the largest increase in consumer sentiment in 25 years. The consumers’ assessment of the economy over the next 12 months rose by 32.9 per
cent. They are optimistic about the long-term outlook for the economy, with the index for this question rising to its highest level since 1994. There was a strong rise in optimism that now is a good time to buy major household items.

The good thing about the consumer sentiment rise in June is that not only has it come off the back of strong national accounts for March but it puts an end to the incredibly negative sentiment reflected through the media during the first quarter of this year, talked up by the Australian Labor Party and championed of course by Dun and Bradstreet, which predicted that Australia would go through three quarters of negative growth, notwithstanding the fact that, in the March quarter, growth in the Australian economy was 1.1 per cent. Australians will welcome the fact that consumer sentiment has picked up. It will be good for retailers and it will be good for the Australian economy.

This of course may not be warmly welcomed by the Labor Party, which has been doing its best to talk down consumer sentiment. You will recall, Mr Speaker, that the week before last the Leader of the Opposition decided to go to Aston, in breathless anticipation of bad March quarter national accounts, and, as I said at the time he was in Aston, he was 'wishin' an' 'hopin' an' 'thinkin an' 'prayin' that we would be gettin' some bad national accounts. But there was good news for the Australian economy with those national accounts.

The other extraordinary comment he made while he was in Aston was, 'Asia is fine, the US is fine and Europe is fine'—the implication being that Australia was somehow the odd man out in a buoyant world economy. Well, every other economist in the world may beg to differ with the Leader of the Opposition. He no doubt will say that he is the only one who has it right. When he made the statement that the US is fine and Asia is fine, I could hear the collective clunk as jaws hit keypads in dealing rooms on their foreign currency exchanges.

Just for the sake of the record, the US economy March accounts showed that growth was 0.3 per cent for the March quarter. The US Federal Reserve has cut interest rates by 250 basis points. The Chairman of the Federal Reserve said on 24 May 2001:

This period of sub-par economic growth is not yet over and we are not free of the risk that economic weakness will be greater than currently anticipated...

No doubt, the chairman of the Fed has got it wrong. He is aggressively cutting interest rates by 250 basis points, expecting sub-par economic growth, just at the time when the Leader of the Opposition proclaims that the US economy is strong. He is the only person in the world who currently believes that the US economy is strong.

The other prediction he made was: 'Asia is fine.' For the sake of the record, lest people believe his prognostications, let me go through it: in the March quarter, the Philippines had negative growth of 0.5 per cent, Thailand had negative growth of 0.2 per cent, Taiwan had negative growth of 0.4 per cent and Singapore had negative growth of three per cent. If that is an Asia that is fine, one would hate to see an Asia that was going through a downturn. The Japanese economy in the March quarter had a downturn of 0.2 per cent, with the possibility recently identified by the finance minister of Japan of Japan going back into recession.

I mention all of this to show that the Leader of the Opposition has no understanding of any economy, either his own or any foreign economy. I say that because the world is currently going through a downturn not just in relation to the United States but in relation to Asia and to Europe as well. The fact that the world is going through a downturn will affect Australia. Notwithstanding that we had strong March accounts, that will affect Australia in the coming quarters.

What do you do in a period of world weakness? You do everything you can to help your exports. One of the things that this government did to help its exports was to take $3 ½ billion worth of tax off its exports. It was totally opposed by the Labor Party, but it was one of the best things that you could have done for the exporters, one of the
best things that you could have done for rural and regional Australia and one of the best things that you could have done for a world which is now in a subdued situation and turning down not just in the United States but in the whole of Asia as well.

Howard Government: Advertising Expenditure

Mr BEAZLEY (2.14 p.m.)—My question is to the Prime Minister. Prime Minister, can you confirm that your government is planning to spend an average of $20 million a month on advertising in the run-up to the federal election? Won’t this flood of advertising cement your position as the biggest spending advertiser in Australia, ahead of heavy advertisers like McDonald’s, Toyota, KFC and Coca-Cola? Can you confirm that the media buy for the barrage of government television ads just last night cost the taxpayer $500,000—half a million dollars for one night? Wouldn’t this half a million dollars have been better spent on 30 heart bypass operations or 40 hip operations or eight schoolteachers for a year or 45 extra university places or six portable new classrooms, instead of feathering your own nests?

Mr HOWARD—I thank the Leader of the Opposition for that question. I cannot, without consulting the forward estimates, precisely identify the figure that has been appropriated or will be appropriated for government advertising. But let me say quite plainly to the honourable gentleman that the government makes no apology for informing the Australian public of their benefits. We make no apology at all. Indeed, I do not hear the Leader of the Opposition remonstrating with state governments that allocate resources to put a blatantly partisan point of view.

I have seen one of the advertisements to which the Leader of the Opposition refers, and that is an advertisement drawing the attention of older Australians to the fact that there are benefits available in the budget. I think this is an important obligation. Unless the Leader of the Opposition imagines that this is unnecessary, could I inform him that in the preparations for the budget we were looking at the possibility of providing some additional assistance to older Australians who, unlike home buyers—particularly, might I say, home buyers in the division of Aston—do not get the benefit of a $300 a month reduction in their mortgage interest rates since March 1996. Older Australians do not have the benefit of lower interest rates, and that is one of the reasons why we decided to provide some more help for them. I was quite surprised and my colleagues were quite surprised to learn that a very significant number—indeed, tens of thousands—of older Australians who were entitled to get the Commonwealth seniors health card as a result of the liberalisation that occurred two years ago in the 1999 budget brought down by the Treasurer had simply not taken up their entitlements.

Here you have a situation where a benefit is significantly expanded and yet tens of thousands of people entitled to that benefit have not taken it up. The reason they have not taken it up is, I think, in part due to the fact that they are not aware of it, and I think it just underlines the fact that it is important for any government to carry out the sort of advertising to which the Leader of the Opposition has referred. And it is sheer humbug of him, given his performance in government, to say otherwise.

Electoral Reform

Mr ANDREWS (2.18 p.m.)—My question is addressed to the Prime Minister. I ask the Prime Minister: what action is the Commonwealth government taking to protect and enhance the right of Australians to participate in free and democratic elections?

Mr HOWARD—I thank the member for Menzies for his question. Can I start my answer by saying that, by the standards of the world, Australia has not only a very fair and clean and open electoral system but also an extremely efficient one. It has been organised over the years on a nationally coherent basis, and I know that many Australians...
would have compared the national consistency of our system very favourably with that of the United States at the time of the last presidential election. Having said that, there is always room for improvement. It is not something about which we should be complacent.

I understand that there has been tabled in the parliament a report from the Joint Standing Committee on Electoral Matters. I have to say that in the time available I have not had an opportunity of reading the report, although I have been advised of some of its recommendations. I have in particular been advised of a recommendation that, in future, people who seek to get on the electoral roll should have to produce some identification. I have to say that at first blush it has always struck me as rather odd that you need more identification to get a video than you do to get on the electoral roll—that is a very odd circumstance. Whilst this is a matter that will need to be taken through the proper processes of the government and of the government parties—

Mr Tanner interjecting—

Mr Speaker—The member for Melbourne!

Mr Danby interjecting—

Mr Speaker—The member for Melbourne Ports!

Mr Howard—I notice it is getting an excited response from those who sit opposite, Mr Speaker. The idea that you should actually have to establish your identity to get on the electoral roll is drawing bitter reaction from the member for Melbourne. Very, very, very interesting! Anyway, that is one of the recommendations. We will examine that recommendation and in due course make a decision. I will seek the views of my colleagues on that matter. I know that many of them have views, because they are concerned about maintaining the reputation of Australia for running fair, clean and open electoral contests. It is only when you have fair and open and clean electoral contests that you get the right result.

There are a number of other recommendations. I know one of them puts forward a principle that I have often heard enunciated in this parliament—including, I must say, from some members of the Australian Labor Party—and that is the principle of one vote one value. I think behind this is the notion that inside a political party there should not be A and B class shareholders; there should not be a group of people in a political party who have more clout than their numbers would warrant.

I have to say, speaking not only as Prime Minister but also as the leader of the Federal Parliamentary Liberal Party, that it is not a change that would give us any trouble, because we are a party that is very broadly based. We do not have bloc votes on the floors of state conferences dominated by trade unions, like others in this parliament have, and I cannot imagine either that this is a sort of change that would give any trouble to my good friend and colleague the Leader of the National Party of Australia, because this is also—

Mr Anderson interjecting—

Mr Howard—But, as with the other amendments—the changes—we will have a look at them; we will examine their practicality. As I say, I have not had a chance to read the report, but I have got to say that at first blush the idea of asking somebody to prove who they are before they get on the electoral roll does not strike me as a particularly outrageous proposition.

Howard Government: Advertising Expenditure

Mr Swan (2.23 p.m.)—My question without notice is directed to the Prime Minister. Prime Minister, can you confirm the government is spending over $4 million on a multimedia advertising campaign on budget pension changes? Why is it necessary to spend millions on print and television advertisements to advise age and veteran pensioners of the $300 payment when this money is being automatically credited to their accounts? Prime Minister, isn’t it true that this $4 million would easily allow the govern-
ment to pay to Australians aged 55 and above on carer pensions the $300?

Mr HOWARD—I say to the member for Lilley, as I said in response to the question asked by his leader: as to the precise amounts I would have to consult the budget papers, but I can assure him that the benefits available—

Mr Beazley interjecting—

Mr SPEAKER—The Leader of the Opposition.

Mr HOWARD—the benefits available under this budget, which are very valuable benefits, particularly to older Australians, will be properly communicated to the people who are entitled to receive them.

Education and Training: Funding

Mrs HULL (2.24 p.m.)—My question is addressed to the Prime Minister. Is the Prime Minister aware of claims that there has been a decline in investment within Australia in education and training, research and development, and information and communications technologies? Prime Minister, could you respond to these claims?

Mr HOWARD—I thank the honourable member for her question, and can I say by way of response that, yes, I am aware of those claims. Those claims have been made by the Leader of the Opposition, who, having failed to talk down the Australian economy, is now trying to talk down our investment in education. The Leader of the Opposition is entitled to a first-class honours degree in only one thing, and that is talking down his own country. The Leader of the Opposition has tried it in relation to the economy, and no wonder even normally favourable journalists—well, let me say journalists that do not normally favour the side of politics that I lead; let me put it that way—such as Ken Davidson, in the Age on 31 May this year, under the headline ‘Clever? No, just pathetic’—

Mr Lee interjecting—

Mr SPEAKER—The member for Dobell does not have the call.

Mr HOWARD—on the hollowness of his education mantra. The claims made by the Leader of the Opposition were seriously flawed, and the speech that he delivered to the Sydney Institute last Thursday was nothing other than a parody of the truth. It completely misrepresented the situation in so many areas. It gave a distorted picture. The claims made about investment in education were wrong. For example, the Leader of the Opposition talked about government schools. In 2002, Commonwealth funding for government schools will be $670 million more than the funding provided in the 1995 budget by him when he was Minister for Finance. This represents a 42 per cent increase in Commonwealth funding for government schools over the last Labor budget in 1995-96. I go on: according to the latest OECD report on education entitled Education at a glance: 2001 released last Wednesday—that is, the day before the Leader of the Opposition made his speech—Australia’s total investment, public and private, in primary, secondary and post-secondary, non-tertiary educational institutions is above the OECD average at 3.80 per cent. The Leader of the Opposition has asked his question.

Mr HOWARD—It is above the OECD average, but this man opposite would represent to the Australian people that we are slipping below the OECD average, yet the OECD’s own report—a day before he makes the speech—showed that we are in fact above the OECD average. The OECD average was 3.71 per cent. Ours was 3.80 per cent. Ours is higher than Germany’s at 3.68 per cent and the United States’s at 3.74 per cent. But it goes further: expenditure per full-time equivalent student in Australia is above the OECD average for primary and secondary schools, training and higher education. Total Commonwealth spending on education will be 17 per cent higher in real terms in 2001-02 than it was in 1995-96.
Instead of it going down, it has gone up by 17 per cent in real terms.

We then go on to vocational education and training, and here we have a remarkable story to tell. It is a story of where this government has revitalised the dying apprenticeship and training system of this country. It is a story of not a 50 per cent increase but a doubling of the number of young Australians in apprenticeships and traineeships. The level of people in those places had remained almost static for a period of about 20 years, but in the time that we have been in government, and as a result of our increased investment and a policy focused on achieving outcomes that benefit the community, the number of apprenticeships in Australia has more than doubled and there are currently about 300,000 young Australians in apprenticeships.

This government has increased funding for vocational education and training by 34 per cent since 1995-96. In this current financial year the federal government is spending $1.66 billion on vocational education and training, compared with $1.23 billion in 1995-96. Once again, the Leader of the Opposition is revealed and exposed as having deliberately misled the Australian people on the level of commitment in the area of vocational education and training.

It is estimated in relation to universities that total revenue available to higher education institutions, from all sources, will be a record $9.5 billion in 2001, which is around $1.2 billion more than was available to universities in Labor's last full year in office. Once again, the Leader of the Opposition is revealed and exposed as having deliberately misled the Australian people on the level of commitment in the area of vocational education and training.

Howard Government: Advertising Expenditure

Mr KELVIN THOMSON (2.32 p.m.)—My question is to the Prime Minister. Why is the government planning to spend $5 million of taxpayers' money to advertise the end of the financial institutions duty when this measure will be automatically put into place by the banks? Prime Minister, wouldn't this campaign be unlawful under the Auditor-General's guidelines for government advertising?

Mr HOWARD—I am touched by the member for Wills's new-found, unbounded faith in financial institutions—very interesting. Let us make a note of that: the member for Wills says that, if a financial institution says something, you do not have to do anything about it. Does that leave your corporate governance policy in the dustbin? Are you saying is that Tony Blair is wrong! That would really be amazing.

Combined public and private investment in university education in Australia, at 1.59 per cent, is also higher than the OECD average of 1.33 per cent. Australia’s investment is higher, as a proportion of GDP, than that of Germany or the United Kingdom, both in government investment and combined public and private investment. Of the total investment in universities in Australia, 0.4 per cent of GDP is spent on research and development, which once again is higher than the OECD figure of 0.34 per cent.

Those on this side of the House would be aware that in January this year I announced through Backing Australia's Ability a $3 billion program to further invest resources in the expansion of Australia's knowledge base. You therefore have a very clear comparison in an area identified by the Leader of the Opposition himself as being so tremendously important, as it is, to the future of this country. You have, by comparison, a government that not only has increased its level of commitment but is making further commitments to the future. On the other side, you have a Leader of the Opposition whose only stock in trade rhetoric, and dishonest rhetoric at that.
just going to rely in future on moral suasion rather than any changes? It is very important to tell people of the end of the financial institutions duty, Mr Speaker—which, let me remind you, you voted against. You voted against it, remember? Remember when you lined up to oppose the abolition of the—

Mr Crean—Wrong!

Mr HOWARD—Oh, we are wrong! I see. So we are wrong on this too! How could we get it so wrong!

Honourable members interjecting—

Mr Leo McLeay—They have all gone mad, Mr Speaker.

Mr SPEAKER—If the Chief Opposition Whip has a point of order, he will come straight to it or resume his seat.

Mr Leo McLeay—I will, Mr Speaker. I am sure you did not vote against the financial institutions duty tax, and you might ask the Prime Minister to address his remarks.

Mr SPEAKER—The Chief Opposition Whip will resume his seat. I had noticed that the Prime Minister had been directing his remarks deliberately—

Mr Horne—What was the last at Sandown, John?

Mr SPEAKER—The Member for Paterson! The chair is endeavouring to address the chamber and you have the sheer, barefaced audacity to interrupt.

Honourable members interjecting—

Mr SPEAKER—When the House has come to order! The Prime Minister will address his remarks through the chair.

Mr HOWARD—The member for Hotham says, ‘Oh no, we didn’t vote against it; we only sort of voted against the means to finance the abolition of it.’ In other words, he is in favour, along with his leader, of spending more, he is in favour of having a larger budget surplus and he has found a magic way of abolishing the financial institutions duty as well. The member for Hotham really is the original magic pudding.

Let me simply say to the member for Wills that I think the experience of members on both sides of the House has been, over the years, that you should never assume, just because you have made one announcement about a budget measure and because it has been communicated in various interviews, that there is a widely disseminated understanding within the community of the announcement. Nor should you assume that every corporate institution in this country automatically, with alacrity and from the very first time that it ought to do so, delivers every single benefit that it ought to deliver to its customers. I have great faith in corporate Australia. I think I probably have a bit more faith in corporate Australia than the member for Wills, who spent, I imagine, a large part of his public career in fact attacking corporate Australia. Nonetheless, I think it is necessary to inform the consumers of Australia of their rights.

The really good news on 1 July is that financial institutions duty will go, courtesy of tax reform. The other bit of good news on 1 July is that the company tax rate will fall to 30 cents in the dollar, courtesy of taxation reform. The other bit of good news on 1 July is that dividend imputation credits will be available for older Australians. Of course, if you want some further indications of other good news on 1 July I commend a full-page advertisement in yesterday’s Sun-Herald.

Mr McMullan—Mr Speaker, on a point of order relating to relevance: it was a very important question concerning whether the advertising was in breach of the Auditor-General’s guidelines or not—whether it was in fact illegal. That is very important and has not been answered.

Mr SPEAKER—The Manager of Opposition Business knows that a point of order must be a point of order on relevance. The Prime Minister has concluded his answer.

Education and Training: Performance

Mr BAIRD (2.38 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Will the minister inform the House of any recent reports assessing Australia’s performance in education and training. How does Australia compare with other nations in this regard?
Dr KEMP—I thank the member for Cook for his question. The Leader of the Opposition has, of course, once again been trying to talk down Australia. He has been trying to talk down a country which places education right at the top of its values and where Australian parents and this government are determined to give young Australians the opportunities that Labor denied them and that the Leader of the Opposition denied them when he was in office. We remember what his attitude was to education, as he acknowledged to his biographer when he became Minister for Employment, Education and Training:

I had sort of finally got to accept that I would never be Defence Minister again, so I lost a lot of ambition and I stopped striving ... I thought that there was less capacity to achieve in that portfolio than in just about any I have had.

We saw the Leader of the Opposition last week relying on a report from the Chifley Research Centre. It will probably be known from now on as the ‘Hanrahan report’:

“We’ll all be rooned,” said Hanrahan, “before the year is out.

That was the message from the Leader of the Opposition. But, unfortunately for the Leader of the Opposition, the authoritative OECD had just published a report which showed that Australia was well ahead of the OECD on all significant indicators. In relation to science and research in particular, public investment in university research in Australia is fourth in the world.

Indeed, it was only a couple of weeks ago that the Economist Intelligence Unit ranked Australia’s e-readiness—and we know how important information technology is for education—as second only to the United States in the world. That is a measure of what this country has done in information technology. At 1.59 per cent of GDP spent on tertiary educational institutions, Australia was considerably above the OECD average of 1.33 per cent, and our expenditure on research in universities puts us in the top ranks.

We have had, as the Prime Minister said, the most remarkable achievement in the last five years because, where the Leader of the Opposition left the apprenticeship system in ruins, we have built in this country in the last five years the largest apprenticeship system as a proportion of the work force in the English speaking world. In 1995 the number of apprenticeships and traineeships in Australia was the lowest for three decades as a proportion of the work force. Now, half of the young people in full-time employment in Australia are in a new apprenticeship and can get skills through being in a new apprenticeship. I am also pleased to inform the House that Commonwealth funding to the Australian National Training Authority in 2001 will exceed $1 billion. Under Labor it was $778 million in 1995.

This government has invested in opportunity for young Australians. No amount of talking down Australia’s educational achievements and this government’s commitment to education by a Leader of the Opposition who has never had the slightest interest in education—who, as the member for Werriwa said, stuffs it up whenever he gets close to education policy—will have the slightest credibility with the Australian people, because they know that opportunities for young people are continuing to expand every year of this government.

Howard Government: Advertising Expenditure

Mr BEAZLEY (2.42 p.m.)—My question is to the Prime Minister and follows the one that he was asked previously from this side of the House related to the government’s decision to spend $5 million to advertise the end of the financial institutions duty, despite the fact that the measure is automatically put in place by the banks.

Mr SPEAKER—The Leader of the Opposition cannot advance an argument.

Mr BEAZLEY—Prime Minister, wouldn’t this campaign be prohibited under the Auditor-General’s guidelines for government advertising, and why have you chosen to breach them?

Mr HOWARD—My advice is that all of the government’s advertising programs are perfectly proper.
Rural and Regional Australia: Small Business

Mr HAASE (2.43 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister outline to the House how federal government initiatives will benefit small business operators in rural, regional and remote Australia?

Mr ANDERSON—I thank the honourable member for his question. There is no doubt that, in broad terms, low interest rates and low inflation have put a firm foundation again under the prospects of small business right across Australia, including in rural and regional areas. And there is no doubt too that tax reform has built on those measures and that we have a proud story to tell, unlike the ALP, which plainly says that it does not care about small business.

If you simply take one aspect of rural small business—that is, the farm sector—it could well be the case that interest rate reductions are saving farmers at least $1 billion a year. If you contrast interest rates now with what they were, say, a decade ago under Labor, that would probably be closer to $2 billion a year—just for the farm sector. Our export sector, which is what rural and regional Australia is about, now pays internationally competitive interest rates—not interest rates two or three times what comparable businesses in other countries pay. That gives us a foundation stone upon which small business can prosper and grow.

Tax reform has unquestionably helped as well. For the first time that I can remember, Australia is back in a paddock where we have not been for a long time: we are actually exporting more than we are importing. Our terms of trade have moved in a positive direction for the first time that many of us can remember as well—the result of a lot of very hard work and a lot of very substantial reform. In addition to that, I think the Treasurer has already referred to the $3.5 billion of taxes that has come off exports. That is unquestionably—and small business and rural industries, particularly, need to be reminded of this—a major contribution that has flowed from reform of the tax system.

The simplified tax system starts from 1 July so that small businesses can do their tax accounting on a cash basis, with simplified depreciation and trading stock rules. As the Prime Minister has mentioned, the company tax rate comes down then, the financial institutions duty—a subject of great interest on the other side—goes and stamp duty on shares transactions also goes, which in our country now with, I think, between five and six million shareholders is welcome reform as well. The reduction of around $3,200 on a new business car, announced in the budget, is also worth a considerable amount to small business. Then there are the capital gains tax reforms of 1999.

The Labor Party on the other hand admits that it does not care about small business. The Leader of the Opposition went on record saying this in Perth last year, when he said, ‘We have never pretended to be a small business party.’ We see that reflected of course in the position of the opposition’s deputy leader, who plainly has no understanding of the importance of trusts to small businesses and farmers, who use them not for tax avoidance but to manage their assets.

You then come to the issue of industrial relations. Nowhere does the citycentric view of what is good for the bush become more clear than when the ALP and the ACTU tell you what is good for you in terms of industrial relations. They have no concept of how small family businesses work out their arrangements with their employees and no concept of how the unfair dismissal law works in rural and regional areas. They continue to support an approach that says that union access to a workplace ought to be guaranteed, even if there is no union membership or no union interest in that workplace: continue to oppose youth wages, making it harder for small businesses to give young people a start in life; and continue to support secondary boycotts so that they can spread industrial disputes to companies that have nothing to do with the original dispute.
These are the policies put together by big city unionists to boost the power and influence of big city unions. They were always a disaster in rural and regional Australia. If they were ever brought back, it would be a case of ‘back to the future’; back to the days—and we ought to remember this—when Senator Cook came to his senses on something that ought to have been done in rural and regional Australia. He said, ‘Let’s get rid of the tally system.’ He recognised that that would be good for the meat export industries in this country. What happened? What happened was that Wally Curran rang up the ACTU. We remember who was in charge of the ACTU in those days—it was the member for Batman. He said, ‘We can’t have this.’ The result of course was that the tally system remained in place to the great detriment of jobs in the bush.

Mr O’Keefe—Mr Speaker, I take a point of order under standing order 85, which relates to relevance and tedious repetition—

Mr SPEAKER—The member for Burke will resume his seat.

Mr O’Keefe interjecting—

Mr SPEAKER—The member for Burke will resume his seat or be dealt with under the standing orders. The member for Burke has raised a point of order that I have dismissed out of hand, exacerbated by the fact that I understand that the minister has concluded his answer.

Goods and Services Tax: Survey

Mr CREAN (2.49 p.m.)—My question is to the Prime Minister, and I refer to his continuing claims that the GST is ‘behind us’. Prime Minister, have you seen the latest Herald Sun survey showing that, despite your spending $500 million on GST advertising to date, with millions more to come in future months, Australians are just not buying it, with 56 per cent of people thinking the GST has made them worse off, 56 per cent of people thinking the GST has mugged the economy, 58 per cent opposing the GST—

Mr SPEAKER—The Deputy Leader of the Opposition is advancing an argument.

Mr CREAN—and 68 per cent thinking most goods went up by more than 100 per cent—more than 10 per cent?

Government members interjecting—

Mr CREAN—Just to repeat that point: 68 per cent thinking most goods went up by more than 10 per cent. Prime Minister, why should people believe the GST is ‘behind them’ when you are spending so much of their money to cover up the GST’s failure?

Mr HOWARD—In the end the Australian people will of course, at an appropriate time, make a judgment about these matters.

Opposition members interjecting—

Mr HOWARD—I say to those who interject, with smiles on their faces and with glee, from opposite that that is a view that I stated before, during and subsequent to the introduction of the new tax system. I have never underestimated the difficult challenge facing any government undertaking major reform for the long-term benefit of the nation. The difference between those who sit behind me and those who sit behind the Leader of the Opposition is that we have put the interests of the nation first. We have not been prepared to talk down the Australian economy. The person who asked me the question is the person who, in unison with the Leader of the Opposition, absolutely rubbed his hands together with glee when those December quarter national account figures came out. They thought—

Mr Beazley—Not right.

Mr HOWARD—’Not right,’ he says. They spent three months going around the country endorsing every gloomy newspaper story, they spent three months going around the nation saying what an absolute disaster the GST is for the nation, but when you ask the Leader of the Opposition or when you ask the Deputy Leader of the Opposition, ‘If you should become the government of the country what are you going to do with the GST?’ they say, ‘Really, we are going to keep it.’ They hate it—

Opposition members interjecting—

Mr HOWARD—Ah, roll-back! That brings me to Senator Conroy, because last
week we had an endorsement from the Leader of the Opposition of the validity of what Senator Conroy said. Remember what Senator Conroy said? He said, ‘If you’re going to roll back the GST, either you’ve got to cut spending or you’ve got to lift taxation.’ Last week the Leader of the Opposition made it very clear that he was not going to cut spending. The Leader of the Opposition, in response to a news release that I put out, huffed and puffed and he said, ‘We’re not going to cut spending; we’re going to spend more.’ If you are going to spend more and you are going to roll back and you going to have a larger surplus and you are not going to dud the states—because you gave them a guarantee at that meeting you had in Burnie—you are left with only one alternative, and that is to lift income tax.

The bottom line of this economic debate is that there is only one side of politics that has had the courage to do something for the long-term national interest. In the end, like every political party in this country and every government in this country, we will be judged not by opinion polls or newspaper pieces but by the Australian people. I will be happy to say to the Australian people that, in the long-term national interest, we were prepared to do something that every senior politician has known for a generation had to be undertaken for the benefit of this country. It will be forever to the credit of this government that, instead of trying to trash the national interest, as you did for three months, we have put the national interest way in front of our political interests.

Exports: Lamb

Mr St CLAIR (2.55 p.m.)—My question is addressed to the Minister for Trade. Would the minister inform the House of the latest development concerning Australian lamb and how this came about? Minister, what alternative approaches to international trade negotiations exist in this area?

Mr VAILE—I thank the honourable member for New England for his question. Obviously, the member has a significant number of lamb producers in his electorate that export to the United States and want to see that market opened up further and the impediments that have been placed in the way of that trade removed. We have been actively and aggressively pursuing Australia’s rights and the rights of Australia’s exporters within the WTO on this matter. At the end of last week we received news that the United States administration clearly indicated in Geneva that they intended to implement the decision that came out of the appellate body in the WTO that the quota and the tariff regime should be removed. The US administration have also indicated that they will need a reasonable amount of time, which is yet to be negotiated, to implement those measures.

From the outset we and the industry have maintained that these measures were unjustifiable and that there had not been serious injury caused to the US industry by the export of Australian product into that marketplace. Going through all the processes within the WTO, we have established that right through to the latest decision of the appellate body and we aim to continue to aggressively exercise our rights under the rules and disciplines of the WTO, whether it be for the lamb industry or for other industries engaged in trading internationally. We are now asking the United States to implement in the shortest period of time possible that decision within the WTO.

We have seen a lot of commentary lately on what trade policy should or should not be, what the government is or is not doing, and we have been actively and aggressively pursuing a trade policy both multilaterally and bilaterally within our region and more broadly across the globe. We have an attitude of ‘Not Asia only, but Asia first’. We have been actively engaged in the region—in South-East Asia and in East Asia.

We have seen rantings recently from the shadow spokesman that, within 100 days of coming to office, a Beazley government would organise a trade treaty with China, but in the same article they are saying that the first thing they are going to do is abolish the East Asia Analytical Unit within the department. Then they are going to establish a
trade treaty with China. It is interesting to note that it has taken about 15 years to negotiate a position with China for entry or accession into the WTO which is going to deliver enormous benefits to Australia’s exporters, and yet that is the approach. We have seen the shadow spokesman say that he is favourably disposed to what the government is proposing for improving the economic relationship with the United States. He is saying he is ‘favourably disposed’ in one comment. Then we have the member for Griffith running around, particularly in the US, saying that may not necessarily be so—that it may not necessarily be the Labor Party’s position. So, of course, Australia’s exporters and some of our interlocutors overseas are a bit confused about Labor’s position. Is it Beazley’s position, is it Cook’s position, is it Rudd’s position or is it Dougie Cameron’s position that we have seen recently where he almost rolled the Labor Party in terms of their trade policy? I should say their trade non-policy, because a trade policy does not exist. If you go to the Labor Party’s web site, a trade policy does not exist. If you go to the Labor Party’s web site, a trade policy does not exist. So we have got the shadow spokesman out there being very critical of the things that the government is achieving, yet there is no serious proposition on the direction that the Labor Party would go in the future as far as trade policy is concerned.

Howard Government: Advertising Expenditure

Mr STEPHEN SMITH (3.00 p.m.)—My question is addressed to the Prime Minister. Prime Minister, is it not a fact that the government will launch a $6.9 million advertising campaign in the lead-up to the election that, as admitted last week in Senate estimates, will promote the government’s Networking the Nation programs, three of which will have been all but completed and two of which will be more than halfway through? Prime Minister, why won’t the government instead spend this money where it might actually improve telecommunications services in rural and regional Australia rather than on an advertising rort designed to help get the government re-elected so that it can flog off the rest of Telstra?

Mr HOWARD—I will obviously stand corrected if, on checking, I am wrong but it is my understanding that Networking the Nation was funded out of the partial sale of Telstra. Am I right in that?

Government members interjecting—

Mr HOWARD—Yes. My further understanding is that members opposite voted against it. In other words, they were opposed to Networking the Nation. Those who sit opposite are completely opposed to Networking the Nation. I just happen to have with me a note that lists some of the benefits that have come out of Networking the Nation. It has funded over 400 projects across Australia. This is a funding program that they voted against.

Mr Beazley—Mr Speaker, I take a point of order: this question was about the advertising campaign that they are launching to advertise a program completed. You do not have to be particularly clever about politics to see what that is all about.

Mr SPEAKER—I noted the question as it was asked and, from memory, the member for Perth’s question implied that the programs were not completed but had in fact commenced. I call on the Prime Minister.

Government member—A badly drafted question.

Mr HOWARD—Yes, it was a badly drafted question. The answer nonetheless is that the $250 million Networking the Nation program has funded over 400 projects across Australia—

Mr McMullan—Already? Why advertise it now?

Mr HOWARD—Yes, we are very quick in implementing our commitments. He says ‘already’ as though that is a point of criticism. We now have the Australian Labor Party saying, ‘Don’t so quickly introduce your policies.’

Mr McMullan—Mr Speaker, my point of order is of course on relevance. The Prime Minister perfectly made my point.

Mr SPEAKER—The Manager of Opposition Business will resume his seat. A point of order was raised on relevance. In fact, I
scarcely heard the Prime Minister for interjections from the Manager of Opposition Business. I am listening to the Prime Minister’s reply. What I heard him say seemed to me to be entirely relevant to the question that was asked.

Mr McMullan—Mr Speaker, I want to persist with that point of order.

Mr SPEAKER—I will hear the Manager of Opposition Business.

Mr McMullan—The Prime Minister, in response to my interjection, had said clearly that the money from Networking the Nation had been spent, which was exactly the point of the question—

Mr SPEAKER—The Manager of Opposition Business will resume his seat. I point out to the Manager of Opposition Business that, as he is aware, the occupier of the chair spends enough time sorting out responses to questions and their relevance without having to deal with responses to interjections. In fact, there is no obligation, nor is there a right, for people to respond to interjections. I call on the Prime Minister in response to the question.

Mr HOWARD—We created the $250 million Networking the Nation program, which funded over 400 projects across Australia. I repeat, if the policy position of the Labor Party had prevailed, none of those programs would have been endorsed. That is why it is perfectly valid.

Mr Beazley—Mr Speaker, my point of order is on relevance: we made it amply clear that—

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

Mr HOWARD—T2 is also a procedure that the Labor Party opposed.

Opposition members interjecting—

Mr HOWARD—Correct. So you opposed spending an additional $171 million that was added to the Networking the Nation fund: for building additional rural networks, $70 million; local government fund, $45 million; Internet fund, $36 million; and remote island fund, $20 million. But other initiatives funded from T2 included—

Mr Beazley—Mr Speaker—

Government members—Frivolous.

Mr Beazley—A bit of order in this place at question time.

Mr SPEAKER—The Leader of the Opposition knows that that could have been acted on by the chair. The Leader of the Opposition has the call.

Mr Beazley—Mr Speaker, my point of order goes to relevance. The question was about advertising a program that is already completed. The Prime Minister has come up here pointing out that it is already completed. We want to know: why advertise it, then?

Mr SPEAKER—The Leader of the Opposition will resume his seat. Had the Prime Minister concluded his answer, the Leader of the Opposition would have a valid point of issue, but in fact the Prime Minister was indicating, I thought, what the program was about. For that reason, I allowed him to continue.

Mr HOWARD—Other initiatives funded from T2 include—and the Labor Party is against these programs—contracting Telstra through the competitive allocation of $150 million to provide untimed local calls to remote areas. I would have thought that every member would support that, but the Labor Party voted against these provisions. Other initiatives include contracting Vodafone through a competitive allocation of $25 million to provide continuous mobile phone coverage along 11 major highways, $158 million to the Building on Information Technology Strengths program and $120 million to the television fund, including fixing TV black spots in many regional and rural areas.

Mr Beazley—Mr Speaker, my point of order goes to relevance. We are now about five minutes into this answer and not a word of it has been relevant yet. It is all past programs. This is a $6.9 million advertising campaign before the next election on a completed program—

Mr SPEAKER—The Leader of the Opposition is not now making a point of order and will resume his seat. The Leader of the House has a point of order.
Mr Reith—My point of order, Mr Speaker, is that we have had four or five points of order from the Leader of the Opposition, all in the same vein, all of which have been dismissed for the identical reason on each and every occasion. It is plainly obvious, Mr Speaker, that the answer is relevant. You have so ruled on numerous occasions. My point of order is that further frivolous points of order should be ruled out of order as such.

Mr SPEAKER—Does the member for Dickson have a point of order?

Ms Kernot—It is a point of order to you, Mr Speaker, about the way in which you ask opposition members to refrain from articulating their point of order and you let the Leader of the Government explain at length.

Mr SPEAKER—The member for Dickson will be aware that in fact she did not have a point of order.

Mr O’Keefe interjecting—

Mr SPEAKER—The member for Burke will apologise to the chair.

Mr O’Keefe—Mr Speaker, I am sorry, but I do not really understand what it is you are requiring that I apologise for.

Mr SPEAKER—The member for Burke reflected on the chair. He will apologise to the chair or I will take action.

Mr O’Keefe—Well, if you feel I have reflected on you, Mr Speaker, I apologise.

Mr SPEAKER—I do indeed, and I require an apology without condition.

Mr O’Keefe—I have apologised.

Mr SPEAKER—I thank the member for Burke. There have been a number of points of order taken on the question currently before the House. I have heard them all, as the standing orders obligé. It was therefore scarcely surprising that the Leader of the House should raise a point of order on the points of order being raised and the frequency of them, given that from time to time on all of the issues raised I had indicated that the Prime Minister was being relevant. The obligation the Prime Minister has is to answer the question, indicating why the advertising program is necessary. He has to date, to my hearing, been indicating what the program has achieved.

Mr HOWARD—There are two other elements of the program, and then I will come to the question of advertising. The two other elements of advertising are $120 million for a television fund that includes fixing TV black spots in many regional and rural areas. I want the House to observe that those who sit behind me voted in favour of that fund and those opposite effectively voted against it. Finally, there is $15 million for connecting Tasmanian schools through Internet facilities. I am ashamed to note that the member for Franklin, the member for Denison, the member for Lyons, the member for Bass and the member for Braddon all voted against that.

They raise the question of television advertising. I would remind you, Mr Speaker, and through you I would remind those who sit opposite, that one of the differences between the coalition’s approach to the provision of community communications services in rural Australia and that of the Labor Party is that this government has instituted two very important rights for people who live in rural areas. One of them is the universal service obligation. The other is the customer service guarantee. None of those measures or guarantees existed under the former government. It is very interesting that the former government, now incarnated in the opposition, carries on about the value of 100 per cent public ownership, but when you had 100 per cent public ownership you didn’t have a universal service obligation; you didn’t have customer service guarantees and you didn’t have a Telstra zoning review, either.

Mr Beazley—Mr Speaker, I take a point of order, and it goes to relevance. We are now 10 minutes into this answer and there has not been one mention of why there is that $6.9 million—

Mr SPEAKER—The Leader of the Opposition will resume his seat. The Prime Minister will come to the question.
Mr HOWARD—One of the many legitimate reasons for advertising the benefits of that program is to make people who live in rural areas well and truly aware of their rights. Let me illustrate. There can often be changes in telecommunications entitlements that people may not be aware of. For example, yesterday, I am pleased to note, Telstra announced that customers in fringe metropolitan areas currently paying timed STD rates to the CBD will have the choice of a flat untimed 25c call to the CBD. For 13 years it was not the case that those sorts of entitlements existed. Now that they have been made available, people who are to get the benefits of them ought to be made aware of those benefits. It is that kind of information which, as the Leader of the Opposition knows, was invariably provided through advertising when his government was in office.

This line of questioning by the Labor Party is humbug, even by their standards.

Mr SPEAKER—The member for Jagajaga.

Government members interjecting—

Mr SPEAKER—I have called the member for Jagajaga. I will recognise her and then allow two questions to the government side.

Howard Government: Advertising Expenditure

Ms MACKLIN (3.14 p.m.)—My question is to the Prime Minister. Prime Minister, why are you spending $15 million of taxpayers’ money on private health insurance advertising, when this extra money would pay for 1,250 hip replacement operations or 1,000 heart bypass operations? Prime Minister, aren’t you extending the time thousands of Australians wait in pain for treatment at our public hospitals by spending this money on advertising rather than the health system?

Mr HOWARD—that question, coming from the Labor Party, would have a little bit more credibility if we had not spent 28 per cent more in real terms on public hospitals than you did.

Howard Government: Advertising Expenditure

Mr HAWKER (3.15 p.m.)—My question is to the Treasurer. What steps is the government taking to inform taxpayers of tax cuts taking place from 1 July, and is there any precedent for governments conducting public information—

 Opposition members interjecting—

Mr SPEAKER—Order! The member for Wannon will recommence his question and be heard without interruption.

Mr HAWKER—Thank you, Mr Speaker. My question is to the Treasurer. What steps is the government taking to inform taxpayers of tax cuts taking place on 1 July, and is there any precedent for governments conducting public information programs on such matters?

Mr COSTELLO—I thank the honourable member for Wannon for his question. As was announced in a measure in the budget, the government will spend $5 million informing taxpayers of their entitlements to claim excess imputation credits. Let me say, Mr Speaker, that people have never been able to claim back excess imputation credits before, because the Labor Party never allowed them to do so. From 1 July, people will be able to do it, including pensioners, but they need to know they are entitled to do it if they are to get the taxes back. Secondly, charitable and gift-deductible organisations will be entitled to claim back imputation credits, for the first time in Australian history. Many of those charitable trusts do not put in tax returns, because they have never been entitled to get back the imputation credit on shares and dividends that they may receive from those shares.

The third thing is that the government will advertise the entitlement of all Australians to be relieved from the payment of financial institutions duty. The Leader of the Opposition is sending a letter around in his electorate saying that the Howard-Costello budget hands over $5 billion to the big end of town in tax cuts—to the big end of town. Some $1.2 billion is paid by the millions of Australians who are slugged with financial in-
stitutions duty, which is being abolished on 1 July, and he complains that is a tax cut for the big end of town! It is a tax cut for every pensioner in this country, for every self-funded retiree in this country, for every mother in this country and for every kid that might have a Dollarmite account with their school for saving. Some $5 billion to the big end of town? I will table that deceptive letter which has been written by the Leader of the Opposition.

I am asked whether governments ever advertise tax changes that they put in place. The Labor Party, of course, would have the Australian public believe what an outrageous thing it is to publicise tax changes. What kind of unconscionable government would advertise a tax change to let people know that their tax cuts are coming? What kind of unconscionable government would do that? Let me tell you one that would do that. The Bracks-Brumby government would do that. The Financial Review of 7 May 2001 had a nice little picture of Steve Bracks and a nice little picture of John Brumby. Prime Minister, you and I ought to have our pictures on these! And it has a signature. Look at what it says. The Labor Party would never advertise a tax change? Oh, no, not the Labor Party! Steve Bracks says that less tax would create a more competitive business environment. The advertisement says:

We said—Steve Bracks and John Brumby—

‘Let’s do it.’

That is what John Brumby and Steve Bracks said. Then they set out all of the things that they are going to do. And have a listen to one of the things that they are going to do. This is Mr Bracks and Mr Brumby, outrageously putting advertisements in the newspaper. One of the things they are going to do is this. Let me quote:

These cuts—

*Opposition members interjecting—*

**Mr Costello**—Yell louder, because you might drown me out. Come on, louder, Gavvie. This is what they are going to do in addition to all of their cuts. This is what they say:

These cuts—this is Bracks and Brumby—are in addition to the abolition of Financial Institutions Duty ...

The Victorian Labor government talk about the abolition of the financial institutions duty. The advertisement says:

These cuts are in addition to the abolition of Financial Institutions Duty and stamp duties on quotable marketable securities from 1 July. They are not only advertising their tax cuts; they are advertising our tax cuts. You had better ask a question of Mr Bracks and Mr Brumby about how outrageous it is that they are using taxpayers’ money to advertise our tax cuts. That is one of the reasons why we do advertise: to make it clear who is abolishing the financial institutions duty. It is not Mr Bracks and Mr Brumby. That is being totally funded by the GST revenue. They sit back in Melbourne and take their cheque every month. As the GST revenue grows, they abolish financial institutions duty and stamp duties on marketable securities, they advertise the fact that they are doing it, and they get out and inform taxpayers. This is hypocritical. I often say, ‘Hypocrisy, thy name is Labor.’ I table the famous Bracks and Brumby advertisement.

Employment: Manufacturing Sector

**Mrs Moylean** (3.22 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Would the minister inform the House what the government is doing to create jobs in the Australian manufacturing sector? What threats exist to continued job growth in this important sector, and are there any alternative policies in this area?

**Mr Abbott**—I very much thank the member for Pearce for her most excellent question. Members would be aware that on the weekend the Australian Metal Workers Union claimed that employment in the manufacturing sector had fallen by some 75,000 in the life of the Howard government. Let me make it very clear that this claim by
the Metal Workers Union is wrong. It is absolutely and completely false. The Australian Bureau of Statistics shows that, since May 1996, employment in Australian manufacturing has actually increased by over 10,000 workers. The metal workers also announced on the weekend a $400,000 marginal seats advertising campaign to support the Beazley opposition. Last week in Workforce, the newsletter of the Metal Workers Union, Doug Cameron was saying, 'Economic circumstances forced us to make some tough decisions.' Then he goes and spends $400,000 on an undeclared political donation to the Australian Labor Party, on top of the $680,000 the Metal Workers Union gave last year.

Any claim by the Metal Workers Union, allegedly in protection of jobs, comes a bit rich from a union whose leaders are substantially a bunch of New Age economic Luddites. Last year, the Metal Workers Union masterminded Campaign 2000, a job destroying campaign directed at no fewer than 50,000 employers in the metal industry around Australia. Just last week, a Metal Workers Union picket line, led by no less a person than Craig Johnston, the Victorian state secretary of the union, conducted a smash and grab raid on two Victorian businesses and caused no less than $300,000 worth of damage. I quote from the Age newspaper:

A man used a crowbar to smash down the entrance to the skilled offices in Whitehorse Road. Once inside, a group of about 40 men tossed computers on the floor, overturned desks, hurled chairs through windows and smashed pot plants while scared staff stood by.

This is the economic equivalent of a home invasion masterminded by a union affiliated to the Australian Labor Party. The Leader of the Opposition says he wants to strengthen unions’ right of entry. Obviously this is the kind of goon squad activity that the Leader of the Opposition has in mind.

Honourable members interjecting—

Mr SPEAKER—The member for Burke is warned.

Mrs Crosio interjecting—

Mr SPEAKER—The member for Prospect is warned.

Mr ABBOTT—This is the union which actively encouraged violence at the SI1 protest last year. This is the union which is now preparing protests at the Commonwealth Heads of Government conference later this year. This is the union from which the Leader of the Opposition is happy to accept $680,000 a year. I call on the Leader of the Opposition to reiterate the former Labor government’s commitment to low tariffs. If the Leader of the Opposition had any decency, any integrity and any ticker, he would immediately repudiate this union’s disgraceful conduct. He would repudiate the comrades of the AMWU.

Howard Government: Advertising Expenditure

Mr TANNER (3.27 p.m.)—My question is to the Prime Minister. Isn’t it a fact that the money to fund your advertising for the private health insurance industry has been taken from money actually allocated to assist hospitals to introduce simplified billing? Doesn’t this mean that simplified billing in hospitals will be more slowly introduced, simply so that the government can promote itself on television?

Mr SPEAKER—I call the Minister for Health and Aged Care.

Dr WOOLDRIDGE—I thank the honourable member for his question. Some money was reallocated because the amount originally allocated was more than we required. I am extremely happy at any time to have the government’s record—

Opposition members interjecting—

Mr SPEAKER—I will resume his seat. If those on my left wish to ensure that the standing orders are upheld, they need simply to continue behaving as they are.

Dr WOOLDRIDGE—It does not mean that simplified billing will be any slower. I would point out that simplified billing is
something the Labor Party could never have dreamed of. Nor could they have dreamed of the 30 per cent rebate, lifetime health cover, prudential reform, reform of prostheses and a 45 per cent insurance rate. We are happy to have our record on this put up against theirs any time.

**Commonwealth Heads of Government Meeting: Brisbane**

**Mr HARDGRAVE** (3.29 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of how Australia’s international image will be enhanced by the Commonwealth Heads of Government Meeting and associated events to be held in Brisbane in October? Is the minister aware of alternative views in relation to this important issue?

**Mr DOWNER**—I thank the honourable member for Moreton for his question. I appreciate the interest that he, as a Queenslander and as a Brisbane MP, is showing in the Commonwealth Heads of Government Meeting which will be held in Brisbane in October. This is a very important meeting for Australia. It is a meeting where we will host in our country somewhere in the vicinity of 40 heads of government from all around the world. I think it will be yet another example, as was the Sydney Olympics, where we can showcase Australia to very great effect.

No doubt the meeting will have many issues on its agenda. It will be a great occasion for ministers, presidents and prime ministers from around the world to address some of the key issues that the international community faces. I think that just about all Australians would hope very much that Brisbane puts on a good performance, that Australia puts on a good performance, and that the whole CHOGM meeting will reflect well on our country.

It comes as a matter of concern to me, to the government and, I think, to most Australians that Mr Doug Cameron of the Australian Manufacturing Workers Union said on a television program that his union was going to use its members’ money to bankroll demonstrations planned for the Commonwealth Heads of Government Meeting. I will be frank: it does not help Australia to have demonstrations of that kind at a Commonwealth Heads of Government Meeting where we have the eyes of the world upon us. I would have thought that any major political party would want to do what it could to discourage demonstrations of that sort. After all, it is an unedifying thought to have demonstrations in our country against the likes of President Mbeki, Prime Minister Vajpayee or Prime Minister Blair and a long list of other heads of government who will be here.

Yesterday on television the member for Kingsford-Smith was asked quite openly whether he supported the AMWU financing these demonstrations. It is perfectly clear from what the member for Kingsford-Smith said that he would not repudiate the funding of these demonstrations—this from the spokesman for foreign affairs, who you would think would want to make CHOGM a success and who would not want to be encouraging demonstrations against leaders of the world.

Government members interjecting—

**Mr DOWNER**—Members behind me say, ‘What does Rudd say?’ What would the member for Griffith, a Brisbane member, think of his spokesman for foreign affairs not condemning and not rejecting the funding of demonstrations by the unions? It gets to the heart of what the Labor Party is about. It wants to walk on both sides of the street. I suppose that when the demonstrations happen it will say, ‘Oh well, that’s a little regrettable’—all the time, of course, giving a wink and a nudge to Doug Cameron and the AMWU funding the demonstration. Of course, as the Minister for Employment Services pointed out, this is the union which provided $680,000 to the Labor Party last year and is running an advertising campaign for the ALP. No wonder the discredited spokesman for foreign affairs will not condemn the funding of these demonstrations. It is an indictment of a major political party that aspires to come to government that it should condone demonstrations of this kind against leaders of the world.
Mr Howard—Mr Speaker, I ask that further questions be placed on the Notice Paper.

GOVERNMENT ADVERTISING LEGISLATION
Suspension of Standing and Sessional Orders

Mr BEAZLEY (Brand—Leader of the Opposition) (3.33 p.m.)—I move:

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

1. the Leader of the Opposition from presenting forthwith a bill to require government advertising to meet minimum standards with respect to objectivity, fairness and accountability and to prohibit the expenditure of taxpayers’ money to advertising which promotes party political interests—the Government (Advertising Objectivity, Fairness and Accountability) Bill; and

2. the bill being debated and passed through all stages without delay.

It is necessary to suspend standing orders to do this. If anyone thought it was not, all they needed to do was to listen to question time today, when we got a confirmation from the Treasurer that he wants to spend millions on advertising the abolition of financial institutions duties because a state government had done it—it is a state tax, of course—and he wanted the Commonwealth to get credit. That is $5 million because he wanted the Commonwealth to get credit—ignoring the fact, of course, that all financial institutions will be absolutely obliged to cut it on that day. Indeed, in that particular piece of advertising from Premier Bracks and Mr Brumby, it featured in one small line. One small line: compare that to what is going to be a multimillion-dollar television campaign associated with it.

I want people to get a perspective of this so that they get a full understanding of what is going on here. Teased out in Senate estimates hearings last week was the fact that between now and the end of the year something like $20 million a month is going to be spent by this government on advertising—$20 million a month. In the course of the election campaign itself, in the entire election campaign, on television advertising the Labor Party and the Liberal Party severally will spend around $13 million each. Compare that $13 million each with $120 million worth of advertising between now and the end of the year. People get sick of, and think excessive, advertising that political parties do in election campaigns. Contemplate that being multiplied sixfold. That is what this government is doing.

The government defends itself by reference to the past. There is no past in dimension at all, as far as its performance is concerned. It is true that governments sometimes advertised their activities in the past. It is also true that when this government was in opposition it complained about it. For example, I have here a press release from Mr Howard on 5 September 1995, complaining about an advertising campaign that was not one-tenth what has been spent on the GST advertising campaign:

Today’s shadow Cabinet meeting in Gladstone decided that in government we will ask the Auditor-General to draw up new guidelines on what is an appropriate use of taxpayers’ money in this area.

Where are the new guidelines? Five years on, there are no new guidelines—because, if the guidelines reflected what the Auditor-General said they should be, after he had a chance to look at the ‘Unchain my Heart’ ads and the rest of it, this $100 million-plus would not be being spent. It simply would not be being spent because it would be illegal.

We have saved the Prime Minister from one piece of criminal illegality in connection with the advertising campaign associated with the ‘Unchain my heart’ ad, and that was the misuse of the electoral roll to send a letter to all Australians. We saved him from inadvertent criminal activity in that regard by exposing it and having him retreat on that subject. But it was a bagatelle compared with what was being spent all over on those ads which now have given Australians offense. There is nothing Australians resent more than not only having to pay that particular tax—that GST—but having their noses rubbed in it in the interests of the Liberal Party and the National Party, which is
what is happening to them in the advertising campaign. But it is about more than just ‘Unchain my heart’, which is why we need to suspend standing orders now—to deal with a problem that the government said it would deal with five years ago—to introduce a properly presented bill.

If you go across the array of what is being proposed here, it looks like a taxpayer funded response to a Lynton Crosby focus group. The elderly in this country are deeply offended by the way that they are being treated—but they do not get relief; they get an advertising campaign. People are beginning to be worried about the value of their private health insurance—but they do not get relief; they get an advertising campaign. People are seriously worried about what is happening to the environment in this country—but they do not get relief; they get a government self-serving advertising campaign. People in this country are worried about what is happening with their health and with their families’ health—but they do not get relief; they get an advertising campaign. What an extraordinary thing it is when you think of the money that could be spent on dealing with people’s inability to access operations in public hospitals now—hip operations, bypass operations. Every member who is in any way diligent as a constituency member will know of a practice with constituents lining up a mile long, trying to access these procedures in public hospitals—and most of those constituents, I am afraid to say, will be elderly.

The elderly will get that $300 paid directly into their accounts. They do not need to apply for it. The government already has them on record; it is paying a pension or a part pension to them right now. They will get that $300 automatically paid into their accounts; they are not going to miss out on that $300. Therefore, why does $5 million have to be spent on telling them what they will be getting automatically anyway? It is an extraordinary thing to do. There is only one reason for that, and that is that the government cares so little for them. It had the opportunity to spend that money, for example, on giving the $300 to the carers aged 55 or over who stay at home to look after them, or it could have expanded it to those who miss out by a month or so. One or two constituents are coming forward now who thought they would get the $300 but who are in fact not going to get it—it is not being paid to them as it is to others. It could have been spent on ameliorating their concerns. But, no, it is spent for the personal benefit of the members of the Liberal Party in their attempt to save their hides.

Then we had that $15 million health campaign. What an extraordinary thing—the government actually got the money from savings made in the simplified billing process in public hospitals. Anybody who thinks that a simplified billing process for public hospitals has been completed has not been around looking after folk lately. They think that is a concluded matter. Money is thumped from that for the Liberal Party’s advertising campaign.

The looting is going to end. We are going to the next election campaign to deal with this looting. This looting will be killed in the interests of a decent education program and a decent health program. The government asks us what we are going to do in order to pay for the things that we are going to do. We are going to take a meat axe to this piece of political indulgence and, having severed it, we are going to spend the money where it needs to be spent.

We had the final insult with the Prime Minister getting up talking about Telstra—how the government are desperate to convince the people in the bush that Telstra has to be privatised. They have completed all their programs associated with that advertising. The Prime Minister was pleased to stand up in this place and read us a list of completed programs. Which one of those was not complete? Not one. He got up and read out one program after another as a completed program. But will that stop him from spending $7 million, which could be spent on decent regional programs in the bush, in advertising the Liberal and the National parties in the vain hope that they will be able to confuse the electorate into voting for a third round of Telstra
Telstra privatisation? Well, they are going to get surprises on three fronts: firstly, the bush are sick of them and do not believe them any more on that; secondly, they will not support the privatisation of Telstra; and, thirdly, like their cousins in the city, they want an end to this corruption and an end to this advertising. What they want is this money spent on them. The taxpayer’s pocket must be no longer be picked; the taxpayer’s pocket must be protected—and this bill will do that. (Time expired)

Mr SPEAKER—Is the motion seconded?

Mr McMULLAN (Fraser) (3.43 p.m.)—I second the motion, Mr Speaker. It is a classic example of wrong priorities. Every Australian is out there saying that this government have got their priorities wrong—and today we have proved it. We have proved that one thing we will be able to do if we get in is to reallocate a lot of spending to better public policy purposes. How much? Twenty million dollars a month will be spent by the government between now and the election. They have already spent $500 million and now they are spending half a million dollars every day. We ought to congratulate the member for Kingsford-Smith for getting on telly—there was only just room between the ads; he only just made it. The people who broadcast programs will now have to say, ‘We interrupt this government advertising for a brief program.’

You will remember, as the Leader of the Opposition pointed out, that in 1995 the then opposition, when they came to government, were going to get the Auditor-General to bring in guidelines. They forgot to ask him. In all those years they just had not got round to it. So the Auditor-General took the initiative and wrote some guidelines anyway. And, if they had been made law, this lot would be in the slammer because, at the very least—perhaps more, but at the very least—the financial institutions duty program would be in breach of those guidelines. That means it is a misuse of a public appropriation—it is spending public money for private purposes. It is spending the taxpayers’ money to try to save your political hide. It is what is called a sop—save our political skin; it is a sop to your backbench to try to save them. I say to the minister who is going to respond: it won’t save you.

We had one illustrative point in the course of question time today, which was the Treasurer getting himself asked a dorothy to try to clean up the Prime Minister’s mess. He said, ‘The Prime Minister’s only had eight goes; he has not got the right answer. I’ll tell them how to do it,’ and he made a botch of it. I have to say: I think you would have been better leaving it to the Prime Minister, which is not saying much because he had no answer at all. But the Treasurer came in and said, ‘I’ll show who can do this job better.’ And he did—he showed that it wasn’t him! He got it wrong. He proved, in fact, that his $5 million is a fit of pique and a misuse of the taxpayers’ money, which the member for Wills had effectively established earlier today.

Every Australian was irritated by ‘Unchain my heart’, but we should not pretend it did not have a political benefit for the government. That massive expenditure gave them a political benefit. The opinion polls are clear: the public hated the GST; after a massive spending of taxpayers’ dollars public opinion was changed; for a brief period the public believed the GST was in the public interest and it took them 12 months to overcome that advertising campaign and realise it is not. So why do we think we are getting $20 million a month from now until the election? If you look at the momentum of advertising, when did it pick up? Straight after Shane Stone’s memo. In February it started to pick up and it has been gaining momentum as fast as they can pour the money out. What was this money for? Fixing up hospitals? No, that does not matter—into the advertising campaign. Would it pay a few teachers? That does not matter—into the advertising campaign. Would it fix up some roads in the member for the Northern Territory’s electorate? No, that does not matter—in it goes, into the advertising campaign: save our political skins. I understand the only two members who stayed in to support the minister are two people who are not recontesting the next election. I understand why.
Nobody else would stay. And the one who just volunteered to come into the House might as well not be.

It is a very important debate and a very important piece of legislation that the Leader of the Opposition is putting forward. It is very important this House gets the chance to debate it on its merits. That is why we need to pass the motion. \(\text{Time expired}\)

Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (3.49 p.m.)—What unconvincing cant and hypocrisy from the master deceivers, the Labor Party that brought us 350 advertising campaigns between 1989 and 1995. Who can ever forget the Labor Party’s track record in government? You manipulated, you distorted, you worked the levers of government to allow you to massage public opinion for your own gross political purposes. Who will ever forget Creative Nation, Working Nation, the superannuation guarantee campaign, the superannuation community education campaign and the tax reform communications campaigns? There are dozens and dozens of them—in fact, 350 over a six-year period. Indeed, over their 13-year period, the Hawke and Keating governments spent almost $700 million on communications. What this is all about is simply that you have turned up in parliament, you have got nothing to say, you have got no policies to discuss, so you thought you would run a little bit of an attack on the government on communications.

Nothing is going to deceive the Australian people more than your total absence of anything worth while to say in the nation’s parliament. It is quite pathetic, as Kenneth Davidson wrote of the Leader of the Opposition’s higher education policies. What have you been doing the last three years? Where are your policies? Where are your costings? You seem to think that abolishing or curtailing advertising is somehow going to pay for all of your grand promises—your Knowledge Nation, your Nation Building. The Labor Party is quite skilled at having grand titles with esoteric details behind them. What about your roll-back? What about the Labor Party’s bigger surpluses? The Labor Party thinks that by cutting some government advertising, which is conducted under the same terms and conditions as the Labor Party drafted in February 1995—and I will come to that in a moment—it is going to be able to have a balanced budget or a budget in surplus. It will not work. In the end you have got to come back to Stephen Conroy’s prediction, which is that the Labor Party is going to have to raise taxes or cut programs or both.

What the Labor Party fails to inform the House, and therefore the public, is that the government advertising is pursuant to the guidelines issued in February 1995 by the Labor Party under which the Ministerial Committee on Government Communications operates. The same guidelines as Labor operated under, so does this coalition government. The first sentence of those guidelines states:

The government stresses that all Australians have equal rights of access to information about programs, policies and activities which affect their benefits, rights and obligations.

Exactly so. The public have a right—in fact, demand—to be kept informed. They want to know what their entitlements are and what the obligations of government are towards them. We are required, as was every government before us and no doubt after us will be, to publicise government programs and initiatives. Those are the guidelines that the ALP, in government, established, and the Labor Party have failed to show any breach of the guidelines which they bequeathed us. Quite simply, the hypocrisy, the inconsistency and the opportunism of the opposition are on full display on this issue. They come in at question time and they have 10 questions. We used to get four or five questions, maybe six on a good day. We automatically give them 10 questions a day, but during question time today they spent all their time—or the bulk of it at least—on an issue designed to distract from their total policy failure.

It is interesting that, in a recent Bulletin article, Labor’s former pollster Rod Cameron has said that the government’s tax advertising strategy was effective and that the mes-
sage about their rights and responsibilities was getting through to members of the public. This is the same Rod Cameron who prospered under the Labor Party. As Australian National Opinion Poll, he did very well indeed under the Labor Party, particularly, I am reminded, in the early eighties when ANOP was employed by the Labor Party. The Labor Party used their official pollsters, ANOP, on many occasions—their favourite Labor mate—and continued to use them for a very long time, and now we find their former associate, Rod Cameron, legitimising the government’s program.

So what about Labor’s blatant abuses in their advertising in the 1980s and 1990s? What about the money-growing-on-trees superannuation ads? What a totally deceptive description of their then government policy. I would like to see the Labor Party try to tell the public that government grows money on trees. Who can forget the Working Nation advertisements? They had no content whatever. I used to feel like kicking in my TV screen when I saw those, they were so blatantly political in every shape and form. And who can forget the thousands of dollars paid to Bill Hunter for government advertising only to see the same actor pop up during Labor’s election commercials? He is their favourite actor of choice. I wonder whether he got paid for the Labor Party’s advertisements during the election or whether or not he had been sufficiently renumerated before then.

The government’s advertising gives genuine information. It is designed to inform and assist all Australians pursuant to the ministerial committee on government advertising guidelines. Under guidelines issued in February 1995, the opposition has failed to dispute that that is the case.

The Labor Party have nothing to say on anything. Look at the issues that they raised in regard to advertising during question time. They question the government’s advertising on tax. By the way, they keep repeating this untruth: that the advertising was $500 million on the GST implementation. I stand to be corrected, but a significant proportion of that, more than $200 million of it, was for small business seminars and was of direct assistance to small business. Let us deal with that myth once and for all. The Labor Party raise advertising on tax. What is your tax policy? Where are the costings for roll-back? The Leader of the Opposition has been very timid on this issue. Every now and then the Deputy Leader of the Opposition yells across in question time, ‘Roll-back, roll-back! Roll-back is coming.’ It is always coming. When are we going to see it as a policy statement?

Mr Wilkie—After the election.

Mr McGauran—‘After the election,’ interjects the member for Swan. Thank you. When are we going to know about roll-back?

Opposition members interjecting—

Mr McGauran—We will know about it? When will we know about roll-back?

Opposition members interjecting—

Mr McGauran—No, they will not tell us. Then they asked about advertising on health.

Mr Beazley interjecting—

Mr McGauran—What is your health policy—

Mr Speaker—The same standing orders as apply to all other members of the House apply to the Leader of the Opposition, and I will enforce them. The minister has the call.

Mr McGauran—What is the Labor Party’s policy on health except to copy everything we do? You have a shadow minister for health stewing away there. Not since Cathy Freeman won the gold medal have we heard from her on this issue of the private health rebate. Of course, she totally disagrees with it. Every now and then you hear hints from her—not from her colleagues, I am happy to concede—that the Labor Party in government would abolish or curtail it. So you have no policy on health. There were questions about advertising on Networking the Nation, which has benefited very considerably my rural constituency. Of course, you opposed Networking the Nation again. The Labor Party have no policy on telecommunications and rebuilding the infrastructure in rural areas.
The member for Richmond has just passed me a newspaper clipping from the *Sydney Morning Herald* of 20 March 2001 which described an embarrassing slip made on radio by the Leader of the Opposition. He said:

... if you don’t have any policies, the issue of how you can afford them doesn’t come up.

That is exactly it. We are not going to hear from the Leader of the Opposition about, firstly, what his policies are and, secondly, how they will be costed. And we would still like to know what your view is on the Brumby and Bracks advertising, some of it incorporating federal government policy. The whole point is that you have nothing to say and, worse than that, you are employing distracting tactics. They will not work.

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

The House divided. [4.03 p.m.]

(Mr Speaker—Mr Neil Andrew)

<table>
<thead>
<tr>
<th>Ayes</th>
<th>64</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noes</td>
<td>73</td>
</tr>
<tr>
<td>Majority</td>
<td>9</td>
</tr>
</tbody>
</table>

**AYES**

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

**NOES**

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Anthony, L.J.
Bailey, F.E. Baird, B.G.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Brough, M.T.
Bishop, J.I. Cameron, R.A.
Causley, I.R. Charles, R.E.
Costello, P.H. Downer, A.J.G.
Drapter, P. Elson, K.S.
Entsch, W.G. Fischer, T.A.
Forrest, J.A. Gallus, C.A.
Gambaro, T. Gash, J.
Georgiou, P. Haase, B.W.
Hardgrave, G.D. Hawker, D.P.M.
Hockey, J.B. Hull, K.E.
Jull, D.F. Kelly, D.M.
Kemp, D.A. Lawler, A.J.
Lieberman, L.S. Lindsay, P.J.
Lloyd, J.E. Macfarlane, I.E.
May, M.A. McArthur, S *
McGauran, P.J. Mclain, J.C.
Nairn, G. R. Neville, P.C.
Nelson, B.J. Pyne, C.
Prosser, G.D. Robertson, M.J.C.
Reith, P.K. Schultz, A.
Ruddock, P.M. Seeker, P.D.
Scott, B.C. Somlyay, A.M.
Slipper, P.N. Southcott, A.J.
Southcott, A.J. St Clair, S.R.
Stone, S.N. Sullivan, K.J.F.
Thompson, C.P. Thomson, A.P.
Truss, W.E. Tuckey, C.W.
Vaile, M.A.J. Vale, D.S.
Wakelin, B.H. Washer, M.J.
Williams, D.R. Wooldridge, M.R.L.
Worth, P.M.

**PAIRS**

Gerick, J.F. Fahey, J.J.

* denotes teller

**Question so resolved in the negative.**
ANSWERS TO QUESTIONS WITHOUT NOTICE
Howard Government: Advertising Expenditure

Mr COSTELLO (Higgins—Treasurer) (4.09 p.m.)—I wish to add to an answer given at question time. As will appear from the advertising campaign, financial institutions duty is levied on salary and wage deposits, credit card payments, mortgage payments, loans, term deposits, higher purchase payments and transfers between accounts. Financial institutions duty is not applied to social security pensions and Veterans’ Affairs pensions in most jurisdictions. Financial institutions, while liable to pay FID on deposits made by those under the age of 18, choose to not pass on the tax in most cases. In relation to refunds of excess imputation credits, I understand that a form will be available for charities that do not lodge tax returns for them to take advantage of that measure.

QUESTIONS TO MR SPEAKER
Questions on Notice

Mrs CROSIO (4.10 p.m.)—Mr Speaker, I address my question to you, under section 150 of the standing orders. I would ask again if you would please write to the Prime Minister regarding question No. 1134, listed from 15 February 2000, 16 months ago, and question No. 1415, listed on 10 April 2000. To the Treasurer, who wants to tell us about taxing: could he please answer question No. 2038, listed on 10 October 2000? Also, there is question No. 2459 to the Prime Minister on 21 March 2001, question No. 2460 to the Prime Minister on 27 March 2001 and question No. 2483 to the Treasurer on 28 March 2001. As you see, Mr Speaker, they range from 16 months to four months, and I would appreciate a reply.

Mr SPEAKER—I will follow up the matter. I point out to the member for Reid that he has an obligation—as he is aware, I think—to table the articles to which he refers, because it is a matter of privilege and they are matters to which I should also refer.

Mr LAURIE FERGUSON—I would say that I would see this breach in the revelation, it would seem, of a number of recommendations from the Joint Committee on Electoral Matters in these articles before today’s tabling of the report.

Mr SPEAKER—The member for Reid is aware that it is a matter that the chair takes very seriously and will appropriately investigate and report back to the House on as required.

OCCUPATIONAL HEALTH AND SAFETY (COMMONWEALTH EMPLOYMENT) AMENDMENT LEGISLATION

Mr ABBOTT (Warringah—Minister for Employment, Workplace Relations and Small Business) (4.12 p.m.)—Mr Speaker, I seek indulgence to briefly correct the record of the parliament.

Mr SPEAKER—I will follow up the matters raised.

PRIVILEGE

Mr LAURIE FERGUSON (Reid) (4.10 p.m.)—Mr Speaker, I rise on a matter of privilege. I draw your attention to articles in the Adelaide Advertiser over the weekend and, more particularly, today’s Daily Telegraph and Sydney Morning Herald. I briefly cite the latter article by Michelle Grattan. It stated:

Its Liberal chairman, Mr Christopher Pyne, said yesterday provision to require identification for enrolment should be introduced in time for the coming Federal election—with or without state co-operation. “It is important that the roll is a genuine reflection of those eligible to vote.”

Mr Speaker, I would ask you to investigate whether there is actually a prima facie case of breach of privilege, with a view to giving precedence to a motion to refer this matter to the Committee of Privileges.

Mr SPEAKER—I will follow up the matter. I point out to the member for Reid that he has an obligation—as he is aware, I think—to table the articles to which he refers, because it is a matter of privilege and they are matters to which I should also refer.

Mr LAURIE FERGUSON—I would say that I would see this breach in the revelation, it would seem, of a number of recommendations from the Joint Committee on Electoral Matters in these articles before today’s tabling of the report.

Mr SPEAKER—The member for Reid is aware that it is a matter that the chair takes very seriously and will appropriately investigate and report back to the House on as required.

OCCUPATIONAL HEALTH AND SAFETY (COMMONWEALTH EMPLOYMENT) AMENDMENT LEGISLATION

Mr ABBOTT (Warringah—Minister for Employment, Workplace Relations and Small Business) (4.12 p.m.)—Mr Speaker, I seek indulgence to briefly correct the record of the parliament.

Mr SPEAKER—The minister may proceed.

Mr ABBOTT—Thank you, Mr Speaker. On 23 May during debate on the Occupational Health and Safety (Commonwealth Employment) Amendment Bill 2000 I made some comments in response to matters raised
by the member for Brisbane in his contribution. In my comments I said:

I am advised that Comcare were not made aware of the relevant employee’s insistence that he did in fact enter the site in question with the right protective equipment.

That is what I said at the time. I have subsequently received further advice from Comcare to the effect that Comcare was in fact aware that the employee had signed an affidavit to the effect that he had entered the site in question wearing the protective equipment, so I correct the record.

PERSONAL EXPLANATIONS

Ms O’BYRNE (Bass) (4.13 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Ms O’BYRNE—I certainly do, Mr Speaker.

Mr SPEAKER—the member for Bass may proceed.

Ms O’BYRNE—In question time today the Prime Minister said that I had voted against the connecting the schools program for Tasmania. That is untrue. As the Prime Minister knows, I voted against the sale of Telstra. I will vote against it again, and that is why we have got five seats in Tasmania.

Mr SPEAKER—the member for Bass must indicate where she has been misrepresented and not advance an argument.

Mr ADAMS (Lyons) (4.13 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr ADAMS—I certainly do, Mr Speaker.

Mr SPEAKER—the member for Lyons may proceed.

Mr ADAMS—the Prime Minister, in answering a question from the Leader of the Opposition, claimed that I voted against measures to increase funding to schools in Tasmania. That is totally untrue. I voted against the sale of Telstra, and I will defend that in my electorate and in Tasmania any time the Prime Minister wishes to come and debate it.

Mr SPEAKER—the member for Lyons has indicated where he has been misrepresented and will resume his seat.

Mr ZAHRA (McMillan) (4.14 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr ZAHRA—Yes, I do.

Mr SPEAKER—the member for McMillan may proceed.

Mr ZAHRA—in an article that appeared in the Pakenham Gazette on 6 June I was reported as having said:

Timber issues had not been an issue in McMillan. Responding to comments made by the Treasurer that I had ‘alienated the forestry industry’, I commented to the journalist that I have a strong relationship with the timber industry and on that basis the nature of my relationship with the forestry sector was not an issue. An article correcting the journalist’s mistake was printed in the Pakenham Gazette on 13 June, which I seek leave to table.

Mr SPEAKER—the member for McMillan will resume his seat.

Mr Ronaldson—Mr Speaker, I raise a point of order. The member knows his obligations when he is giving a personal explanation. The member has got to show that he has been misrepresented and not engage in a general discussion.

Mr SPEAKER—I was listening closely to the member for McMillan. I think he was aware that he had run out of grace, as it were, although he did initially indicate where he had been misrepresented. The member for McMillan has concluded his misrepresentation, I presume. I need an indication now of what the member for McMillan is seeking.

Mr ZAHRA—I sought leave to table the article that I referred to in the Pakenham Gazette.

Leave not granted.
Mr Rudd (Griffith) (4.16 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr Rudd—Yes.

Mr Speaker—The member for Griffith may proceed.

Mr Rudd—Yesterday, Karen Middleton, in an interview with my colleague the member for Kingsford-Smith, said:

... you talk about not wanting a military based relationship with Indonesia, I think your friend and colleague Kevin Rudd suggests that we should have more of the same sorts of relationship that we had under the Hawke and Keating governments.

The record demonstrates that I have never stated the return to either a Hawke or a Keating approach as an appropriate basis for the management of Australia’s future relationship with Jakarta.

Mr Brereton (Kingsford-Smith) (4.16 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr Brereton—Yes.

Mr Speaker—The member for Kingsford-Smith may proceed.

Mr Brereton—Today in question time the Minister for Foreign Affairs referred to yesterday’s Meet the Press program on Channel 10 and, in doing so, grossly misrepresented my approach to the anarchists who have threatened to disrupt the forthcoming CHOGM conference in Brisbane. In appearing on that program, I was in fact highly critical of these people and their tactics, and I made particular reference to the reported threat to Prime Minister Howard. I seek leave of the House to table the Rehame transcript of my interview.

Mr Speaker—Is leave granted for the tabling of the transcript?

Opposition members interjecting—

Mr Speaker—I remind those on my left that I have a requirement to ask the min-

ister at the table, the Minister for Community Services, whether or not leave is granted for the tabling of the transcript.

Leave not granted.

PETITIONS

The Clerk—Petitions have been lodged for presentation as follows and copies will be referred to the appropriate ministers:

Fuel Prices

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

The petition of certain citizens of Australia draws to the attention of the House the extremely high price of petrol and other fuels and the increase in the amount of tax on fuel due to:

The Government’s failure to keep its promise that the price of petrol and other fuels would not rise as a result of the new tax system, by reducing the excise by the full amount of the GST;

The fuel indexation increases on 1 August 2000 and 1 February 2001, which will be significantly higher than usual because of the inflationary impact of the GST; and

The charging of the GST on the fuel excise, making it a tax-on-a-tax.

Your petitioners therefore request the House to:

Hold the Government to its promise that its policies would not increase the price of petrol and other fuel;

Support a full Senate inquiry into the taxation and pricing of petrol;

Consider the best way to return the fuel tax windfall to Australian motorists.

by Mr Adams (from 111 citizens) and

by Ms Hall (from 74 citizens).

Australian Broadcasting Corporation:
Independence and Funding

To the Honourable the Speaker and the Members of the House of Representatives assembled in the Parliament:

The petition of certain citizens of Australia draws the attention of the House to:

(1) our strong support for our independent national public broadcaster, the Australian Broadcasting Corporation;

(2) the sustained political and financial pressures that the Howard Government has placed on
Monday, 18 June 2001

the Australian Broadcasting Corporation (ABC), including:

(a) the 1996 and 1997 Budget cuts which reduced funding to the ABC by $66 million per year; and

(b) its failure to fund the ABC’s transition to digital broadcasting;

(3) our concern about recent decisions made by the ABC Board and senior management, including the Managing Director Jonathan Shier, which we believe may undermine the independence and high standards of the ABC including:

(a) the cut to funding for News and Current Affairs;

(b) the reduction of the ABC’s in-house production capacity;

(c) the closure of the ABC TV Science Unit;

(d) the circumstances in which the decision was made not to renew the contract of Media Watch presenter Mr Paul Barry; and

(e) consideration of the Bales Report, which recommended the extension of the ABC’s commercial activities in ways that may be inconsistent with the ABC Act and the Charter;

Your petitioners ask the House to:

(1) protect the independence of the ABC;

(2) ensure that the ABC receives adequate funding;

(3) call upon the Government to rule out its support for the privatisation of any part of the ABC, particularly JJJ, ABC On-line and the ABC Shops; and

(4) call upon the ABC Board and senior management to:

(a) fully consult with the people of Australia about the future of our ABC;

(b) address the crisis in confidence felt by both staff and the general community; and

(c) not approve any commercial activities inconsistent with the ABC Act and Charter.

by Ms Hall (from 12 citizens) and

by Mr Ripoll (from 6 citizens).

Pensions: Compensation

To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.

The Petition of certain electors of Australia draws to the attention of the House the unfairness and inadequacy of the GST compensation for elderly Australians, in particular:

the unfair rules of the Aged Persons Savings Bonus scheme which has failed to deliver on the Government’s election promise of $1,000 for each aged person over 60;

the misleading claim of a four per cent pension increase when in fact it is only a two per cent increase after taking into account Mr Howard’s two per cent clawback;

the complete inadequacy of both the bonuses and pension increase to compensate for the double taxation of Australia’s retirees.

Your petitioners condemn the government’s contempt for older Australians and request the Parliament explore ways in which the GST can be made fairer and simpler and compensation improved to protect the living standards of elderly Australians.

by Ms Hall (from 20 citizens) and

by Mr Stephen Smith (from 1,600 citizens).

Fuel Prices

To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.

The petition of certain residents of the state of South Australia draws to the attention of the House the financially burdensome nature of the effect on regional petrol prices of the introduction of the Goods and Services Tax and of the inadequacy of the Federal Government’s petrol grants scheme for regional areas.

Your petitioners therefore request the House enact legislation and/or regulations which remove the anomalies in petrol pricing between city and country areas.

Your petitioners further request that the House does not repeal the Petroleum Retail Marketing Sites Act 1980 or the Petroleum Retail Marketing Franchise Act 1980 in the absence of alternative mechanisms to control the power of the major oil companies.

by Mr Adams (from 31 citizens).

Asylum Seekers

To the Honourable the Speaker and Members of the House of Representatives.

The petition of certain residents of Australia draws to the attention of the House the appalling distress and human suffering caused by the policy of detaining asylum seekers who arrive in Australia without acceptable documents. We point out that this distress has led to numerous hunger
strikes and protests by asylum seekers within detention centres.

We point out that while asylum seekers are frequently referred to as ‘illegal’, it is legal, under the international Convention Relating to the Status of Refugees, signed by Australia, for persons with a well-founded fear of persecution to enter Australia seeking refuge. We point out that Australia’s Human Rights and Equal Opportunity Commission considers that the law requiring detention of almost all unauthorised arrivals (Migration Act 1958 (Cth) sections 189 and 196) contravenes international human rights laws.

Your petitioners therefore ask the House to change all relevant laws and regulations to:

- allow asylum seekers to live freely within the Australian community while their claim for asylum is being assessed;
- immediately free all asylum seekers held in detention;
- give asylum seekers the right to access the same social security allowances as permanent residents, and on the same conditions;
- provide asylum seekers with English classes, and the range of support services appropriate to their needs.

by Mr Albanese (from 8,364 citizens).

Vietnam Veterans: Assistance

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:

The petition of certain citizens of Australia draws the attention of the House to the need for urgent assistance for Vietnam veterans’ children due to their father’s exposure to 31 toxic chemicals and anti-malarial drug Dapsone during the Vietnam war.

Your petitioners ask the House to support decisions in Volume 3 Validation Study on Morbidity of Vietnam veterans and children, revealing:

- Increased levels of spina bifida in children of veterans
- Veterans’ children’s death rates above those expected based on Australian community standards
- Cancer of adrenal gland in veterans’ children to be further investigated
- Cleft lip/palate in veterans’ children significantly higher
- Suicide rates three times more prevalent in veterans’ children

Extra body parts not assessed due to no corresponding community data

Therefore, we Vietnam veterans, and women and children request urgent medical, hospital, pharmaceutical and financial aid be provided for Vietnam veterans’ children suffering ill health due to their parents’ service in South Vietnam.

by Mr Edwards (from 137 citizens).

Kirkpatrick, Private John Simpson

To the Honourable Speaker and Members of Parliament of the House of Representatives assembled in Parliament.

We the undersigned request that John Simpson Kirkpatrick, of Simpson and the donkey fame, be awarded a Victoria Cross of Australia.

Under the Imperial Award system, the award of the Victoria Cross was denied to ‘Simpson’ as the result of an error in the original application. A second application, in 1967, was also denied as the British Government claimed a dangerous precedent would be set, in spite of such a precedent already existing.

Your petitioners request that the House of Representatives do everything in their power to ensure the appropriate recognition of John Simpson Kirkpatrick.

by Ms Hall (from 32 citizens).

Centrelink: Staff Cuts

To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.

The Petition of the undersigned shows we are opposed to the Government’s funding cuts to Centrelink, which will mean the loss of 5,000 Centrelink jobs.

This staff cut will mean increased waiting times, reduced access and reduced service levels for clients.

It will place more stress on an already understaffed and underfunded service.

It is an attack on our right to an efficient and accessible social security system.

Your petitioners request that the House of Representatives should stop the Centrelink staff cuts.

by Ms Hall (from 40 citizens).

Medicare: Belmont Office

To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.
We the undersigned request that the government reopen Belmont Medicare Office as there is no Medicare office between Charlestown and Lake Haven and there has been a drastic decline in the numbers of general practitioners bulkbilling.

The closure of Belmont Medicare Office has caused great hardship to many local residents particularly the elderly and those with young children.

Your petitioners request that the House of Representatives do everything in their power to ensure that Belmont Medicare Office is reopened as a matter of urgency.

by Ms Hall (from 40 citizens).

Medicare: Bulk-Billing
To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.

We the undersigned request that the Government take action to preserve bulkbilling and to strengthen the Medicare system.

The cessation of bulkbilling by many general practitioners as a direct result of government policy has caused great hardship to many local residents on low incomes particularly the elderly and those with young children.

Your petitioners request that the House of Representatives introduce legislation to ensure that bulkbilling is preserved and that our Medicare system is strengthened.

by Ms Hall (from 40 citizens).

Health: Diabetes
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

This petition of certain citizens of Australia draws to the attention of the House the plan by the Howard Government to raise $10 million by increasing the amount paid by diabetes patients for blood glucose test strips, syringes, insulin pen needles and urine strips.

The undersigned believe that this move would unfairly punish people, who as well as managing this disease, would be faced with higher prices for essential diagnostic items.

Your petitioners therefore respectfully request the House recognise the significant financial burden this heartless budget measure would place on people with diabetes and reject the proposal.

by Ms O’Byrne (from 12 citizens).

Child Abuse
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

This petition of certain citizens of the state of Tasmania draws to the attention of the House the situation where medical professionals are, especially in regard to child abuse, treating the presenting symptoms rather than the underlying cause of the medical or psychiatric problem.

Your petitioners therefore ask the House to require of the Government an allocation of funding to be used in the training and retraining of medical professionals such that long term problems are appropriately addressed, not simply the presenting symptoms.

by Ms O’Byrne (from 336 citizens).

Australia Post: Winston Glades
To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.

The petition of residents of the state of Queensland draws to the attention of the House the public need for an Australia Post Office to be located within the Winston Glades Shopping Centre.

Your petitioners therefore request the House to recognise the inadequate postal services within the suburbs of Flinders View, Churchill, Yamanto, the township of Ripley and its surrounds and address this matter with the issuing of a licence to operate an Australia Post post office at Winston Glades Shopping Centre, the central focal point of our rapidly expanding region.

by Mr Ripoll (from 2,367 citizens).

Maroochy Airport: Aircraft Noise
To the Speaker and Members of the House of Representatives of the Parliament of the Commonwealth of Australia in Parliament assembled.

The petition of certain citizens of Australia draws attention of the House that:

1. Buderim residents have paid a premium price to live in a quiet and peaceful town. We all came here to enjoy the wonderful lifestyle.
2. Previous to January 2001 there were no commercial flights over Buderim. All such aircraft were required to fly the off shore route which
3. Now over 70 flights a week transverse directly over Buderim, a dense residential area over 500 feet above the coastal plain.
4. Our lifestyle is seriously disturbed, our properties are devalued and we are very apprehensive about the safety of living under a flight path.
5. No valid air safety reason for the change to the off shore routes has been given.
6. It seems the change is to suit commercial interests. This is totally unacceptable to the Buderim residents.

Your petitioners therefore request that the House of Representatives do everything in their power to ensure that aircraft using the Maroochy Airport are redirected to the established off shore flight path and humbly pray that you will give this matter earnest consideration and your petitioners as in duty bound, will every pray.

by Mr Slipper (from 3,287 citizens).

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled:

Uranium Mining: Jabiluka

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled.

The Petition of the undersigned citizens of Australia points out to the House:

That we, the undersigned, object to the mining of uranium at Jabiluka, in World Heritage listed Kakadu National Park. Uranium mining and nuclear energy are damaging to the environment for hundreds of thousands of years, and we believe that these industries are unethical and not in the national interest, nor in the interest of the global community.

The Jabiluka site is being developed against the wishes of the Mirrar people, the traditional owners of the land. We support them in their opposition to the Jabiluka Mine.

Our petitioners therefore request the House of Representatives to call on the Federal Government to: Stop Jabiluka Uranium Mine. Save Kakadu.

by Mr Stephen Smith (from 14 citizens).

Asylum Seekers

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled:

Whereas the 1998 Synod of the Anglican Diocese of Melbourne carried without dissent the following Motion:

That this Synod regrets the Government’s adoption of procedures for certain people seeking political asylum in Australia which exclude them from all public income support while withholding permission to work, thereby creating a group of beggars dependent on the Churches and charities for food and the necessities of life; and calls upon the Federal government to review such procedures immediately and remove all practices which are manifestly inhumane and in some cases in contravention of our national obligations as a signatory of the UN Covenant on Civil and Political Rights.

We, therefore, the individual, undersigned staff and students at Whitley College, Parkville, Victoria 3052, petition the House of Representatives in support of the abovementioned Motion.

And we, as in duty bound will every pray.

by Mr Tanner (from 22 citizens).

Proposed Select Committee on Reform of the Opening of Parliament

Mr LEO McLEAY (Watson) (4.21 p.m.)—I move:
(1) That a Select Committee on Reform of the Opening of the Parliament be appointed;
(2) That the Committee’s report include recommendations on the:
   (a) procedures by which the person who had last held office as Speaker of the House could be appointed as a Deputy of the Governor-General for the purposes of the swearing in or the making of affirmations by Members of the House;
   (b) arrangements necessary to enable the Governor-General’s opening Speech to be made in the Parliament’s Great Hall; and
   (c) terms of a bill to alter the Constitution to require Members of the House to swear an oath or make an affirmation of allegiance to the people of Australia instead of the Queen; and
(3) That the Committee be required to report on or before the last sitting of the House in September 2001.

We recently celebrated the Centenary of Federation with a joint commemorative meeting of the parliament in the Exhibition Building and a commemorative sitting of the House of Representatives in the Legislative Assembly of the Victorian parliament in Melbourne. At that time I was taken by two
things that happened. First and foremost, the brilliant speech by Hayley Eves to my mind encapsulated many of the things that make up modern Australia 100 years after Federation. The other thing which struck me during the centenary sitting of the parliament in the Legislative Assembly chamber was that very little had changed in the way this parliament works over the 100 years. We might be ensconced in a new building on the hill here in Canberra, but someone who sat in the Victorian Legislative Assembly chamber in 1901 would be very familiar with the proceedings of the House in this chamber today. So I placed this notice of motion on the Notice Paper at the centenary sitting to try and generate a bit of debate about change in the way that we open the parliament and in the oath that we members swear at the opening.

Members might recall when we all assembled here at the opening of the 39th Parliament what a bizarre toing-and-froing there was. New members would have arrived to find the Clerk calling us together. We then went over to the Senate chamber where we heard the Clerk of the Senate tell us that a judge representing the Governor-General was to open the parliament and then he, the judge, told us to go back to the House of Representatives where he, the judge, then authorised the Clerk to swear in the members. Back once again in the House of Representatives where he, the judge, then authorised the Clerk to swear in the members. Back once again in the House of Representatives, the judge was in the chair and the Clerk swore us in. The judge then left and the Clerk conducted the election of a Speaker. We then went over to the Members Hall to shake hands with the Governor-General and then came back to the House of Representatives. We then went back over to the Senate and squeezed into that chamber together with the senators to hear the Governor-General’s speech. Then we came back to the House of Representatives to hear the Prime Minister and the party leaders announce the ministry and whips, et cetera, and finally we had afternoon tea. And after all that we came back here again at 5 o’clock to elect the deputy speakers.

That is a lot of toing-and-froing which has changed very little in the last 100 years. There must be a simpler, more elegant and more meaningful way of doing this. I know that the Standing Committee on Procedure have been looking at the opening of parliament and that they will have some things to say in a report they are going to table later this year—I hope it will be later this year—and I commend them for that. Hopefully they might table their document before the election and hopefully they might be able to enthuse the government into it, though I doubt it.

The reason I put this notice on the Notice Paper was to engender some debate about change. We may not need to set up a select committee if we can get agreement amongst ourselves on the way that change should occur. After 100 years we should change the ceremony for the opening of parliament. I would suggest that a better way for us to do this would be for the House to be called together by the Speaker—even if the Speaker did not seek re-election because, under the Parliamentary Presiding Officers Act, that person is deemed to be the Speaker until a new Speaker is elected. If the Speaker were unavailable, the immediate past Speaker in historical order would suffice, provided that that person were not a member of the executive government.

Some people would suggest that the person who is the ‘father’ or the ‘mother’—or whatever the modern name is—of the House might be able to undertake the role of presiding, but that could present a bit of a problem. For instance, if the current government were returned at the next election, the two longest serving members of the House would be a minister and the Prime Minister. I would think it would be inappropriate for members of the executive government to call together the House to elect the House’s officers. I said, as you might recall, that in the model I am proposing the person who would preside should do that only if they were not a member of the executive government. Of course, as members are aware, if someone has been appointed as a minister, that is known after the election but before the House comes together. The presiding member should then swear in members en masse—not in groups as we do at present—and, after the swearing
in, members should then proceed to elect the Speaker with the actual ballot being conducted by the Clerk, although the debate would be presided over by the person in the chair. The election of the deputy speakers would follow the election of the Speaker. At a suitable hour, members would then proceed to the Members Hall to be introduced to the Governor-General and then move to the Great Hall to listen to his speech.

So at this stage the House has been called together by the Speaker or former Speaker who has sworn in the members and the members have elected a Speaker and deputy speakers, we have been introduced to the Governor-General and we have taken our seats in the Great Hall together with the senators to hear the Governor-General’s speech—which, of course, as all members know, has been written by the government.

Surely this is a more orderly and dignified way of conducting this ceremony, more meaningful for friends, family and visitors who have come to witness the opening of the new parliament, and, I think, a way that would flow more logically in people’s minds.

The third point of paragraph (2) in my motion is:

c) terms of a bill to alter the Constitution to require Members of the House to swear an oath or make an affirmation of allegiance to the people of Australia instead of the Queen ...

That third point, which is about a new oath for members, should be enacted because, as I said at the beginning, one of the things that influenced me to place this notice on the Notice Paper was the brilliant speech made by Hayley Eves. Hayley embodies, to my mind, modern, multicultural Australia. She came to Australia as a child from Korea. We can but hope that one day she will become a member of this parliament, but any person wishing to become a member of parliament must satisfy two main criteria—there are some subsidiary ones but two main ones: they must be an enrolled voter and they must be a citizen of Australia. There are other sections of the Constitution that say that you cannot be a bankrupt, you cannot be treasonous, you cannot be a supporter of some other government, you cannot have dual citizenship, et cetera. Immigrants, when they come to Australia, take an oath as a citizen and swear that oath to Australia and its people. So, basically, to become a citizen you have to swear an oath to Australia and its people and renounce others, and to become a member of parliament you have to be a citizen and an enrolled voter.

When we look at the oaths that Australians take when they join the military, become judges or become a member of parliament in Australia—or indeed the oaths of allegiance in other countries—we see they are all much the same, because they are oaths that we have inherited from the 18th century. The only oath of allegiance that has been given a lot of consideration by this parliament in recent years has been the citizenship oath, which was changed in 1994. At the time there was a fair amount of disagreement about taking out the reference to the Queen. The coalition opposed this change at the time and attempted to whip this up as republicanism by stealth. It was not then and it is not now, and this proposal of mine certainly is not republicanism by stealth or by overt action. I do not know how anyone can fail to appreciate the simple elegance and strength of our citizenship oath:

From this time forward, under God,
I pledge my loyalty to Australia and its people
Whose democratic beliefs I share
Whose rights and liberties I respect, and
Whose laws I will uphold and obey.

Surely, at the beginning of the parliamentary term when we have just been elected as members of the House of Representatives of the Commonwealth of Australia, representing the people of our individual electorates, we should swear our allegiance to the Australian people and to uphold the Australian Constitution so that the people will know that we recognise their pre-eminence in the same way that new citizens do. Because the oath is a part of the Constitution, members will know that a quite lengthy process is involved to change it whereby a referendum has to be held. However, if members thought favourably about these changes and if the parliament, the government and the opposi-
tion thought favourably, this referendum could be part of the process for the next election—although I think it will probably take us longer. But surely it is time to start the process.

In two weeks time we will come to the swearing-in of a new Governor-General who will swear his allegiance to the Queen, as he should, because he is her representative. There seems to be an inescapable logic that we as the representatives of the Australian people should swear our allegiance to them. A hundred years on, it is time to make a change. It is time to change the way the opening of parliament is conducted and it is certainly time for members of the House of Representatives to swear their allegiance to the people of Australia.

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

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

Mr NAIRN (Eden-Monaro) (4.30 p.m.)—Earlier today, I tabled a report as chairman of the Procedure Committee in relation to the operation of committees and a conference that took place a few months ago—all part of trying to further promote the excellent work of the committee system of this parliament. This motion, I am afraid, is a stark example of why we seem to have a problem with advertising the committee system and the work that the committees do. You would think that a former Speaker of this House would support strongly the committee system, but we have a former Speaker, the member for Watson, putting forward a motion which almost entirely—not totally but fairly comprehensively—overlaps the work that the Procedure Committee is currently doing. He said that he put forward that motion at the Centenary sittings in Melbourne. Back in February the Procedure Committee announced that it would have an inquiry regarding the opening of parliament. Let me read the aspects in relation to that inquiry:

That the committee undertake an inquiry in the following terms:

To inquire into the procedures of the House on the opening of a new Parliament, including but not restricted to:

- formal declaration of the opening of Parliament;
- swearing in of Members;
- election of Speaker and other office holders;
- presentation of Speaker to Governor-General;
- venue for Governor-General’s opening speech;
- other business to be conducted at the first sitting—

with particular attention to:

- the requirements of the Constitution;
- the preservation of an appropriate level of ceremony and tradition; and
- the need for Parliament to engage with the community it exists to serve.

That is an inquiry covering many aspects to do with the opening of parliament. I find it very disappointing that the member for Watson did not respond—for what reason I am not sure. Even members on the other side who were not happy about this particular motion going forward cannot quite work out what was behind this. Here we have the Procedure Committee—a committee of the parliament made up of members from both sides of the House—starting an inquiry back in February in relation to these matters. One would think that the member for Watson would wait until that inquiry had gone through. One would think that the member for Watson would actually make a submission. The member for Watson is grandstanding here today about these matters, and they are all matters that I welcome debate on. We have been given the forum for it through the Procedure Committee. One would think that the member for Watson, feeling so passionate about these things, would actually put in a submission to the inquiry. Has he put in a submission? No, of course not. No wonder we have a problem getting the works of parliamentary committees out there to the public when a former Speaker, the member for Watson, does not even bother to put in any sort of submission to an inquiry covering
the things that he says he feels so passionate about. He feels so passionate about it that he has to move a motion here in private members business time. I know that there are many people on the other side who certainly are very puzzled by the actions of the member for Watson.

Mr Leo McLeay—Name them.

Mr Nairn—You might be embarrassed if I did. I notice that the member for Watson was heard in silence for his 10 minutes. Even if he did not make a submission, you would think that he may have responded to a survey that the committee put to the various members of parliament and senators. There were various aspects put in that particular survey. I will read them out. Members were asked whether they strongly supported, supported, were neutral, were against or strongly against a number of matters. They were:

- Elimination of procession to Senate to hear Governor-General’s Deputy open the Parliament
- Retention of the current procedures for swearing in of Members
- Senior Member to preside instead of the Clerk during the election of Speaker
- Election of Deputy Speaker and Second Deputy Speaker immediately after election of Speaker
- Elimination of procession for the presentation of the Speaker to the Governor-General
- Senators and Members attend Governor-General’s opening speech in Great Hall instead of Senate Chamber

That was a survey that the committee sent to all members and senators and asked them to respond. A very significant number of people actually responded to that survey, but was the member for Watson’s name on any of those surveys that were responded to? No.

Mr Leo McLeay—You wouldn’t know because it was supposed to be confidential.

Mr Nairn—There was an option for members to state who they were in responding to the survey or you could be anonymous. There were a couple of anonymous ones, so I guess there is a possibility. But one would expect that, if the member for Watson, who feels so passionate about this issue—to the point where he had to move a motion in private members business to try to grandstand over the Procedure Committee—did answer the survey, he would be very happy to put his name to it, because he feels so passionate about these particular matters. That did not seem to be the case. I am particularly disappointed that a submission did not come, considering that he openly says that he is very supportive of a number of changes. There was a great opportunity for every member of this House and for former members. We also gave an opportunity to former governors-general to respond, because they have had an integral part in the opening of parliament. A number of former governors-general responded to this inquiry and made submissions. So a whole variety of people made submissions.

The committee is currently going through those submissions and putting together a report, so it is very difficult for members of that committee to come in here and say too much in relation to the deliberations of the committee. We would have people jumping up and carrying on about privilege, I would expect, if the committee started talking about its deliberations. The committee met at the last sittings and acknowledged that we did have difficulty in that sense, but we all agreed that it would be fine to come in and debate this motion in the terms I have outlined today, that the inquiry covered a range of things, the sorts of matters that we were dealing with as part of that inquiry and how we were getting our information, but certainly not to go into the recommendations that we might make as part of that inquiry.

So the terms of the inquiry which I read through and the terms of the survey that was sent out to members and senators cover fairly extensively the issues that the member for Watson has raised in his motion. Instead of creating some debate about the issues, all his motion has done is create a distraction. There was a significant amount of debate when the terms of the inquiry were made public. A number of radio stations across the nation covered it, and it created some debate in the public about what should occur at the opening of parliament.
I personally have a very open mind about a number of changes in relation to the opening of parliament, but the appropriate place for my views to be put, obviously, as the committee chair is within that committee. It was very proper for other members of parliament who are not members of the Procedure Committee to make a submission. We welcomed submissions from a number of members. Unfortunately, there was no submission from the member for Watson, as far as I can determine, no return of a survey so that he could have his views put in as part of the deliberations of the committee. There was simply this motion, which seems to override even the work that a number of his colleagues were doing as part of the committee process.

Mr Rudd (Griffith) (4.40 p.m.)—That was one of the more curious presentations I have heard in the parliament on a matter of private members business. If you look at the core of it, it basically says that no matter can be raised in this parliament if it is somehow capable of being advanced through one of the committees which form part of the committee structure of the parliament. What I found doubly remarkable about the honourable member’s contribution was this: in 10 minutes not one single reference was made to the core proposition, which is whether we should Australianise our oath of allegiance. That is the core business in this proposed motion. It is directly relevant to paragraph 2, subparagraph (c).

When you look at the substance of what is before us, it goes to this point. The honourable member has said that we cannot advance this here because all the matters which are covered within the motion by the honourable member for Watson are already being addressed within the Procedure Committee. There is one huge hole in that argument: not one of the terms of reference actually addressed the content of the oath of allegiance. If the honourable member listens carefully to what he read out in terms of what is currently before his committee, it does not in the faintest respect go to the content of the oath of allegiance and whether it is important in 21st century Australia to give effect to an Australian oath of allegiance to the people of Australia—\textit{to the laws of Australia}—or whether we continue with current and antiquated processes.

It is worth having a look at that which gives rise to the oath of allegiance, and that is the oath of governance to which the Queen gives assent upon her coronation, and presumably the oath of governance to which King Charles will give assent when he assumes the throne. It goes like this:

Will you [Elizabeth] solemnly promise to swear to govern the Peoples of the United Kingdom of Great Britain and Northern Ireland, Canada, Australia, New Zealand, and the Union of South Africa, Pakistan and Ceylon, and of your Possessions and the other Territories to any of them belonging or pertaining, according to their respective laws and customs?

Will you, to your power, cause Law and Justice, in Mercy, to be executed in all your judgments?

Will you to the utmost of your power maintain the Laws of God and the true profession of the Gospel? ... [then she also went on to take the oath required by the Bill of Rights, the Act of Settlement and the Act of Union to maintain the Church of England as established within the United Kingdom]

Then [Elizabeth] rose out of her chair ... the sword of state being carried before her ... and then said these words:

The things which I have here before promised I will perform and keep, so help me God. Then [Elizabeth] kissed the Book, and signed the Oath.

This is Elizabeth’s oath of governance to the Australian people, which was witnessed by Robert Menzies—the elected Prime Minister of Australia—at her coronation on 2 June 1953, together with many other Australians. He also participated in a second ritual, entitled ‘the Recognition of Elizabeth as Queen’, when the Archbishop of Canterbury asked the following four times, presenting Elizabeth four times to the peoples:

I here present unto you Queen Elizabeth, your undoubted Queen: Wherefore all you who are come this day to do your homage and service, Are you willing to do the same?

And four times the peoples agreed, shouting four times ‘God save Queen Elizabeth’.
I would submit that, whatever the prosaic content of that particular ceremony as it was conducted in 1953, it is not entirely relevant to the Commonwealth of Australia in the year 2001. Section 42 of the Constitution gives effect to the oath of affirmation which is required of members of this place. It proceeds directly from the oath of governance sworn by the Queen in 1953. It states:

I ... do swear that I will be faithful and bear true allegiance to Her Majesty Queen Victoria, Her heirs and successors according to Law.

The note to the schedule states that ‘the name of the King or Queen of the United Kingdom of Great Britain and Ireland for the time being is to be substituted from time to time’. There is a slight problem in the fact that we no longer have a king or queen of Ireland.

The point in this is that the oaths which are used by ministers when they take their oath of office as members of the Executive Council do not require a reference to the Queen. Nor—as referred to by my colleague the member for Watson, most recently in his remarks on this motion—do the oaths which are used in the Australian Citizenship Act contain any reference to the Queen. They were amended in 1994; when subsequently government changed in 1996, we saw no subsequent attempt by the government to reinsert the Queen into that proposal. The proposal alive in this motion is a modest one. It seeks to establish a specific purpose committee, a select committee, to look at this core proposition, in part as to what should be an appropriate oath for modern Australia. Should not we, as members of this place, swear our allegiance to Australia, just as the citizens of this country swear allegiance to Australia, just as the ministers of the Crown of this government also swear their allegiance to Australia? It is time to modernise our oath of allegiance. (Time expired)

Mr FORREST (Mallee) (4.45 p.m.)—I am quite pleased to have an opportunity to make a contribution to this debate. It is an interesting one. I would like to follow on from the remarks made by the member for Eden-Monaro, because I also serve on the Procedure Committee. Like any member when they first come to this place, when you first arrive and do the ‘walkathon’ that the member for Watson referred to, you ask yourself certain questions about the meaning of all of this. One of the great things about being an Australian and being a member of this place is that we are adult enough to debate important issues.

Like the member for Eden-Monaro, I am just a little bit disappointed that neither the member for Watson nor the member for Griffith took the opportunity the committee gave for input from fellow colleagues around the place. The member for Eden-Monaro has made reference to the terms of reference of the current inquiry, and we are a little bit constrained about what we can say about our deliberations. The member for Griffith challenges us. He has no idea of the extent of the discussion we have had. I would suggest that he should refer to some of the evidence and submissions that have been made. He serves on other committees; he would understand that, when you establish terms of reference, they are generic in form but the public want to take an opportunity to broaden them, and they do. For example, in a submission that has been received and already authorised for publication, a citizen has raised the issue of the 19th century trappings and rights that are associated with the protocols for the opening of parliament. She has also raised other issues to do with that: about dress, language and gestures, the nature of the oath, the deletion of references to God—which will be a thorny subject and a difficult one for all of us—and so on. Both the member for Eden-Monaro and I are restrained in how we respond in this debate. The member for Griffith should not make presumptions about the nature of discussions being held. The member for Watson made—

Mr Leo McLeay—Mr Deputy Speaker, I raise a point of order. My point of order is that there is no proposal that I have put forward to delete the reference to God. If you have an oath, God is in the oath. These people may not have realised that.
Mr DEPUTY SPEAKER (Mr Quick)—Order! There is no point of order.

Mr FORREST—I was not making that assertion; I was simply giving an example of an extension that people who make submissions to inquiries make, reflecting the broad church and the breadth of our community out there. The member for Watson and the member for Griffith both had an opportunity to ensure that this time the Procedure Committee gets it right. It is an issue that that committee has been struggling with for the past decade. That is probably part of the frustration of the member for Watson.

There have been two major inquiries. Back in 1991, a report dealt with the standing orders governing the general rule for conduct of business and procedures for the opening of parliament. The report was presented in this place on 6 June. Another report on the procedures for the opening of parliament was published in September 1995. Two other reports touch on an element of the opening day of parliament, the election of the Speaker. One was way back in May 1989. Another report, of March 1992, dealt with the standing orders governing Speaker, Chairman of Committees, deputy speakers and officers.

This is an issue that the Procedure Committee has been trying to advance and progress. Both members have missed a very important opportunity for their impassioned contributions to be made, to be included with the submissions from the rest of the public. I suggest that course of action rather than this one today. Most members of parliament will share the sentiment that we want the institution of this place to do exactly what it is supposed to do and be a reflection of our community. If there is a broad view that the procedures do not do that, then there is a whole range of things that we could consider. It is important that the public have faith in the way the institution of parliament operates and it is important that they are able to participate in it. It is not too late for both members to make a contribution to our inquiry, and we would look forward to receiving it.

Mr DEPUTY SPEAKER—Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

Banking Services

Mr BARRESI (Deakin) (4.50 p.m.)—I move:

That, in light of the Howard Government’s internationally acknowledged reforms to the Australian financial system, including centralised prudential regulation, and the payments systems, and Australia’s historically secure banking sector, this House:

(1) welcomes the Australian Bankers’ Association’s announcement in March to guarantee minimum standards for ‘safety net’ accounts, changes to overcome access barriers to electronic banking and the adoption of protocols for face to face banking services in rural and remote areas;

(2) notes the recommendations of the Issues Paper of the Viney Review into the Banking Industry Code of Practice released in March 2001;

(3) condemns Labor’s record on banking policy in both Government and Opposition; and

(4) calls on Australia’s financial institutions to continuously work with local communities towards meeting the banking needs of Australians living in urban and regional areas.

It seems that financial institutions, especially Australia’s big four banks, are never far from the daily headlines. Whether it be branch closures, profit announcement or bank fees, the Australian public regularly hears about current events in what is a very important sector of our economy. It is also fair to say that Australians need good quality banking services and, in turn, the banks need the public. Like any relationship, it is a two-way street. Technical advances and changes to business and public sector practices have all meant huge change since the mid-1980s, and the pace of change has rapidly accelerated during the 1990s.

Let me note some relevant statistics on some of the changes taking place. There are now over 10,000 ATMs and 320,000 EFTPOS terminals around Australia—three times more than in 1996. Alternative forms of face-to-face banking are now offered in 2,800 Australia Post branches, 5.6 million
Australians now use telephone banking, and 2.6 million subscribe to Internet banking. It would be fair to say that younger generations have taken these changes in their stride, adapting easily to the new way of doing banking. However, it has been the older Australians—those used to passbook banking and over-the-counter cash withdrawals—that have been most affected, as well as those small business traders in suburban strip shopping centres, including many in my electorate, who relied on the passing trade of bank customers to sustain the centre. And there are those in small towns who see the demise of the local bank branch as the infliction of a slow death on their community.

From my perspective, as a nation we need to ensure that Australia’s financial institutions are able to provide the services and products that we need and yet at the same time offer the strength and security that goes with solid profit results. But it does become difficult for the Australian public to accept that, after a combined profit of around $9 billion, the banks feel the need to rationalise their outlets. It has been very difficult for the general public to understand the mix between service and profits. Over recent years the banks have failed to adequately respond to community concern, to explain the need for such profits and the need to close outlets. Australia has a fairly stable banking system. Over the decades, there have been some problems from time to time but, fortunately, collapses have been relatively rare. Since coming to government, the coalition government has done much to strengthen Australia’s financial system. Governments of all persuasions have embarked over the years on a process of banking regulation, but it concerns me that recent ALP comments may lead to greater regulation, resulting in increased fees for customers.

I now draw attention to the four points in my motion. The first relates to the Australian Bankers Association’s announcement in late March this year of a new program aimed at addressing community concern about affordable banking systems, better access to banking facilities for older people, people with disabilities and those in rural and remote areas. The ABA’s press release listed the three key initiatives as: firstly, guaranteed minimum standards for safety net, basic bank accounts that 10 ABA member retail banks will provide to holders of Commonwealth government concession cards; secondly, the lodgment of a disability action plan with HRÉOC to overcome access barriers to electronic banking; and, thirdly, the adoption of a transactions services and branch closure protocol for ongoing face-to-face banking services in rural and remote areas.

It is the ABA’s third initiative, concerning transaction services and branch closure protocols for rural and remote areas, which is another important step in redressing the decline of services to rural communities. I congratulate the ABA on such a measure. It has reacted to the community’s concern for adequate notice about branch closures. The period of notice regarding closures will now be a minimum of three months, not six weeks. The banks have agreed to assist people and communities when closures do take place and to ensure they can access alternative services. I would, however, caution the banks against assuming that an extended notice period for closures will appease communities—it will not. To believe this would be to misinterpret the feeling that people have about their local bank.

I gladly note that since this announcement all of the banks have responded individually and in many cases improved on the bare minimum standards that have been laid down by the ABA. Many Deakin constituents, mostly those of more senior years, should welcome these new basic bank accounts. These new accounts will ensure that they and millions of other Australians have access to high quality day-to-day banking services for little or no cost. I welcome the banks’ basic accounts initiative, most of which will be available in the coming months. It will go some way to restoring the balance for many older and less able Deakin residents. The media commentary certainly suggests that it will ease the burden on pensioners and concession cardholders. I trust that the banks will go on towards lowering fees for all con-
consumers, rather than that particular target group.

The second part of the motion relates to the recommendations of the Viney review. There has already been considerable debate on this in the chamber. The banking code of practice, as many would know, is a voluntary code that commenced operation in 1996. The Viney review simply looked at this code and at how to ensure we had good banking in this country. It is pleasing to read that the banks will work closely with community groups to ensure the recommendations are implemented. Some of the key Viney recommendations which I would like to outline briefly include a principle of fairness to be drafted into the code; monitoring of banks’ compliance with the code; reflecting banks’ agreement to be prudent and diligent in assessing a customer’s capacity to repay a loan; recognition that better information be given to a guarantor; and, as discussed earlier, the bank safety net account benchmarks and branch closure protocols. Minister Hockey, as the minister responsible for regulation in this government, has called on the banks to quickly respond to the Viney report. He has said that the issues paper presents the banking industry with an excellent opportunity to demonstrate their willingness to address customer concerns. He added that the government would be closely monitoring their response.

The third paragraph of the motion relates to Labor’s record on banking policy in both government and opposition. No doubt those opposite will take issue with some of these issues. The Labor Party does not have a proud history on banking policy. Its alarmist language and calls for action were never once matched by a policy response in 13 years of government. In government, its broken promises with respect to banks included, on bank fees for example, on 11 July 1995 the then Treasurer, Ralph Willis, saying that he would direct the new Australian Competition and Consumer Commission to ‘formally monitor and regularly report on the financial services industry in relation to retail transaction accounts for a period of three years’. It took him eight months—in fact, into the 1996 election campaign—to make his next announcement. It was very much an opportunistic gesture on Labor’s behalf. During the last three years of the Keating government, over 500 branches were closed. Yet those opposite criticise this government for its failure in not addressing bank closures. Labor sat on its hands while branches closed around it. We saw very little in the way of replacement services offered on their closure. Quite simply, Labor’s complaints about bank closures are hollow and opportunistic.

The fourth part of the motion calls on Australia’s financial institutions to continuously work with local communities towards meeting the banking needs of Australians living in urban and regional areas. It is this area which I would like to address specifically, because it relates to things that are going on in my electorate at the moment. In my view, the banks have failed to meet the expectations of many Australians. Constituents occasionally mention their dissatisfaction to me. In turn, I encourage them to express the same sentiment to senior bank management. In Deakin, as with other parts of Victoria, local communities are now contemplating introducing the Bendigo Bank’s community bank program. Later this week—in fact, on Thursday night—residents of Blackburn South are meeting with this objective in mind. Some of those involved include: Andrew Sankey of Poppies on Canterbury; Damien Ahearn and Robert Mercer, both of Blackburn Cellars; Simon Lum of Nappy Land; Hugh McMaster of Blackburn South Travel; and Peter Guy, a local resident. I wish them well and urge all traders and residents in the nearby area to get behind the proposal. As a local Blackburn resident, I am more than happy to pledge my support.

Fortunately, we have positive moves taking place now in terms of community banking, and political pressure is also coming to bear. With the big decisions on branch closure protocols and basic bank accounts having already been made, we as a government and a community generally must keep up the pressure. A voluntary industry code containing minimum standards and common-
sense business practice broadly agreed to by
the banks, consumers and government is a
preferred model for the future. Legislative
minimums and compulsions as mooted by
the ALP will only increase costs and rarely
satisfy everyone’s expectations. I know the
government I am part of is committed to the
current independent review of the banking
industry code of practice. On behalf of the
people of Deakin, I look forward to an
improvement of services for customers. (Time
expired)

Mr DEPUTY SPEAKER (Mr Quick)—
Order! Is the motion seconded?

Mr Hawker—I second the motion and re-
serve my right to speak.

Mr LATHAM (Werriwa) (5.00 p.m.)—
The member for Deakin holds a marginal
seat on the government side. He has not
moved this motion out of any deep personal
conviction. He has moved it out of electoral
convenience. He is hoping to get a few para-
graphs in his local newspaper to say that he
stood up in the House of Representatives and
defended the rights of consumers against the
banks. The record, of course, shows that the
member for Deakin and his colleagues have
been asleep at the wheel. The people of
Deakin know that this government aban-
donied the monitoring of bank fees and prices
in July 1996. They gave it away. In their first
couple of months in government, they gave
up on the concept of ACCC monitoring of
bank prices and fees.

We have had a report recently—it was in
the press just yesterday—the Cruickshank
report from the United Kingdom, showing
that Australians pay an average of $360 in
bank fees, the second highest fees in the
Western world behind Canada. The result in
the independent report of Cruickshank in the
United Kingdom is that Australia has the
second highest level of bank fees in the
Western world, second only to Canada. If we
look at ATM fees, we have the highest. The
member for Deakin has the hide to say to the
parliament that he is proud of the banking
record of this government, but that record
shows we have amongst the highest fees in
the Western world. This is something the
member claims to be proud of.

The member for Deakin needs to have a
look at the recent study by the Reserve Bank
and the ACCC, which looked at the extent of
bank pricing rip-offs. That report found at
the end of last year that for foreign ATM fees
there is a mark-up of 175 per cent: if you
take money out of an ATM from another
bank, they mark it up by 175 per cent. This is
something the member for Deakin is proud
of. He is proud to be part of a government
that allows, day after day, a mark-up rate of
175 per cent on foreign ATM fees. He is
proud to be part of a government that sup-
ports banking laissez-faire—just let them do
whatever they like. This just does not stand
up. The people he is trying to impress in his
own electorate deserve to know the truth,
and the truth is that the member for Deakin
and his colleagues have been asleep at the
wheel on banking policy.

There is another part of the Reserve Bank
and ACCC report which deserves scrutiny.
The banks have been part of the 67 per cent
mark-up on credit card interchange fees. In
no other sector would financial institutions,
private companies, get away with this sort of
practice. The record of the government has
been appalling. They should have acted far
earlier on this. They should have ensured
that these outrageous mark-up rates—175
per cent on foreign ATM fees and 67 per cent
on credit card fees—were kept under control.
They should have had the Reserve Bank pre-
scribing a new payment system years ago.
Instead of abolishing the monitoring of these
fees, they should have had the Reserve Bank
and the ACCC on the job.

The member for Deakin has not been a
friend of the banking consumer. He has been
the banking consumer’s enemy. He has been
the enemy of bank consumers around the
country, because he has failed to regulate
these practices to go unchecked, unfettered by the
government. He was part of the decision to
abandon the monitoring in July 1996, yet he
has the hide to criticise Labor’s banking rec-
ord. My friend, Labor is the only party of banking reform in this place—the only party. Opening up the system to a bit of competition from foreign banks and a bit of competition from the non-banking sector all happened in the 1980s under the Labor Party. He mentioned the community banking movement, and Bendigo Bank. My friend, there would be no Bendigo Bank or community banking sector if it were not for the Australian Labor Party.

If it were not for the Labor Party reforms in the eighties, you would have the old Liberal Party system: a regulated financial system and an old boys club. They ran the financial system in this country in the postwar decades as an old boys club. You see, the Liberal Party representative would wind his way down to the end of Martin Place and have a few gin and tonics on a Friday afternoon and sort out banking policy with the banking establishment. That was Liberal Party banking policy in the sixties and seventies. All through those Menzies and Fraser years, the Liberal Party did nothing about introducing some basic competition into the financial sector.

In the eighties, it was only Labor. Check the history books. There has only been one party of banking reform in this parliament and that is the Australian Labor Party. You would have no foreign banks, no community banking sector and no non-banking competition from credit unions and other institutions if it were not for the Labor Party. The only competition we have ever seen in this sector has come from this side of the House. The Liberals ran it as an old boys club. Have a look at the member for Deakin leaning back there now: he would fit into that old boys club. I think he wants it back. He wants those nice, comfortable days of the fifties, where they would wind their way through Martin Place and sort it out with the banking establishment over a few drinks on a Friday afternoon.

The Liberal Party have never been on the side of the consumer—never. They have never been on the side of the consumer: they ran a clapped-out regulated financial system, and only under Labor have we seen any sort of competition. Our policy on banking had three pillars: competition, competition and more competition. We wanted competition to do good things for the consumer, but we also wanted the ACCC to monitor any anticompetition practices. That was the Labor policy that was in place, and all the government have done is backtrack by removing in July 1996 the monitoring of bank fees and charges. They have not acted on any of these recommendations from the Cruickshank report, the Reserve Bank report or the ACCC study. They have done nothing. They just want to bring back the old boys club.

The member for Deakin talks about the responsibilities of the banking sector. The Howard government, unfortunately, have never defined proper corporate responsibilities for this sector. All the Howard government have is a namby-pamby idea of a social coalition where you sit down and have a few chats—probably over a few more drinks—with the banking people and hope that everyone is nice to each other.

The truth is that corporate responsibility is one of the burning issues in Australian public life. We have seen these companies go global, yet so many of the issues are about local disadvantage. We need to reconnect global economics with local communities. The only way you can do that is through a proper definition of the social responsibilities of the corporate sector. We should have the banks exercising their proper responsibilities. What are those responsibilities? One of them is to help poor people to save. The banks in this country should be good corporate citizens, and to do that they need to help poor people to save.

Some people would say that that is a philanthropic activity. Indeed, good corporate citizenship can be good banking practice, because the more Australians who save the more likely the banks are to maintain their profits into the future. So I believe that we should be defining the social responsibilities of banks, and we should write them into the banking licences. You talk about regulation; let me give you this one: we should write
‘corporate responsibilities’ into the banking licences issued by the federal government, and one of those responsibilities should be to help poor people to save. Some of my colleagues on the left of politics might say, ‘The poor can’t save.’ These critics need to have a look at some of the pilot schemes in the United States, where they have engaged in asset based welfare. They have mobilised financial institutions and philanthropic organisations, such as the Ford Foundation, and they also have some support from the state governments, to establish matched savings accounts for the poor. That is, if someone saves $5,000 over a five-year period for a housing deposit, the amount is matched, increasing the deposit to $10,000.

The evidence from these pilot schemes in the United States is quite striking. The evidence has reached two stunning conclusions. One is that poor people can save; they make adjustments to the household budget, they put money aside, and they will save for specific purposes, such as home ownership and the good education of their children. The second conclusion is that savings are the elixir of life; savings are good. They provide spin-off benefits in health care and career prospects, in confidence and in self-esteem, and in financial education, the basics of understanding how the financial system works. This is the sort of program that the Howard government should have introduced under the banner of welfare reform, working in tandem with the banking sector. Unfortunately, members like the member for Deakin have been asleep at the wheel.

These things can be done even in opposition. I have been talking to some of the leading financial institutions and some of the leading banks about how they can engage in the revolution of asset based welfare and how they can establish matched savings accounts in the public housing estates in my electorate. Today I have written to Bob Carr, the New South Wales Premier, saying that it is a good Labor thing to join in these programs. We can work with the banking sector to help poor people to save. It is good practice for the banks because the more people who save the more likely the banks are to have turnover into the future. It is good social policy because the only way in which the poor can leave poverty on a permanent basis is to save and accumulate assets. We have had an obsession in this country with recurrent income support. The obsession should have been with the accumulation of assets.

All of these reforms happen on the Labor side—competition policy, ACCC monitoring, the prospect of asset based welfare reform. Here I am doing it in opposition; I do not need to make speeches over there in government. You can do these things in your own electorate, harnessing a partnership between the public and private sectors. In one respect, I wish the member for Deakin well in getting a few paragraphs in his local paper and in belatedly standing up on behalf of bank consumers. But his electorate should know the truth: he has really done nothing.

(Time expired)

Mr HAWKER (Wannon) (5.11 p.m.)—I have great pleasure in seconding this motion and supporting my good friend and colleague the member for Deakin, and I commend him for bringing this motion forward today. I think it is timely, and it also gives us the opportunity to explain some of the things that this government has done. I must say that I was very disappointed to listen to the member for Werriwa carping about some of the negative things, as the opposition so often do, and failing to give credit for some of the achievements of this government.

When we talk about banking, of course we should never overlook the fact that, under this government, interest rates have reached their lowest point in 30 years. That is something that benefits all consumers, and I do not think that we should ever run away from saying that it is only the good economic management of the Howard government that has led this to occur. It is also curious to hear the member for Werriwa talking so much about Labor’s record. Labor’s record, as the member for Deakin pointed out in his comments, was one of inaction in the more recent parts of the Labor government. But in the earlier parts who could forget those state
banks going broke? That was under Labor at a state level and under Labor at a federal level. Just think of the impact that that had on states like Victoria and on the taxpayers of Victoria, who have had to pay for years after that to bail out all of those losses under the mismanagement of Labor.

In the short time available to me, I would just like to pick up on a couple of other points. I think that the banks still have a lot to explain, as they have not got the message across, as to why they can be making ever increasing profits while at the same time closing branches. But, nonetheless, we should also recognise that, belatedly maybe, the banks have taken the hint. One of the matters that they have taken notice of, which I am very proud of, is the report of the Standing Committee on Economics, Finance and Public Administration on regional banking services. The Viney report picked up, in particular, recommendation 20 of the committee report. I believe this report was a landmark report, and my committee, quite rightly, gained a lot of recognition for the work that we did in preparing that report. It has certainly formed the basis for some of the decisions that have been taken by the banks since. It shows that, in fact, not just individuals—as the member for Werriwa would like to have us believe—but, indeed, parliamentary committees can achieve quite a lot.

I think it also important to pick up some of the other points that the member for Werriwa was trying to put across. He quoted a UK report—the Cruickshank report—and it is unfortunate that someone who ought to know better should not have checked what he was saying before he was so quick to quote it, because it has been pointed out very clearly that there are a number of flaws in the Cruickshank report. For example, it talks about the cost of banking fees to customers, but it does not take into account that 30 per cent to 75 per cent of customers do not pay fees and charges for services associated with personal transaction accounts. It also seems unable to take into account the fact that Australians pay less than the international average. According to the Reserve Bank, in a survey of 10 countries Australia ranks number six in the world, and in fact Argentina is the most expensive. The Cruickshank report is wrong on the amount of fees that average Australians pay. It is nowhere near the $360. Those Australians who do pay fees pay between 25c and $2.30 a week for personal transaction accounts.

It is all very well to say that in the UK customers may not pay a fee for the ATM, but they certainly pay higher fees and margins for other products and services. For example, if you overdraw on your bank account in Australia without notice it could cost you $15, but in the UK it would cost you $80. And in other ways our system is much fairer than the British system. We get a lot of services provided free; and, because of deregulation, Australian customers have certainly been the winners with the reduction in margins, particularly on home loans. So I think it is most unfortunate that the member for Werriwa had to bring this into debate. I also make the point that fees on personal transaction accounts account for only one per cent of bank revenue, which he ought to be reminded of too.

This is an excellent motion. The member for Deakin is to be congratulated on bringing it forward. It shows he has real concern and commitment for the consumers in Australia, not just for those in his own electorate; although I have no doubt that he is working very hard for the good constituents of Deakin as well. (Time expired)

Ms LIVERMORE (Capricornia) (5.16 p.m.)—I join with the member for Werriwa in saying that it seems the member for Deakin wants it both ways. With this motion, he wants to bash the Labor Party, but at the same time he is expressing support for measures which effectively reflect Labor’s policies on banking. Clearly it must be an election year, because all of a sudden the Liberal Party is concerned about the poor practices of the banks in relation to the community. Suddenly, it is very anxious to be seen to be listening to the community—and I have to say it is about time. But it is a bit late to expect the community to have their faith re-
stored in a government that has ceased to govern for them.

Over the last five years, while this government has sat on its hands, the banks have forced up fees and closed bank branches throughout regional and even urban Australia. The current situation with regard to bank fees was investigated thoroughly during the inquiry into fees on electronic and telephone banking carried out by the Joint Parliamentary Committee on Corporations and Securities. The trends that emerge from the evidence before the inquiry point clearly to the need for action to address the increasing inequities within the banking industry. For example, banks earned fee income of $1.8 billion from households in 1999. When that is broken down, the figures show that the revenue earned from deposits has increased by 44 per cent since 1997, while the revenue from transactions has increased by 160 per cent.

The inquiry highlighted the size of fees and also the reality that social security recipients and low income earners bear a disproportionate burden when it comes to bank fees. Banks are opting to offer cut-price rates for services they wish to promote, such as Internet banking, or fee exemptions for those with large deposits or loans, while the branch based services relied upon by many elderly and low income people in the community attract high fees. This sort of reverse cross-subsidisation is extremely disadvantageous to those who can least afford bank fees.

This attack on reasonable and equal access to an essential service has gone on for some years without a murmur from the Howard government. Now that the banks have finally responded to the slump in public confidence in their performance and have come up with a response to try and win back some credibility, the government is playing catch-up—pretending, through devices such as this motion, that it was in there all along pushing for fairer practices in banking and recognising that banks, as providers of an essential service, carry certain obligations. In fact, the government sat back and waited for the banks to act. On 26 March this year the Australian Bankers Association released a package of initiatives aimed at making banking more affordable and accessible for a range of people who have been hardest hit by the changes in banking practices resulting from deregulation and technological change.

In the meantime, the Labor Party had developed its own comprehensive policies to directly address these serious issues of access, affordability and the impact of branch closures. It is interesting to note in the context of this debate that, while the member for Deakin heaps praise on the Australian Bankers Association’s measures, he is critical of the ALP even though the measures it would encourage banks to adopt go further than the ABA’s. For example, the ABA promises a safety net bank account for customers in possession of a health care card, a seniors card or a pension card. Labor’s proposal is for banks to provide a completely fee-free service to social security recipients in addition to a low fee, no frills account for other customers who wish to take up that option.

The social charter that Labor will negotiate with banks will also include more scrutiny of bank fees, requiring full disclosure of ATM fees at the time of the transaction as well as the number of fee-free transactions left for that customer. We will also require monitoring of all bank fees by the ACCC. Labor’s social charter will be legally enforceable through the oversight of the financial services advisory board and the requirement on banks to submit a six-monthly social obligations statement, which would include information on any reductions in banking services, details of the promotion of basic banking services, including the take-up rates of basic bank accounts, and financial education initiatives undertaken by the bank. This is the deficiency in the ABA’s announcement and also in the code of banking practice recently reviewed by Richard Viney.

The question has to be asked: what happens to the code of practice and the measures announced by the ABA when the heat goes out of this issue and the PR exercise has been successful? Without these enforceability measures, they are fairly hollow promises. The Viney report makes some significant
recommendations to reform the banking code, but communities will not be satisfied unless the code has some teeth. Labor’s social charter is all about giving these measures some teeth. The banking industry since deregulation has shown that it needs guidance in meeting its social obligations. That is where governments have a role to play. The government must meet the obligation to its voters to represent their interests, especially in the post-deregulation environment. (Time expired)

Mr DEPUTY SPEAKER (Mr Andrews)—Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

GRIEVANCE DEBATE

Question proposed:
That grievances be noted.

Howard Government: Social Justice

Mr ALBANESE (Grayndler) (5.21 p.m.)—My grievance today is about the relentless agenda of the Prime Minister and his cabinet in governing for the elite few. Over the last five years, Australia has been subjected to government by the elite for the elite. There is little compassion on the government frontbench, little real understanding of social justice or of the ‘fair go’. Of the 17 members of John Howard’s cabinet, 13 went to elite schools, eight of which were category 1 private schools. Elitism is in their blood.

This government is led by a man who has only rear vision. When the Australian defence forces were finally sent to assist in East Timor, the Prime Minister rejoiced at the title of deputy sheriff to the US for the region. Certainly, in his dealings with the battlers in Australian society, his role has been far more akin to another well-known sheriff—the Sheriff of Nottingham. There are no Robin Hood fantasies in the Prime Minister’s head about redistributing wealth to the poor. Rather, he is like the sheriff sitting in his castle counting the coins squeezed out of the peasants living on his estate. It is not surprising that he is most animated when talking about new ways to tax working Australians with the GST, of which he is proud.

We have witnessed an extraordinary human rights meltdown on the frontbench, presided over by this Prime Minister.

Possibly the most outrageous example of this has to be the denial of the existence of the stolen generation. The Prime Minister believes he represents mainstream Australia on this issue and, as such, has refused to say sorry. How wrong he is. On 28 May last year, I felt honoured to take part in what was without question the largest gathering in our history of Australian people committed to a particular cause. The walk across the Sydney Harbour Bridge and the subsequent walks in other Australian cities and towns across Australia sent a clear message: mainstream Australia is committed to the reconciliation process and it is the government that is out of step with its people. Obviously the sight of hundreds of thousands of mainstream Australians walking across the harbour bridge in support of reconciliation was too much, so the Prime Minister left Kirribilli House and scuttled off to Canberra to watch the rugby.

We do not have to dig too deeply to find other examples of the government’s human rights meltdown. Mandatory sentencing of juveniles is a great leap backwards for Australian society, catapulting us back into the 19th century. And what was the Prime Minister prepared to do about it? Nothing. After all, he believes we have a lot to learn from the past. He lives there. The problem is that he wants the rest of us to stay back and keep him company. Asylum seekers have also felt the heat of the meltdown. They have been demonised by the government and have had to endure often prolonged detention in overcrowded centres in isolated parts of the country. The overwhelming majority of these people’s only crime was to escape tyranny and persecution in the hope of giving their families a future. This mean-spirited approach to refugees is politically motivated. But, as with its handling of indigenous issues, the government is only too keen to subtly play the race card. The overwhelming majority of illegal migrants in this country arrived by plane and are from the UK and other Western nations—but there has not
been a word from this government about them. These measures, like the denial of the stolen generation and the tacit approval of mandatory sentencing, show the government’s racist underbelly. They show that the government is always looking for the lowest common denominator in the hope that it will win back the One Nation vote.

Being a man who thinks locally and acts globally, John Howard has also disputed UN rulings on human rights, greenhouse gas emissions and heritage listings. The government has announced that it will no longer cooperate with UN committees. After all, this government believes that international conventions on human rights should not apply to Australia. Women in particular should not be allowed to appeal to Geneva against discrimination. In fact, the Prime Minister feels so strongly about this that he went all the way to New York to attend the UN Millennium Summit just so that he could boycott signing the UN protocol on sexual discrimination. Back home, the government has redefined ‘mutual obligation’, making it a one-way street. It has slashed spending on public housing and then breached Newstart recipients who move to areas with more affordable housing. And now it has refused funding to WESNET, Australia’s peak organisation working to eliminate domestic and family violence and whose funding runs out on 30 June. There has been no compassion and no empathy from this government.

This government is also hell-bent on cracking down on ‘welfare cheats’—to use a term that it throws around at will. The problem is that thousands of Australians who have either made a simple error or who have been unable to keep their appointments with Centrelink for valid reasons have had their benefits cut. In fact, since the government came into office there has been a 250 per cent increase in breaches. The budget shows a figure of $212 million to be saved in penalties against these people. We are talking here about the most vulnerable people in our society—people who live on the edge.

The social welfare safety net has developed huge holes under this government. More and more families are slipping through the net. Many more have been adversely affected when the companies they work for have become insolvent, leaving employees high and dry without any of their entitlements. Recently in my electorate 100 workers of Champion printing were sacked. The Australian Manufacturing Workers Union has campaigned for these workers’ entitlements. They have lost $500,000 in wages, leave payments and entitlements. But this is not uncommon. Corporate collapses which have left workers without their due entitlements include Cobar mine, National Textiles and, in recent weeks, One.Tel, with 1,400 employees. This mean-spirited government actually gave every assistance to Patrick to restructure their company during the waterfront dispute to avoid—deliberately—their obligations to their workforce.

A Beazley Labor government will implement a scheme that provides 100 per cent protection for the entitlements of all Australian workers if their employer becomes insolvent. And Stan Howard will not have to be a company director before there is intervention by the government. This government’s natural constituency lives at the top end of town. Ask people living in rural and regional Australia who face the very real prospect of deficient telecommunications services with the full privatisation of Telstra. And ask the people living in my electorate under the flight path in Sydney. Government members often fly over their heads in and out of Sydney (Kingsford Smith) Airport, but very few spare a thought for those forced to endure the aircraft noise close to the airport.

In March this year the legislated cap of 80 movements per hour was broken eight times at Kingsford Smith airport. On 16 May a number of my Labor Party colleagues and I resigned from the government’s Sydney Airport Community Forum. In the elitist and dishonest way that this government loves to operate, the so-called ‘community forum’ has been continuously ignored by the Howard government. Whether it be the legislated cap, the need for a second airport, reneging on commitments for noise insulation, opposition to the introduction of the precision radar
monitoring system or privatising the airport before a solution to aircraft noise is found, the government has ignored the SACF and indeed its own policies.

The final insult was the appointment from outside the forum of Senator Helen Coonan, who has no record of speaking up on aircraft noise, as chair. Her ignorance was exemplified by her statements in the *Sydney Morning Herald* the day after our resignations where she explained the government’s failure to implement its own policy and the resolutions of the forum with the comment that perhaps the problem is the ‘poor use of language’ in the resolutions. It is extraordinary that someone would see a political problem as a grammatical one.

Perhaps the best example that I can give you of the elitist nature of this government concerns school visits to Parliament House. During the last week of the last sitting period, a number of schools visited Parliament House. On the Tuesday, the special education class of Marrickville High School visited, and I went to see them. The day after, students from Newington College visited Parliament House, and I went to see them as well. I believe that you should give support to students in an equal manner, no matter where they come from. However, I was told that I had to see Newington College before 3.30 p.m. because they were having afternoon tea with the Prime Minister. Thirty-eight schools have visited Parliament House from my electorate, and only one—the richest and the most well off—got afternoon tea with the Prime Minister, on top of the extra $1.8 million per year given in category 1 funding. I do not criticise the students; I criticise the government for not treating all Australian students properly. What happened is not surprising, and this is an accurate depiction of the way that this government treats people.

On the issue of caravan parks and the GST, those opposite have derided my campaign and my persistence on this issue, but I am persistent because this issue symbolises the mean-spirited, elitist nature of this government. Yesterday, when addressing a meeting of caravan park tenants in Shortland, the electorate of Jill Hall, I pointed out the Prime Minister’s comments on *AM* that the GST was necessary because of the mini-bars being filled by the park owners. It just shows how out of touch this government is. *(Time expired)*

**Hann, Mr Colin**

**Great Barrier Reef: Coral Harvesting**

*Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Science and Resources)(5.31 p.m.)—* I rise to participate today in this grievance debate. In my position I do not have the opportunity very often to raise in this place issues relating to my electorate. I thought that I would take the opportunity first of all to cast some bouquets and then to wield a brickbat. In the first instance, I would like to acknowledge the contribution of the Minister for Foreign Affairs, Alexander Downer, and his department in enabling an elderly constituent of mine, Mr Colin Hann, to fulfil one of his last wishes—that is, to visit the final resting place of his brother, Ian, in Hodogaya War Cemetery in Japan. Colin Hann is an 81-year-old ex-serviceman whose lineage goes back many generations in Queensland. Both Colin and his brother, Ian, were grand-nephews of the pioneer-explorer William Hann, who discovered gold in the Palmer River area in 1872. Colin is no stranger to the Far East. He spent five years in Japan with the occupation forces as Officer Commanding, Britcom Broadcasting, eventually being responsible for a 10-station radio network, and he played a major role in armed forces broadcasting in Korea.

He also spent many years in Indonesia following the overthrow of the Dutch and had many encounters with Indonesia’s first president, Dr Sukarno. His time as the Australian Broadcasting Corporation’s correspondent in Indonesia was certainly not without incident. He was arrested three times and interrogated at bayonet point for some 18 hours. He still has an old passport stamped ‘never to enter Indonesia again’—basically because he refused to cable a story dictated by the Indonesian Foreign Office.
Colin's memories of his time in Asia could certainly fill a book: witnessing General Douglas MacArthur’s Caesar-like command of occupied Japan; interviews with Sukarno; interviews for TV and radio with presidential candidate Bobby Kennedy before his assassination; interviews with Marilyn Monroe, King Peter of Yugoslavia and actor John Wayne; being present in Tokyo in 1952 at the first public appearance of Emperor Hirohito; and the peace talks in Korea. The list certainly goes on. For his efforts, Mr Hann was awarded the following medals: the 1939-45 Star Medal, the War Medal 1939-45, the Australian Service Medal and, I understand, a United Nations medal. He is also a life member of the RSL and the Australian Journalists Association.

Colin’s brother, Lance Corporal Ian Hann, joined the 2nd AIF, training at Kapooka, Albury-Wodonga, Yeppoon and Indooroopilly. Ian Hann was allotted to the 2nd/30th Battalion, which had a regimental association with the Black Watch Regiment. The battalion served in Malaya and Singapore. During the war, Lance Corporal Ian Hann was taken into captivity by the Japanese army but managed to escape with the assistance of some local Malay women, who disguised him in women’s clothes. Unfortunately, Lance Corporal Hann was recaptured. Being a strong man, he was selected to work on the Thai-Burma rail project. Beri-beri, tropical ulcers and malnutrition took their toll, although he was deemed fit enough for transportation to Japan to work in the coal mines. Eventually, Ian succumbed to sickness brought on by the harsh conditions of the camps. Despite being admitted to a hospital near Ueno, he did not survive. His remains were interred in the Hodogaya War Cemetery.

Colin Hann contacted my office; he desperately wanted to visit his brother’s grave. He felt he was getting towards the end of his life, and he did not feel that he would be able to travel any distance for much longer. He was losing his eyesight, and he was not particularly well. He felt that he could not go back to Japan without some assistance; he felt he needed to be guided, to have someone to show him around. That is when I contacted Minister Downer's office. Doug Trappett from the Department of Foreign Affairs and Trade here in Canberra put me in touch with the Assistant Defence Attache, Major Tim Gellel, who is based in the Australian Embassy in Japan. They organised an itinerary for Colin, and we organised for him to fly over there for three days. He was met by Major Gellel, who accompanied him basically for 12 hours a day for three days. He took him to the Hodogaya War Cemetery, where he visited his brother’s grave for the last time. He also had the opportunity to see other places. He stated to me that Japan was very different from how he remembered it many years ago.

Before leaving, he had asked me to assist him in repatriating his brother’s remains, because he did not feel that the community near which Ian was interred were particularly happy with the graves being there. On his return, he said to me that he was overwhelmed by the change in feeling within the Japanese community and the honour they bestowed upon this particular grave site. He said to me that under no circumstances did he want his brother to be removed from that area; in fact, he felt that Ian really belonged there.

It is very important to acknowledge the wonderful contributions of those people who made this trip special for Colin. I would also like to give special acknowledgment to His Excellency Ambassador Peter Grey, who took about 20 minutes of his time to sit down and talk to Colin. Finally, I would acknowledge Qantas, whose treatment of Colin was outstanding. They upgraded him on both trips to first class. Coming back, as you would appreciate, Colin was quite emotional, knowing that he would not be going back to see his brother ever again, and the flight attendants comforted him and actually sat with him for quite a considerable time and ensured that his trip back was very special. Particularly I acknowledge flight attendant Paul Chamney of Qantas for the sterling job he did in taking care of a very proud old Australian and making sure that that last visit to Japan was very special.
The second issue that I would like to raise—and it is one that I have considerable concern about—is a decision made recently by the Minister for the Environment and Heritage to shut down a coral harvesting fishery in my region. This is a small fishery that has been operating since 1932. It is the livelihood of a small but important number of small business people in my community. A decision was made, I understand, on the minister becoming aware that this activity was taking place. He feels that the activity is not appropriate on the reef. I call on the minister to reconsider his position and consider the scientific evidence behind this rather than make the decision based purely on emotion.

Just to give the House a bit of an overview of the fishery, Russell Snook, who operates one of these coral leases, has been in the industry now for over 20 years. There are 50-odd leases off the east coast, from Hervey Bay to Port Douglas. About 36 people hold these leases. In Cairns alone there are about 37 people employed. These people harvest small amounts of coral and rock which they supply to the aquarium trade and to commercial aquariums, et cetera. The total harvested last year was less than 50 tonnes—that is, 25 tonnes of live coral and 25 tonnes of rock. That is quite insignificant when you think that the reef regenerates some five million tonnes of coral per year. The total area of the Great Barrier Reef is some 350,000 square kilometres, so it represents about one tonne taken every 1,651 square kilometres.

Another constituent, Lyle Squire, and his family, who are third generation coral collectors, have just invested over $1 million in the final stages of a purpose-built complex, and they move in in two weeks time. This decision makes that complex virtually worthless. So I call on the minister to reconsider his position. A management plan is currently being drafted by the Queensland Fisheries Service. I ask and implore the minister to wait for that management plan to come down. It is being fully supported by the industry, and I believe the management plan is the way to go rather than shutting down a very small but important industry that has been going since 1932. (Time expired)

Employment and Unemployment: Hunter Region

Mr HORNE (Paterson) (5.41 p.m.)—The grievance I wish to raise this evening is the high level of unemployment in the Hunter region and the indifference of the Howard-Anderson government to that unacceptable level. I refer to an article in the Newcastle Herald last Friday which indicated that the jobless rate in the Hunter has risen above 10 per cent, or more than twice the average of that in New South Wales. When we talk about the Hunter we are talking about one of the great regions in Australia, about a very diverse economy indeed—a highly skilled work force, a great place to live and work, a population greater than that of Tasmania and a GDP greater than that of Tasmania.

The Hunter region produces a very wide range of products, from world-class wine to the lead-in fighter trainers for the Royal Australian Air Force, minehunters for the Royal Australian Navy and top quality decompression chambers that we export worldwide—indeed, to the navies of the United States and Italy. We also have the largest coal exporting port in the world and the biggest aluminium smelter in the Southern Hemisphere, and the list goes on. Despite our skills levels and the services available through Hunter Area Health, Newcastle University, Ed Net and quality housing at affordable rates, the Hunter region has an unemployment rate that last week rose above 10 per cent.

The point I want to make here is that this government is indifferent to that. I want to use a couple of examples this evening in the time available to me to point out the indifference of the government: firstly, the decision by Prime Television 10 days ago to discontinue local news broadcasting from Newcastle. Remember what I said: we have more people than Tasmania, yet they axed the service. Did we get any comment opposing the axing from the government? Not a peep. The champions of competition policy, the champions of regional Australia that we hear...
about so often, have allowed one of the most professional media groups I have ever been associated with simply to be disbanded, and not a squeak from the Minister for Communications, Information Technology and the Arts denouncing this callous act—simply mute support. I did happen to see a press release put out by the minister’s office. It said:

Communications Minister Richard Alston will write to regional television broadcaster Prime expressing concern at its decision to axe three local news bulletins.

Senator Alston’s spokesman said the minister was concerned Prime had said its decision was partly due to the cost of converting to digital. How strong can we get; how firm can the government be in their resolution to deliver services to regional Australia! A professional group disbanded, and they do nothing. For the record, I would like to inform members of the House about who was in that group. There was Natasha Beyersdorf, News Director; Cassie Hamer, Chief of Staff; Brett Lavaring, newsreader; Aaron Kearney, sports reporter and presenter; journalists Paul Kish, Carolyn Garner and Sally Moore; radio journalists Shannon Most and Sarah Vickery; head cameraman, Dion Ambrose; cameramen Garry Wright, James Wright and Scott Baker; hair and make-up artist—because they all need that—Fiona Jacobson; director, Gina Cowley; and casual cameramen Paul Flahraty and Michael Grace. That comes to 15 permanent positions and two casual positions—and the government sat on their hands. That was their response to this tragic blow. Our news service and the careers of these young people have simply been terminated—put on hold. Some of them, I know, had just taken out mortgages—had just decided to buy a home—and they were looking forward to their career.

I would like those people to know that the phone in my office has run hot ever since that decision was made. The people in our region feel cheated. We have areas now that receive zero local news—no local sport and no local weather—because Prime is the only free-to-air service that some areas in the Hunter get. NBN does not penetrate there and the ABC also does not reach them, but they could get Prime. Now they have no local service at all. We have had calls from aged care facilities that want to know what happened to those friendly faces that they shared their evening with—they have suddenly disappeared. We have had calls from a whole host of individuals who want to know why there was no notice given to the community that this service was under threat. It simply happened. The group that provided this service were told in the morning that that was it—that the previous evening had been their last news service and they would not be going to air that night. It sounds like great personnel management skills to me! Yet it is an act that this government obviously condones.

Of course, questions about the ratings system have been raised repeatedly: how was the information derived, who determined that not enough people were watching Prime and who was asked? I cannot find a single person that has ever been contacted by a ratings service to ask their opinion: do you watch Prime; do you know what programs they have; do you know any of the people that deliver the service? It was simply axed. Let us go back to the minister and what he has done. I have indicated that he will write to Prime. Very dynamic indeed!

The other question is: how did aggregation come about? We are often branded as the party that does not support competition policy, so let us have a look at what the minister at the time, the Hon. Michael Duffy, said when he was delivering the second reading of the Broadcasting Amendment Bill 1986. He said:

This is a historic Bill because it provides the legislative framework for a major expansion of the Australian broadcasting system. Honourable senators will know that Australians living in our mainland State capital cities already have—or in the case of Perth, soon will have—a choice of three commercial television services as well as the two national channels. The five million people who live in regional Australia only have, in the main, one commercial service and the ABC. This is a situation that the Government—
the Hawke government—
is no longer prepared to accept; it is inequitable
and discriminatory; moreover it is unnecessary.

He went on to say:
In my statement to the Parliament of 20 May I set
out three strategic goals the Government wants to
achieve: Firstly, to provide services in most re-
gional areas comparable to those in capital cities,
that is equalisation; secondly, to create larger
more viable markets in regional Australia through
the process of aggregation; and, thirdly, to en-
courage competition.

They were the ideals and the objectives of
the Hawke government in allowing Prime to
move their services to the Hunter region.
What did Prime get in return? They got sig-
nificant tax advantages: they did not have to
pay a licence fee because of the aggregation
and I believe they did not have to pay sales
tax on equipment to set up their new studio
in Newcastle. I believe that the cost to the
taxpayers of Australia was in the order of
$32 million to allow Prime to set up in the
Hunter region. Now what do we find? That
this minister quietly sits back, accepts it and
will write to Prime and that he notes the cost
is due to the cost that will be incurred by
Prime for going digital. But he also says in
his letter that he is a bit concerned about that,
because he notes that the government will be
subsidiising Prime to the order of $56 mil-
ion.

My grievance is this, Minister: if the tax-
payers are footing the bill, where is the
service for regional Australia that this Prime
Minister and this government continue to
lecture us about but, when those services are
withdrawn, will not stand up and be counted
for, for regional Australia? They simply let it
wash over them, and we will not let regional
Australia forget. (Time expired)

Education: Funding for Non-government
Schools

Mr McARTHUR (Corangamite) (5.52
p.m.)—I wish to grieve on behalf of those
hardworking parents who pay fees to in-
dependent schools. In my state of Victoria, 31
per cent of students attend independent
schools at the primary level. We have heard a
great debate in this parliament about this
issue and we have heard the opposition
agreeing with the broad principle of SES
funding. They agree like they agree with the
GST—although they are going to roll it back
in some form—with the broad principle.
Similarly, with the funding of independent
schools, they agree with the broad principle
and yet, day after day in this parliament, they
wish to argue about the so-called 60 wealthy
schools.

As I will allude to in a minute, the funda-
mental debate is about the ERI, the education
resources index, versus the new SES model,
the socioeconomic status model, and the de-
sire of the government to bring about a more
equitable situation. Those members of the
House and those people associated with edu-
cation would know the fundamental flaw that
is associated with the category method where
schools are put into categories from category
1 to 12 according to the ERI or some other
strange mechanism. This has been a matter
of some concern since the Labor Party
agreed to this back in the early 1970s. Obvi-
ously parents have a choice. If they wish to
pay fees, they can send their children to an
independent school because they have a con-
cern for the values that school may imbue in
their students, they have a concern for ex-
cellence that that school may encourage, they
may be impressed with the academic per-
formance of the particular institution or they
may be keen about its contribution to per-
sonal development.

I had a meeting only last week in the
Geelong region where I met with the princi-
pals and chief executives of a number of in-
dependent Christian schools. They are more
than pleased with the new system because
they think it is fair: they think that the par-
ents they are associated with can select a
school in the Geelong region where the fees
will be equitable across the board—neither
wealthy nor poor.

Let us now look at the funding by the
Commonwealth to the state system. The ar-
ument that is put forward in this parliament
and in many places is that the Common-
wealth funds the independent schools to a
greater degree than the state system. Let me
reiterate that state governments are responsible for primary and secondary education and they provide the bulk of the funding. However, since 1996, the Commonwealth has made a major contribution: in 1996 it contributed about $1.5 billion and in 2001 a bit over $2 billion—an increase in real terms of 18 per cent. So let us get it clearly on the record that, as well as its funding to independent schools, the Commonwealth has increased its direct contribution to state schools by 18 per cent in real terms.

Let us have a look at this argument about independent schools and the new schools policy. The former Labor government had a policy of restricting the development of independent schools because, as I understand it, the teachers that dominate the Labor Party, especially at state levels, were very worried that there might be a genuine, new competitive spirit emerge with independent schools being created. So the Labor Party restricted the development of new schools under a new schools policy designed to restrict the establishment of non-government schools. They kept the funding at a lower level—a very subtle mechanism—so that those in the public debate would not quite understand what was being done. No new school would be funded higher than the level of a category 6 school, even if the new school actually had a funding category of level 12.

So by a certain subtlety the former government were restraining funding. We saw a situation where a number of these new schools—and even the old schools—were underfunded when real student needs were taken into account. When the Howard government established a new system for assessing needs, we found that quite often the average income of parents indicated a greater need for that particular school.

It is worth noting that in this whole debate—and I emphasise the point—parents who send their children to independent schools are saving the Australian taxpayers, be they state or federal taxpayers, approximately $2 billion each year. Let us not forget that in the heat of the debate. Quite often on the floor of this parliament it is suggested that taxpayers are paying an undue amount to independent schools.

The education resources index was a very complex mechanism developed over the years to try and establish a funding model for independent schools. It was enacted as a disincentive to the private effort of those independent schools raising money at fetes, working bees, et cetera. The interesting thing is that those schools under ERI categories 1, 2 and 4 have not had a real increase since 1985. I repeat: they have been receiving the same amount of money for one reason or another since 1985; and schools in ERI category 3 have not had a real increase since 1993. So the schools in these categories that are considered by the member for Dobell and others to be wealthy schools have had no increase. We have heard the argument on the floor of this parliament that Geelong Grammar and Geelong College in my region, King’s School in Sydney and other so-called rich schools have had undue increases. The reality is that, under the old system, they have had no increase, which should have been undertaken in view of changes in the CPI and parental income.

The SES approach measures the socio-economic status of the parents whose children are enrolled at the school. This is a mechanism agreed to by the opposition to bring a fairer and more equitable approach to the funding of independent schools. The SES index used for non-government school funding has three dimensions: income, education and occupation. As I understand it, the government and the Minister for Education, Training and Youth Affairs have done an enormous amount of work with the bureaucracy to establish a system which is as simple as possible to ensure that the funding regime reflects the parental ability to pay the fees rather than a so-called assessment of a wealthy school.

We have a situation here in this parliament where day after day the member for Dobell continues to suggest that there are approximately 60 schools that are wealthy. I put on the public record that there are no wealthy schools per se; there are some schools that
enjoy certain facilities because of the support of their old boy groups and other benefactors. However, the broad cross-section of parents is not wealthy. This system tries to make an equality of those parental groups and fee paying parents who wish to make a contribution to their children’s education and who seek some source of funding. That of course varies between 15 per cent and 25 per cent, depending on what category they were in under the old regime.

I would like to quote Mr Leo Dunne from the Australian Parents Council. I think he sums up the debate very well. On 6 October he said:

Two years ago, when the idea was first being examined, Opposition parties indicated in-principle support for a funding allocation which took into account the needs of non-government school communities according to SES status. Now that the SES funding figures per student have been released they are crying foul. It turns out that some so-called ‘wealthy’ schools seem not to have such ‘wealthy’ parent communities and are in need of additional funding. Under the SES scheme, funding levels are to be adjusted to recognise this. ... The funding legislation currently before the Commonwealth Parliament should be passed without further ado so that non-government schools and their communities can plan for the future.

That is an independent comment from somebody who is close to the argument. He is supporting the very thesis that I am putting before the House today: that this whole debate has been one of contention since the split in the Labor Party and that the government and the minister, Dr David Kemp, have made a genuine attempt to bring about a more equitable funding arrangement—which the Labor Party basically agree with, yet we have here on the floor of the parliament and in the public domain an argument from the Labor Party that there are a number of wealthy schools that should be restricted in their funding. (Time expired)

**Economy: Globalisation**

Mr MOSSFIELD (Greenway) (6.02 p.m.)—I grieve this evening for the future of our community continuing to live under this visionless and directionless government. I grieve for those who are trapped by this government in pigeonholes that bear only a cursory relationship with their circumstances and nothing at all with their potential. I grieve for a society where the stick has become far more important than the carrot and where the government abrogates most of its responsibilities to the private sector and corporate bosses. This government is all about numbers and economics, but the Australian society is about so much more than that. Australia, like so many industrialised countries, is at a crossroads. We are in the middle of a technological revolution where the world is shrinking and globalisation dominates the landscape. As Brett Evans states in his book *The Life and Soul of the Party*:

We call it ‘globalisation’, and it is leading to a declining national sovereignty, weaker states and trickier domestic politics. Aided and abetted by the information revolution, this process of change is disturbingly rapid. It has led to a greater feeling of job insecurity for many in the community, longer working hours for those in employment, and pockets of intractable unemployment for many other Australians sacked from declining ‘smokestack’ industries.

This is a revolution the likes of which we have not seen since the industrial revolution. It took man 5,000 years to learn to fly and within 66 years he was walking on the moon. The rate of change is staggering, and that is creating both problems and opportunities. Our society is changing so rapidly that many in our community are feeling left behind and isolated. There is a huge amount of economic turmoil happening around us, leaving both winners and many victims in its wake.

When a corporate giant like HIH, or even modest companies like One.Tel, National Textiles, Harris Scarfe, Franklins or Impulse Airlines, hit the wall we have seen what happens to customers, workers and investors alike. While there are many honest company directors, we have also seen some company directors who are not so honest growing fat on the obscene bonuses that they pay themselves and walking away from these mangled and wrecked companies to be appointed directors of other companies. We are at a crossroads and very soon the people will
choose which direction we want to take. That is the democratic process in action.

I would like to comment briefly on the nature of our democracy. There are many parallels between the technological revolution we are living today and the industrial revolution some 200 or 250 years ago—a vast amount of rapid change creating many winners but more losers. Out of that revolution the modern form of democracy as we know it was born as the general public demanded more of a say in the way they were governed. Paul Kelly in his book *Paradise Divided* stated:

Democracy needs renewal. Any notion that democracy exists in a deep freezer for preservation is misconceived.

Who knows how democracy will change or evolve as a result of this revolution? As I said, there are both problems and opportunities.

I know many members have read crikey.com.au and would know of a new political party that not only intends to run candidates in the traditional federal, state and local elections but will also put up candidates for elections to the boards of companies. This in itself is a change in the nature of democracy—the democratisation of the corporate world. How successful they will be remains of course a matter for future history books. I believe the way our corporate society is structured and the way it operates is unsustainable. I also believe that many other people see it as unsustainable as well. Dr Simon Longstaff, Executive Director of the St James Ethics Centre, wrote the following in the *Australian* of 7 June:

The marketplace is now populated by customers, employees, investors and citizens (often all rolled up in a single individual) who want more than mere value for money. They also want to purchase goods and services from decent companies. They want their dividends—but not at any cost. They want a job—but one with meaning and dignity. They are prepared to use the levers of politics and the market to bring the recalcitrant to book.

The mere fact that the government knows this and has been forced to act in recent cases due to the public outcry shows us that things are beginning to move in the right direction. But what about the smaller companies and superannuation funds that go under, that do not make the headlines, but which we, as federal members, have to deal with quite frequently? I am well aware of a number of cases where small investors, whose superannuation entitlements are the only thing they have left, are in a situation where the fund is possibly going under.

It is the same with competition. We have been told that increased competition leads to better outcomes for the consumer and that to increase competition we must deregulate. However, the minute we deregulate an industry the mergers begin and the competition disappears. We end up with fewer but far more powerful players that are in a position to ensure that they never have to face real competition again. Competition is at its most effective when it is regulated. Unregulated competition, with no independent umpires or referees who have real power to penalise, means that small players are swallowed up by the big and powerful. When a bank or a telco makes a billion dollar profit, it is often on the back of job losses and branch closures. We watch the nightly news and see that a company’s share price has dropped because they only made a $300 million half-yearly profit, and they expected more. To me, a $300 million profit is a pretty damn good profit.

It is a change of attitude and a change of expectation that is needed—and it is happening, however slowly. People no longer want to see these obscene profits built on the back of exploitation and misery, even if they own shares. We are often told that the government has no place in the market, that the market is always right and will self-correct if something goes wrong. We now know that that is a falsehood; it is a lie. The middle-class social democratic society we live in today, the prosperity of the 1950s that the Prime Minister so dearly loves, was built on government intervention in the marketplace. Governments all over the industrialised world got stuck into the markets and the distorted them for all they were worth to create the society that we live in today. We as a
society are changing and must change our attitudes to economics, which must be seen as a tool—a means and not an end. John Ralston Saul, the Canadian historian and social commentator, in his Doubters Companion, defines capitalism as:

... a useful tool or a weapon of unabashed human exploitation. Which it will be depends entirely on the way it is regulated. Capitalism itself contains no ethical values.

It is time that we as parliamentarians listened to our constituents and began the long process of standing up to big business and making them more accountable than they are today and ensuring that no-one—and I mean no-one—is left behind in the opportunities that this technological revolution presents to us. There is a place for government. Indeed, there must be, because that is the only mechanism by which people can control the direction of their society. Every time a government hands over control to an industry with the words, ‘Here you go, self-regulate,’ it is abrogating its responsibility to the people. It is failing in its job and should be removed from office.

I grieve for a future where democracy takes a back seat to corporate self-governance. This trend, if it continues, is a betrayal of everything that the pioneers of our federation held dear. It is a return to the feudalistic society that the industrial revolution threw off. People demanded a say and governments were forced to act to stem the influence and exploitation of business. Two hundred years later, the government is handing control back to these same business empires. Democracy, the people’s say, is being drowned out by the power of unchecked corporate greed, and there needs to be a change. There is a change in the wind and if this government does not heed it and the message whispered on it, then it will fall. (Time expired)

Drugs: Tough on Drugs Strategy
Makin Electorate: Government Funding

Mrs DRAPER (Makin) (6.12 p.m.)—This evening I would like to take the opportunity to speak on a number of issues in the grievance debate. I am delighted that the Hon. Trish Worth, the member for Adelaide, who is a parliamentary secretary for the portfolio area of our Tough on Drugs campaign, is in the chamber tonight. She does a great job for her electorate of Adelaide and, indeed, for the people of Australia.

There has been some recent controversy over the release of drug testing kits that allow parents to test if their children are using drugs. I fully support any measure that will help us to remove the scourge of drugs from our homes and schools. Ann Bressington from Drugbeat, Shay Louise House, which is located adjacent to my electorate, has recently travelled to Amsterdam and Sweden to compare the different approaches to tolerance of drugs in our society. Sadly, Ann’s findings are similar to mine and those of others who have seen first-hand the devastation and impact caused by policies where drugs are tolerated in society, as in Amsterdam, Holland. In contrast, the Swedish ‘zero tolerance’ policy appears to be winning the drugs war. Comparing the outcomes in both countries, I believe that the Swedish early intervention model seems to be the best so far.

I will be launching our Tough on Drugs schools competition again in Makin soon, and I am delighted that Ann Bressington from Drugbeat has offered to make a presentation to all schools in my electorate as well as presentations to parent information evenings, with the details to be announced. I will once again be meeting with all the principals of secondary schools, primary schools, our church leaders, local police and youth workers in preparation for our Tough on Drugs campaign in Makin.

We cannot afford to be tolerant of drugs in our society. The war is not lost and as a community we need to continue to be tough on drugs. I am pleased that this policy has been implemented and continued by the Howard government. As I said earlier, I am delighted that we have Trish Worth, parliamentary secretary, with us in the chamber tonight. I would like to thank Senator Jeannie Ferris, as a guest editor in my current newsletter, for outlining her findings from a recent international conference. The follow-
ing is an extract from the good senator’s comments:

In Australia 60 per cent of children under the age of 16 have experimented with marijuana; 190,000 people are infected with hepatitis C, and 80 per cent of infections are through intravenous drug use; and amphetamines are becoming more readily available at a cheaper price.

Recently, I attended an international drug conference in Sweden and saw how effective their drug rehabilitation strategy is in giving young people a chance to get off drugs.

Sweden used to have liberalised drug laws; however they stopped and took stock of the cost of this approach and realised that something has to change as drug use was on the increase and the cost to society was alarming.

Swedes came to realise that children should not be losing their dreams to drug addiction.

Now the Swedish message is simple. ‘Don’t use drugs. If you have started, stop. And if you need help to stop we will help you.’

Drug police operate in Sweden targeting popular youth venues. Plain clothed officers patrol these clubs and if people are under the influence of a drug they are taken to a detox centre. If they are under the age of 18, parents are immediately involved in the process with social support services called in to assist with the decision on the young person’s future.

Several rehabilitation centres are run by the Hassela movement on the island of Gotland and I spent some time in the three clinics which was valuable in understanding the approach that is taken by the Swedes.

There are three main steps in rehabilitation:

1. Three months in an intensive program, including counselling on a one-to-one basis with light work at the centre.
2. One to two years of education and community work at a second-stage centre with more responsibility for each individual.
3. Finally, staying involved in community work and developing new interests such as theatre, music and physical education.

This rehabilitation appears to be successful because it addresses the causes of drug abuse by looking at each person’s life and trying to understand why they have turned to drugs. Hassela then teaches them to focus on the future, complete their education and look to develop a profession.

The cost of this rehabilitation is not cheap; however when the cost of drug-related crime in our society is considered, it could be viewed as an important investment in our future.

One of the most important messages that the Swedes promote is: ‘Every young person has a future—no one is too hopeless to change.’

I strongly support this view. Everyone should have the chance to reach their goals and sometimes young people need extra help to achieve these goals.

I would like to thank Senator Jeannie Ferris for her contribution to my newsletter. On a different note, I was greatly honoured to have the Prime Minister visit the electorate of Makin recently, for a community morning tea at S’fera’s on the Park conference centre. The opportunity for all those who attended to meet and exchange views and ideas with the Prime Minister was invaluable. I thank all those who attended for their views on a range of issues that the Prime Minister heard.

As I said in my speech on that morning, many critics have complained of the Prime Minister’s ‘old-fashioned family values’, but I am more than happy to support them. I believe the most important job I will ever do in my lifetime is to be a parent and a mother. Part of my role as the federal member for Makin is to work together with the Prime Minister and the coalition government, with their policies, to make a difference and to make things better not only for the people in Makin but for the people in Australia.

An independent study by Australia’s leading research centre for vocational education and training has confirmed that the Howard government’s popular New Apprenticeships system continues to be an outstanding success. New Apprenticeships combines practical work with structured training and offers participants nationally recognised qualifications and experience. More young people than ever before are taking up new apprenticeships. Nearly half of all teenage full-time employees are in a new apprenticeship. Ninety per cent of new apprentices are employed three months after completion of their training, making this a first choice option for young people, in particular, to secure a great job and career.
Howard government supports New Apprenticeships with financial incentives of up to $4,400 for New Apprenticeships employers. I would urge all employers in Makin and across Australia to look into the benefits of New Apprenticeships.

I would like to add that I was absolutely delighted to be able to announce $700,000 in additional federal government funding for the Modbury Special School and the Modbury South Primary School within my electorate, with $580,00 being allocated to the Correa Unit at Modbury Special School. This special unit is for children who have autism. I want to say to all the parents and families, and particularly the principal involved in designing and creating the unit, that we are absolutely delighted that we have such a facility to look after these young people with those learning difficulties. The Correa Unit was opened by me and Dr David Kemp, Minister for Education, Training and Youth Affairs, on Friday, 23 March.

Another great initiative by the Howard government is to make funding available under the Television Black Spots Program. This program would enable financial assistance to be made in my electorate of Makin to the Salisbury Council to install a retransmission device to boost poor signal reception in the area. After considerable efforts to apply for and receive special funding under the Television Black Spots Program, together with Salisbury Council, we are most concerned that our efforts may be in vain. The Salisbury Council has indicated it may drop the plans to build the facility due to the ongoing maintenance costs. The Howard government has confirmed that it is prepared to pay the $125,000 required for a retransmission device to boost poor signal reception in the area, but the council are concerned about taking on another responsibility as they believe the continuing upkeep of the tower is not a council task. Under the national Television Black Spots Program, any application for infrastructure funding assistance requires the applicant—in this case Salisbury Council—to pay for maintenance of the site, estimated at $13,000 per annum. I have agreed to take the issue of maintenance funding up with my government; however, many councils throughout Australia have agreed to fund maintenance programs as part of the conditions of the Television Black Spots Program. My primary concern is that residents along the Para escarpment area in the electorate of Makin, including Para Hills, Salisbury East and parts of Ingle Farm, can receive reasonable television reception, which they deserve. (Time expired)

Sydney Airport: Sale
Third World Debt

Mr MURPHY (Lowe) (6.22 p.m.)—In the grievance debate this evening I wish to say that the conduct of the Howard government in the proposed sale of Sydney airport and other Sydney Basin airports is a dishonest attempt to mislead the general public on the legitimacy of its actions. On 13 December 2000, the Howard government announced that Sydney West airport was to be shelved and that Bankstown airport was to be an overflow airport for Sydney airport. I am reminded of the coalition’s aviation policy in the lead-up to the 1996 election, titled ‘Soaring into tomorrow’. That policy indicated that the lease of Sydney airport would not be sold until Sydney airport’s noise problems had been solved. The government promised that Sydney airport’s noise problems would be solved in two ways: construction of the Sydney West airport and implementation of the long-term operating plan. On 6 February 2001, I tabled question on notice No. 2307. In part 2 of that question I asked:

Is the Long Term Operating Plan (LTOP) for KSA still to be fully implemented.

As recorded in Hansard on 23 May 2001, the Minister for Transport and Regional Services, the Hon. John Anderson, responded:

The Long Term Operating Plan (LTOP) has been substantially implemented with the exception of a small number of elements.

I noted that the gazetted long-term operating plan forecast in Sydney for total aircraft movements to the north is 17 per cent. I also asked, in part 3 of question on notice No. 2307:
Under the LTOP, what is the average percentage of aircraft movements to the north, west and east of the airport for the last three years, individually and in aggregate.

The minister responded in respect of aircraft movements to the north of Sydney airport. In 1998, it was 28.3 per cent; in 1999, 27.2 per cent; in 2000, 26.5 per cent; and the aggregate was 27.3 per cent. The dishonesty of this government is at once obvious to the public. On 4 June 2001, I tabled a further question on notice, No. 2615, in which I asked:

Is it a fact that the Long Term Operating Plan (LTOP) forecast of 17 per cent movements to the north for Sydney Airport is not being met, with the aggregate movements at 27.3 per cent.

I further questioned the minister in part 2 of question No. 2615 as follows:

Is the standard by which the success of the LTOP to be adjudged dependent on (a) whether noise sharing is more or less successful when compared with noise generated by the airport immediately prior to the March 1996 election, or (b) the LTOP forecasts as prescribed in this Government’s own gazetted LTOP plan.

To put all this in simple terms, the government is playing with words. It knows that the long-term operating plan has not been substantially implemented. Indeed, the implementation of the long-term operating plan is not even close to being implemented. The figures I have just mentioned show clearly that the long-term operating plan forecast of 17 per cent air traffic movements to the north in Sydney has never come close to being met, hovering at levels of more than 60 per cent higher than the forecast for the last three years aggregate. I therefore must disagree with the minister and say categorically in this House tonight that the long-term operating plan forecast of 17 per cent has never come close to being met, hovering at levels of more than 60 per cent higher than the forecast for the last three years aggregate. I therefore must disagree with the minister and say categorically in this House tonight that the long-term operating plan has not been substantially implemented.

The minister is not telling the truth. The long-term operating plan has not been implemented because the actual flight statistics are not even close to the prescribed forecasts—forecasts, I add, which are prescribed in the long-term operating plan which is itself a gazetted plan of this government. Therefore, the entire premise upon which Sydney airport is to be leased falls and fails on two fundamentally false assumptions by this government: firstly, the future of Sydney West airport has been decided prior to the leasing of Sydney airport; secondly, the long-term operating plan has not been fully implemented. Incredibly, we have a situation where Sydney airport has been put on the market and the Deputy Prime Minister was on air last week saying he hoped it would be sold by the end of the year. The entire agenda of the Howard government has been to sell Sydney airport without entertaining any factor that would diminish or lessen the sale price of this government’s prized asset.

The act of selling Sydney airport without any obligation on the prospective lessee of Sydney airport to construct Sydney West airport is appalling. Indeed, the government has given the prospective lessee first right of refusal in deciding whether to build Sydney West airport at all. The effect of this first right of refusal is to prop up the price of Sydney airport by denying the lessee any contractual obligation to build Sydney West airport and giving the last rites to the residents of Sydney. In so doing, this government has systematically crushed the hopes of Sydney airport noise-affected residents of any noise relief that Sydney West airport could have provided. Even more sinister is that this government has deliberately pretended that the long-term operating plan has been substantially implemented when in fact that statement is false. I say ‘false’ because to say that the long-term operating plan has been substantially implemented is a material and factual untruth. The figures, the statistics, the data, every fact on this issue—even the minister’s own written replies to my questions on notice tabled in this House—show emphatically that he is not speaking the truth. The minister cannot admit to his own data. Instead, this government has had to resort to the simple tactic of disinformation to deceive the public that it has fulfilled its election promises when in fact it has done nothing of the sort.

It is far too late for the government to turn back on its promises. It does not want to keep its promises. This government has committed itself to a path of sale of Sydney
airport in full knowledge of the failure of the long-term operating plan and in blatant full naked view of the public. It has done so despite the statistics and information available to it in respect of the environmental impacts of the operation of Sydney airport. These facts are not in dispute. The question now becomes: what moral validity, what mandate, what reason does the government have to proceed with the sale of Sydney airport and other Sydney airports? I say the government has no moral basis whatsoever for the sale of Sydney airport at this time. It has no factual, moral or other justification whatsoever for the sale of the Sydney Basin airports until it reverses its decision and makes the lessee of Sydney airport build Sydney West airport.

This government has led a systematic campaign of deception in the lead-up to the sale of Sydney airport. Further, it has repeated its campaign of deception through the minister’s second reading speech in this House on the Airports Bill 1996, as it was then known. Right up till 13 December last year, anyone reading this House’s Hansard would have been deluded into thinking Sydney airport was a long way away from being privatised, as all knew the noise problems had not been solved at that time, nor have they been solved since. For these reasons I call upon the government to halt its plans of privatisation of Sydney airport and the Sydney Basin airports until it reverses its decision and makes the lessee of Sydney airport build Sydney West airport.

Sitting suspended from 6.31 p.m. to 8.00 p.m.

Bundaberg Irrigation Scheme

Mr NEVILLE (Hinkler) (8.00 p.m.)—Nothing captures the imagination of Australians more than the spirit of vision, national development and having a go. Projects like the Murrumbidgee Irrigation Scheme, the Snowy Mountains Hydro-Electric Scheme, the Ord River Scheme and the Burdekin Irrigation Scheme all strike a responsive note with the Australian community. They are all associated with productive and imaginative nation building. Equally, nothing irritates Australians more than a scheme full of potential and unfulfilled capacity going begging. I refer in particular to the incomplete Bundaberg irrigation scheme.

In my electorate of Hinkler, a great injustice stretching back to the 1970s has been holding back the legitimate aspirations of a region of some 100,000 people, including a city of 45,000. Bundaberg and Childers hold a very special place in the Australian psyche, thanks largely to the image of the cane cutter, the invention of the cane harvester, our rum, our ginger beer, our excellent fruit and
vegetables and, of course, our region’s natural beauty and rich history that attract tourists in increasing numbers. Bundaberg and Childers farmers are strong, resilient, highly ingenious and self-reliant. These people are suffering and have been for some time. They are suffering because of a partially completed irrigation scheme.

In 1970, after exhaustive studies and a superb information campaign, state and federal authorities, along with 1,200 farmers, funded what was known as the Burnett Kolan scheme, now known as the Bundaberg irrigation scheme. It was premised on two major water storages: one at Lake Monduran, now known as the Fred Haigh Dam, and another one at a place called Kalliwa on the Burnett River. That second dam, the more important of the twin dams, has not yet been delivered, 31 years on. I am not interested in seeking out someone to blame for that, but we have ended up with a lopsided and overextended irrigation scheme and, in recent years, the error of that has been evident in onerous restrictions leading to production losses. This is simply because the Fred Haigh Dam, although about the size of Sydney Harbour when full, is on a river that is not as reliable in its flows as the Burnett River is. It currently holds 14 per cent of its useable capacity.

The shire council and cane farmers of Childers have expressed their particular concerns to me over recent months. The Isis and Childers district is much more prone to the vicissitudes of drought than are other parts of the region, and so the need for water resonates even more strongly in that area. They are not asking for special treatment but for the Paradise Dam to be expedited and the Walla Weir to be raised by the addition of a bag system. So concerned are they that, led by their mayor, Bill Trevor, they are coming to Canberra this week to highlight to a number of ministers the importance of water infrastructure, and I readily support them in this task.

Bundaberg and Childers farmers have been at the forefront of developing water efficiency measures, including drip and trickle irrigation, trash blanketing and soil moisture monitoring. Local farmers have shown great ingenuity in maximising what little water they have to keep our region productive, keep the economy bubbling, and keep providing valuable local jobs, both directly and indirectly. I have said before, and I say it again, that there is a great need for a national infrastructure fund, which could work in a similar way to Invest Australia and perhaps have a major facilitation type of status and be known as the major infrastructure facilitation scheme.

I believe we need to see in our nation an ability to fire up the imagination and to harness the dynamic people of this country to create a vision. There is a growing perception in some sections of business and the bureaucracy, and, of course, in some extreme elements of the conservation movement, that government should not fund major regional infrastructure projects like water. I do not accept, nor have I ever accepted, that proposition. While it might be argued that assistance to an individual industry at the expense of another can be a distortion, that is not the case when 100,000 people require a degree of certainty in the production of crops which will not only sustain the local economy but also provide a substantial contribution to export earnings.

I repeat the philosophy that I have frequently espoused: it is inequitable to ask one group of farmers in one generation, growing one particular crop, to pay for a major water storage scheme which might conceivably provide subsequent generations of farmers, for even up to 100 years or more, growing totally different crops, with certainty of water supply. Major dams should be seen as national assets. It is fair to ask farmers to contribute to reticulation and to make a reasonable contribution to the cost of the water, but not to have to cover the full capital cost of the basic head works of that infrastructure, which might last for 100 or 200 years.

I would suggest that such an infrastructure fund as I mentioned earlier could be in the order of $2 billion and should be used to build dams, standardise railway lines, build
bridges, seed industries in regional areas and conceivably fire up the vision of the people of this country and thus create employment. Above all, it would allow us to put things right in places like Bundaberg and Childers and to build that dam near Kalliwa or at the alternative site known appropriately as Paradise. I might use the Paradise dam as an example of what this type of infrastructure investment could achieve. The 170,000-megalitre Paradise dam west of Bundaberg would be a huge enhancement to our sugar and small crop industries. It could lift the current income from those industries from some $420 million a year to conceivably twice that amount. Add to that the wide-scale planting of chicory as a rotational crop with sugar, and you have the formula for great success. Construction of a $1.6 billion industrial project at Bundaberg, the B2K scheme, could well depend on the security of the water supply.

Let me return to the growing of cane and the economics of that. When the Bundaberg irrigation scheme was originally planned, six megalitres of water per hectare were envisaged. The optimum requirement was 7.8 megalitres per hectare. But actual use over the last three years shows the depth of the region’s current crisis. In 1998 it was 2.28 megalitres, in 1999 only 1.98 megalitres and in 2000, with figures yet to be completed, 1.8 megalitres. Water conservation measures alone have lifted the production from 8.3 tonnes per megalitre to 9.4 tonnes per megalitre in 1999. To lift the volume of water from the 4.5 megalitres that were available even in reasonably good times to the optimum of 7.8 megalitres could bring the yield per hectare to 116 tonnes of cane. Equally, the chicory project involving 200 permanent jobs and planned for Childers will also need certainty of supply not only for the chicory crops themselves but also for the cane which will be grown in rotation with it.

I do not have time to explain the benefits of chicory, but suffice it to say that this contract-secure crop will grow on fallow land in a one in five rotation with sugar and, in so doing, it will break the monoculture of sugar and enhance the soil quality of cane land. But all this seems a forlorn hope when farmers this year will be looking at irrigation allocations of between 20 and 30 per cent of the norm. This scheme that I have spoken about could not only deliver increased sugar production, paper pulp exports and a new chicory industry but also enhance a fruit and vegetable industry worth $185 million.

This government has a solid record of pushing through important infrastructure, including the Walla Weir in my electorate, which was vital to alleviate some of the immediate stress on the industry. Senator Hill has made it clear to me that the federal government will not interfere if proper EIS processes are followed and if there are no impediments of a nationally significant nature. But the Labor state government has continually been stumbling and blocking and spoiling behind the scenes where water infrastructure has been concerned. While the federal government will do its bit to secure Paradise dam, I fear the state government’s attitude. I am concerned about this because, while Paradise dam is languishing, the Beattie government is running around telling cane farmers that it is the federal government that is sitting on its hands. I have Senator Hill’s assurance that that is not the case. The Bundaberg and Childers area not only needs a water scheme and needs it promptly but needs a scheme that is within the capacity of farmers to pay. It may well be that the scheme needs government support. (Time expired)

Madam DEPUTY SPEAKER (Mrs Gash)—Order! The time for the grievance debate has expired. The debate is interrupted and I put the question:

That grievances be noted.

Question resolved in the affirmative.

BILLS RETURNED FROM THE SENATE

The following bill was returned from the Senate without amendment or request:

Primary Industries and Energy Research and Development Amendment Bill 2001
I rise with a great deal of pleasure to speak on the Excise Tariff Amendment Bill (No. 2) 2001 and the Customs Tariff Amendment Bill (No. 3) 2001. These bills before the House deal with the abolition of excise and customs duty indexation for petroleum fuels. The fuel excise raises annually approximately $13 billion that pays for a range of services like health, education and roads. By comparison, the Commonwealth expects to provide around $24 billion in GST revenue to the states and territories. Of course excise taxes are popular with governments because they are relatively easy to administer and the demand for petrol, for example, is inelastic, so demand remains fairly unchanged even as the price rises and excise rates rise. For the past 17 years, the excise has been indexed to the CPI and these adjustments were made to the excise twice yearly.

The excise amendment bill is part of the government’s four-pronged attack on petrol prices to provide relief for motorists. This includes the immediate 1½c reduction in petrol excise, the abolition of all future half-yearly indexation of the fuel excise, special powers and funding for the ACCC to properly monitor fuel prices and an inquiry into the fuel excise system. The people in my electorate, motoring organisations and consumers in general uniformly welcomed the announcement of the reduction in fuel excise and the abolition of the half-yearly indexation. It is unfortunate that the opposition was unable to put aside petty politics and also embrace these changes.

The problem of the high cost of fuel has been forced upon us largely by external factors as a result of the OPEC cartel driving up the price of a barrel of crude oil and by current weakness in the Australian dollar. These amendment bills follow on from changes that have already been made to arrangements for petrol and diesel excises under the new tax system. These included a reduction in the rates of excise from July 2001 to compensate for the imposition of the GST on petrol and diesel and the extension of a full rebate under the diesel fuel rebate scheme to existing eligible activities such as agriculture, fishing and forestry, which previously only received a partial rebate. Further changes and improvements included the extension of the full rebate under the diesel fuel rebate scheme to additional activities, notably rail transport and marine use, and an extension of the diesel fuel rebate scheme to include ‘like fuels’.

This government has also supported the development of alternative fuels and has so far allocated $815.2 million in support of alternative transport fuels, and a further $664 million is to be spent on programs over the next four years. This includes support for development of new transport technologies. Of course the most significant level of government support for alternative transport fuels has been exemption from excise. The government has halved the cost of the main alternative fuels, which will go a long way towards making them more accessible and less costly. The government is supporting an alternative fuels conversion program by providing 50 per cent of the cost of conversion of heavy commercial vehicles, is fostering the development of an oil shale industry by exempting excise on oil and is supporting a number of gas to liquid projects. All of this is happening now at a time when world resources of crude are finite and when OPEC has demonstrated how ruthless it can be in manipulating supply and ultimately affecting the price.

The abolition of half-yearly indexation of the fuel excise will mean that relief will be real and lasting, as opposed to the bandaid measures that were proposed by the opposition—measures that were simply political stunts rather than a genuine effort to address the problem. At the end of the day, the opposition’s grandstanding about petrol was little
more than a barely disguised attempt to roll back GST. And it must be noted that it is not the GST that has caused high petrol prices. We need to remember that, when the GST was first introduced, the excise was reduced by 6.7c a litre and for a period the price of petrol actually fell. Further assistance was provided by the introduction of the $500 million country fuel subsidy designed to subsidise country motorists by between 1c and 2c a litre of petrol. The opposition have previously stated that they would reverse this initiative. Of course, this would add an extra 1c to 2c per litre to the price of fuel for country motorists.

The Hawke Labor government first introduced half-yearly indexation of fuel excise in 1983. The then minister for administrative services said at the time of the introduction of half-yearly indexation that the government considered that this new system would afford a greater degree of stability to consumers and industry alike. Well, some 17 years later, this could not be further from the truth. Half-yearly indexation imposed additional costs that were unfairly borne by consumers. In particular, those in regional and rural areas such as my electorate of McEwen were discriminated against in the prices they paid for their fuel. They have shared the burden of rising petrol prices and fuel excise because of the limited options that they have to face in respect of public transport and travel distances.

It was never really clear why the fuel excise rates were indexed to the CPI, but over its 13 years in power the Labor Party increased petrol excise by 35 per cent per annum. The Labor Party took the excise from 6c in 1983 to 34c a litre by the time it left office. As the Prime Minister said at the time of announcing the government's intention to abolish half-yearly indexation, it is designed to do what governments should also do and that is respond to the strongly held feelings of the Australian community. I have certainly made sure that the Prime Minister was aware of the concern of the people I represent. On 2 February this year, when the Prime Minister visited my electorate, I made sure that he heard first-hand from people of all ages and occupations how much of a problem high petrol prices were for them living in regional and outer metropolitan areas.

Over the past 12 months I have consistently called for the reform of the fuel excise system. The government is now delivering on all that I have fought for, plus more. I sponsored a VACC petition that was signed by 58,843 Victorian motorists, who called for the cutting of fuel indexation to provide relief on petrol prices. People were hurting in the regional and rural areas of my electorate, where travelling distances are greater, roads are in poorer condition and public transport is simply not readily available. The unfortunate effect of the fuel excise has been to place a disproportionate burden upon motorists in regional and rural areas such as those that I represent. The cut to the excise and the abolition of half-yearly indexation will go a long way to removing some of the unfair burden that motorists in these regional and rural areas experience.

Surveys that I undertook in my electorate indicated that families in these areas and in the outer metropolitan areas spend an average of $50 per week on petrol—and this was only for local use, such as getting to work, going shopping, and taking and collecting the kids from school. The abolition of half-yearly indexation of the fuel excise will provide much needed relief to these people who do not travel long distances but still have been faced with rising fuel bills when travel is simply in their local area. Of course, the impost on their family budget when they have been forced to travel long distances is even greater.

I have also consistently called upon the state governments to provide relief to motorists. Unfortunately, in the case of Victoria the state government have failed to act. The Victorian state government can no longer hide the fact that they are receiving excise payments equivalent to 8.35c per litre of petrol. Victoria also stands to receive some $5.7 billion from the GST. As the Treasurer has said, this will pay for, among other things, more teachers and more police. The Victorian state government cannot have it both
ways: receiving the excise and the GST collected on fuel sales, and claiming that only the Commonwealth can provide relief. Figures recently announced show that the Victorian government collected $100 million from fuel excise. I repeat my challenge to the Victorian state government to return the excise they collect to the motorists of Victoria.

In stark contrast to what the government has been prepared to do in order to provide some real relief for motorists, the opposition have only used the issue of high petrol prices to attempt to gain some political mileage. They have attempted to dupe the Australian public by coming into the parliament and attempting to move amendments to roll back the GST, which everyone knew was nothing more than a stunt. And then, even worse than that, they had the audacity to send a group of their members, headed by Senator Cook, around the country into marginal electorates like mine and to pretend that they were listening to the concerns of local people. But not once on any of these visits were they honest with people. Not once did they tell anyone that they were the ones who introduced the automatic indexation of the fuel excise. Not once did they tell local people in my electorate that they did not support the 24c diesel fuel rebate introduced by this government.

Mr Ian Macfarlane—They actually opposed it.

FRAN BAILEY—That is exactly right. They have not been honest enough to say that not only did they not support it but they actively opposed it. Nor have they been honest with the people in my electorate that not only did they not support the country fuel subsidy of 1c and 2c per litre that cost this government $800 million but also they would scrap the fuel subsidy program. In fact, the only fuel policy the opposition have is to increase the cost, especially for the people I represent. They are the ones who must use more fuel because of where they live and work.

In particular, the Leader of the Opposition has no credibility on this issue, as he was the Minister for Finance in the Labor government that introduced the indexation of the fuel excise that increased it from 6c to 42c a litre. The people of my electorate need to know that the Leader of the Opposition and the Deputy Leader of the Opposition admitted that they would keep the excise and the half-yearly indexation if elected. They are in fact on the public record. They can pull as many stunts as they like but people have not been fooled by their veiled attempts under the guise of calling for action. Of course, the opposition had 13 years to do something about fuel excise, and the only policy that they could come up with was to introduce the half-yearly indexation of the fuel excise to the CPI. At the time, the argument was put that this was to take account of inflation so that the real value of the excise would not be eroded. I am happy to say that the responsible economic policies and management of this government have resulted in five consecutive budget surpluses, have reduced government debt and have achieved low inflation and low interest rates. Most importantly, because of all that, the abolition of the half-yearly indexation of fuel excise will be achieved.

If you live outside the densely populated urban areas, the simple fact is that you pay a disproportionate amount of excise, because there is little or no access to public transport, and people have no choice but to use their cars for transport. This is unacceptable. This government recognises this and it has sought to provide real and lasting relief. The inquiry into the fuel excise system will provide recommendations to government as to how this system can be improved further and, in particular, how the system can be improved for those people I represent who pay a disproportionate amount of the fuel excise simply because of where they live. The government has put forward real solutions to deal with high fuel prices, unlike the opposition who were not prepared to offer any details on how they would approach this issue. This government has quite clearly listened to the people and acted decisively in implementing a four-pronged attack on petrol pricing. The abolition of the half-yearly indexation of excise is a major plank in this attack and it
will provide real relief on fuel prices, especially to the people I represent. I commend these bills to the House.

Ms GILLARD (Lalor) (8.26 p.m.)—It is a pleasure to speak in this debate and a pleasure to follow the member for McEwen in making a contribution to this debate. I visited her electorate relatively recently. I was there on 14 May with Labor’s national security and trade task force, which of course visited Puckapunyal, the Army base in the member for McEwen’s electorate. We had a very interesting day there and I would have to say that the committee was very well received. I did note the member’s contribution on the question of what the Victorian government could do in relation to petrol excise, and I am sure, as the member for McEwen would well know, the interests of the people in her area are well represented in the Victorian government by Andre Haermeyer, the Labor member for Yan Yean and Ben Hardman, the Labor member for Seymour. They have a strong voice in the Bracks Labor government.

Turning to the details of the Excise Tariff Amendment Bill (No. 2) 2001 before us, I noted in question time on 7 June—that is, the Thursday of the last week we sat—that the Prime Minister made a statement which I think has enormous application to this debate. In answer to a question put to him on expenditure matters, he said:

You have got an enormous problem when you are a political opportunist, because what happens is that you keep bumping into the argument you used yesterday.

Never has a truer word been spoken. For once the Prime Minister has it absolutely right. One can only assume that he knows so much about political opportunism due to a lifetime of experience in the game. The basic problem for the Prime Minister is that he has spent his entire adult life striving to be Prime Minister of Australia so that, when in that office, he could introduce to Australia his version of the Thatcherite policies in which he believes. The tragedy for him is that it took him so long to become Prime Minister that, by the time he achieved that high political office, the Thatcherite policies in which he believes were no longer saleable. He became Prime Minister at a time when the vision in which he believed was one which could not be politically achieved and he could not develop an alternative vision. The fact that the Prime Minister is attempting to govern in the absence of any real vision to guide him is increasingly starting to show. The last six months, particularly, have shown that when you believe in nothing any more you have no ability to make a contribution to the contemporary political debate and that, when you are in that situation, the only thing you have left is the self-interest to do and to say anything to get elected—and, indeed, the self-interest to find new ways to look after your own.

In that regard, I was a little bemused that the major innovation that the government engaged in during the last week that this parliament sat was the setting up of a government backbench committee to work out what retirement benefits ‘twicers’—that is, members who have served two terms in parliament but do not survive the election—should get in this House.

Mr Tanner—Pure coincidence!

Ms GILLARD—As usual, the member for Melbourne is being very charitable in making that assumption. I thought that the matter was at the forefront of their minds because there were a number of members who were speculating on whether or not they would survive the next election. But I accept what the member for Melbourne says, and I am sure it is pure coincidence.

Moving from that major innovation of the last sitting week, let us look at what this kind of political opportunism means when applied to the question of fuel prices, which is what has brought us here today, debating the Excise Tariff Amendment Bill (No. 2) 2001 and the Customs Tariff Amendment Bill (No. 3) 2001. To comprehend what these bills mean in this place, we have to put into a clear context what this government promised about fuel prices and the GST before it was elected. The Prime Minister is clearly on the record as not being a man who ought lightly to speak about the matter of fuel prices. I can
refer the House to a contribution that the Prime Minister made in a matter of public importance debate in this place in 1986. At that stage, when he was talking about fuel prices, he said this:

We must remember that when we talk about the price of fuel in Australia we are talking about something that affects every single sector of the Australian community. It is fair enough to say that whether one lives in the cities, the provincial areas or the bush, the price of fuel is of enormous daily importance.

So there we have the Prime Minister: in his own words, a man who clearly understands the importance of fuel prices for ordinary Australians. One would think, informed by that clear understanding of the importance of fuel prices, that when the Prime Minister made a promise about fuel prices and the GST he would not do it lightly and he would not do it without considerable thought. When he made that promise, the promise was very clear: he promised that the GST would not affect the price of petrol because excise would be decreased by the amount necessary to offset the GST. That was the crystal clear prime ministerial promise from a man who says that he understands the importance of fuel prices. But, of course, like 'never, ever', like every 'non-core' promise this Prime Minister has used to get past the moment, this promise was made to be broken, and broken it was. We all know that, on the introduction of the GST, 10 per cent in GST was added to the price of petrol—adding 8.2c per litre—but the fuel excise was decreased by only 6.7c per litre to compensate for the GST, leaving a rise of 1.5c per litre directly as a result of the GST. The Prime Minister’s promise on petrol prices at that point clearly bit the dust.

And then, of course, we got into the ‘tax on a tax’ cycle. As the indexation cycle rolled on, we found that the inflation rate had spiked because of the introduction of the GST, with GST-fuelled price increases feeding into the inflation rate and that GST-fuelled inflation rate then feeding into the indexation of excise. So, with petrol prices, we were in a vortex where we were continuously going to get this cycle of a tax on a tax—a GST-fuelled increase in petrol excise because of the way in which indexation works and because of the way that the GST relates to the inflation rate.

Of course, there were other factors affecting the price of petrol. There was no doubt that the falling value of the Australian dollar, the reduction of oil supplied by the OPEC nations and other matters affected the price of petrol, but the GST led to a significant increase in the price of petrol, and it was going to roll on and become more significant over time. Of course, people complained about this. Your average Australian motorist clearly understood that the Prime Minister had not kept his word about the GST not affecting petrol prices, and your average Australian motorist clearly understood the tax on a tax cycle that we were in. But let us be clear: the Prime Minister did not listen to the screams of ordinary Australians and then say, ‘I’m going to fix this, I’m going to react.’ No. For a very long period of time the Prime Minister basically said that he would not do anything about it. I can refer the House, for example, to a report of the Prime Minister’s views on these matters. It is a report in the Australian newspaper on 29 November last year under the banner heading ‘PM rules out excise cuts as risk to other priorities’. This is November last year—not all that long ago. We had the Prime Minister at that time refusing to move on petrol prices. The report says:

A CUT in fuel excise would undermine the Government’s ability to fund a flood rescue package or other emerging priorities, John Howard said yesterday.

The Prime Minister reiterated to a Coalition partyroom meeting yesterday that the Government would not cut the controversial excise, despite calls to freeze the next scheduled increase in February.

Mr Howard told the partyroom the larger-than-expected Budget surplus— we remember the days of the ‘larger than expected budget surplus’— had put the Government in a position to pay for the flood-relief package.
“It was the Government’s judgment the best investment available was in roads,” a spokesman quoted Mr Howard as saying.

“We will not be changing our position in relation to fuel excise. There will be other unexpected calls on the Budget: for example, farmers in NSW following the heavy rains in the state.”

Thems’ fighting words, but what changed the Prime Minister’s mind about the inappropriateness of moving on the question of petrol excise was not that he responded to the views of ordinary Australians and was not that he suddenly decided that he wanted to listen to find out what was going on. We all know what changed the Prime Minister’s view on the question of petrol excise, and that was two state elections—the Western Australian state election and the Queensland state election. Let us not be in any doubt that they were the motivating factors that got this Prime Minister up and acting on this question and, indeed, acting on a number of other questions, on which he has backflipped in the recent period.

Even if the Prime Minister himself was not smart enough to conclude that a humiliating defeat in Queensland and an unexpected defeat in Western Australia had an element of petrol prices in them, he got a bit of free advice from, particularly, people in Western Australia. I quote from a report in the Sydney Morning Herald on 5 February 2001:

A senior WA Minister—

that is, a minister in the former Court government—

Mr Graham Kierath, said that in doorknocking several hundred homes in his Riverton electorate the Federal issues of petrol and the difficulties with the BAS were prominent.

“The Federal Government should have agreed to knock the [petrol] excise off. I think if they’d done that, they would have won a lot of support from the general public,” he said. The Federal Government was “doing a good 2 to 4 per cent” behind the State Coalition.

The Labor leader, Dr Gallop, agreed that petrol prices had played a role in the vote in Western Australia, in the way in which people exercised their vote in that state election campaign. So the government was not listening to the people of Australia. It was not some Saul on the road to Damascus conversion that got the Prime Minister to act on petrol prices. It was in fact two very humiliating political defeats and the prospect of more. That is the context that has brought us here today with this House now processing the legislation which puts into effect the very humiliating petrol backflip that has been undertaken by this Prime Minister and this government. And the backflip on petrol has not been the only one. We have seen the backflip on beer and we have seen the backflip on the business activity statement, just to name two. We have seen the spending spree on the innovation statement and the spending spree on the homeowners scheme—all sorts of things that this government is trying to desperately herd together and tie together as an electorally saleable package. It is in that context that we have seen this new move in fuel excise.

Whilst the legislation is before the House today, I think there is a real question that needs to be asked about whether or not into the future, should this government be returned, the legislation as it is today would continue to be the prevailing view of this government, because of course we know that you have not been able to believe them on petrol to date. When they said in the last election that the GST would make no difference to petrol prices, that simply was not correct. They then went along and implemented the GST in a way which clearly affected petrol prices. So, when they now say they are going to eradicate the indexation of excise forever, one has got to wonder whether you should believe them on that. In that regard I would refer the House to what I thought was an interesting report in the Financial Review on 5 March 2001 which dealt with this very question as to how long the Prime Minister’s word on this matter ought to be believed. The heading was ‘Howard equivocal on future fuel excise rises’. The report says:

The Prime Minister, Mr John Howard, yesterday did not rule out future fuel excise rises, despite last week offering a $2.67 billion petrol tax cut to bolster support for the Coalition.
Asked yesterday whether he could rule out future rises, Mr Howard told the Seven Network’s Sunday Sunrise program the Coalition would not want to increase it.

“I don’t know years into the future, but what I can guarantee is that we’re going to abolish the automatic indexation of excise,” he said.

That is the form of words he is using now. For a man who managed to break a promise which included the words ‘never, ever’, for a man who managed to break a very clear promise that the GST would not affect petrol prices, one has got to be on the suspicious side when the promise that he gives is heralded by the words ‘I don’t know years into the future’. I put to you, Madam Deputy Speaker, that they are weasel words and that they leave room in the future, if this government were returned, for the Prime Minister and for the government to change its mind on this question. That is not a strong promise, it is not a promise as strongly expressed as others that have been simply made and broken, and in that context—where we know that a promise as strong as ‘never, ever’ can be broken—I do not think that this is a promise which should be believed.

The question of petrol prices is of a great deal of importance to the electorate that I represent. I have indicated to this House before that my electorate in geographic terms is the largest metropolitan electorate in Melbourne: it is some 652 square kilometres. It is bisected by the Princes Freeway, which has been classified now as a road of national importance and is undergoing a major upgrade. It is an area in which people have very little alternative but to drive. For those who are commuting during peak hours to the city there is a train service that takes you from Werribee, Laverton, Hoppers Crossing or Altona into the city, that is true, and at peak times that service does run and does service a cohort of the population that goes to work in the city. But if one is trying to go somewhere else, apart from the city, or if one is trying to cross the municipality—if you are at home with children or, indeed, need to do any errand across the municipality, if you need to go to the shops, if you need to go to the kindergarten, if you need to take your children back and forth from school, if you need to go to the medical centre, if you need to access the local council offices or what have you—the reality is that people have very little option but to drive. That is because in order to cross the municipality there is really very little more than an infrequent bus service. When I say an ‘infrequent bus service’ I think I do need to note that these bus services were tendered out by the Kennett government. They are the subject of long-standing contracts. So radically increasing the number of buses that are available on the routes within my electorate is not something that can be easily done by the incoming Bracks Labor government, because those arrangements have been made through a privatisation contracting process.

What we find is that people can be totally without public transport. Even on weekdays the bus service commences at 5.50 a.m. or on some routes at 6.25 a.m. and finishes by 7.46 p.m., and weekend services are fewer and the hours are even further limited. We have services, for example, on the weekends where the finishing time is 6.48 p.m., and outside those hours, if you want to go out on a Saturday evening or Friday evening to one of the local entertainment venues, if you want to go out to a restaurant, if you want to go out to the Werribee 10 cinemas, if you want to go out visiting friends, you have got no option in my electorate other than to drive. That is the reality of it.

When you have a community like that, which is so dependent on the motor vehicle because of the absence of other services, any adjustment upwards in petrol prices really hits people’s bottom lines. They cannot prune back their travel very much, because it is not discretionary. They really do not have much option in relation to it. If fuel costs go up, that slug simply comes out of the bottom line. That would be all right if one were dealing with a community that had a whole lot of discretionary expenditure and surplus at the end of every pay week, pay fortnight or pay month, but the reality in my electorate is that the community which I serve is a low income community and there is not that degree of discretionary money left at the end of
the week, fortnight or month. So in circumstances where travel costs go up because petrol prices have gone up that is a real impost on people. I have had constituents in my electorate tell me things like they cannot afford to pay their car registration because they have been so squeezed by things like increases in petrol prices.

So there is no doubt that the cycle we have been through with petrol prices has hurt the Australian community through expenditure and the tightness that goes on family budgets when one needs to spend more on fuel. As much as it is that, I think it has hurt them in their faith in institutions and political honesty. I return to the point that this legislation is being processed by this parliament finally to keep a promise about petrol prices and finally to process a backflip that was necessary because this government set out to deceive the Australian community on petrol prices. (Time expired)

Mrs DE-ANNE KELLY (Dawson) (8.46 p.m.)—I rise to speak on the Excise Tariff Amendment Bill (No. 2) 2001. On 1 March 2001 the Prime Minister announced a package of measures to cut fuel taxes. Amongst these was a proposal to remove the automatic indexation of the excise on fuel with effect from 1 August 2001. This bill gives effect to that announcement. Let me say that this decision was very well received by motorists and other fuel users in my electorate of Dawson, as I know it was right across the country. National Party policy has always been opposed to the automatic indexation of fuel excise. It was introduced by the Hawke Labor government on the pretext of taking the uncertainty and speculation out of excise movements when budgets were handed down. Of course, what it did was to allow successive governments to avoid any political fallout by having to legislate for specific excise increases.

I am very pleased it is the coalition government which has finally removed what I consider to be an iniquitous and stealthy method of increasing fuel excise revenue. It will mean that all future governments, including this government, will have to make a conscious and public decision to increase fuel excise. In other words, they will have to be honest with the Australian people. This will have to be done in the full glare of the political spotlight and in the full knowledge of consumer reaction to such a decision. There is no doubt that the Prime Minister and the government have done what governments should always do, and that is to respond to strongly held feelings in the community. I notice that the member for Lalor talked about backflips. I never thought that listening to your constituency, consulting and responding was a backflip. I actually thought that was what good government was about. But the opposition are used to slipping, sliding and sneaking their policies through, so honesty in government would of course be seen as a backflip.

Returning to the current bill, there is no doubt that, during the height of the debate on petrol prices, the community message was that they expected us as a government to act. They understood and accepted that the principal reason for high fuel prices was the increase in the world price of crude oil. Nonetheless, they did expect us to act, and we did. We lowered the excise rate on fuel by 1.5c a litre and legislated that change at the end of March this year. That was in response to the tax reform package and our commitment at the time, which was kept, that tax reform would not impact on fuel prices. Unfortunately we put our trust in the major oil companies, and regrettably, as poor corporate citizens, they did not keep their commitments. They were to return their savings—that is, 1.5c a litre—and of course, as poor corporate citizens, they did not. The government had to step in and keep the promise the oil companies would not.

Mr Tanner interjecting

Mrs DE-ANNE KELLY—We are getting to the opposition—you will keep. The extent of the impact of automatic indexation is shown by the cost to the budget, which is outlined in the explanatory memorandum to this bill. In 2000-01, it is $150 million; in 2002-03, it is $425 million; in 2003-04, we are looking at $785 million; and in 2004-05,
it is $1.135 billion. So there is a considerable cost to the budget. That is in recognition of the fact that this is a big country, with big distances and big fuel bills.

As a result of this decision, the retail price of fuel should in the future be lower than it otherwise would have been had the CPI increase regime remained in place. Future increases in fuel prices will be linked directly to the world price of crude oil, the value of the Australian dollar and of course the profits of the major oil companies. There will be no impact from excise, unless a government decides to legislate for an increase in the excise rate. This will have the capacity, for the first time in 17 or 18 years, to make fuel pricing considerably more transparent than it is at the present time. There is no doubt that this measure has been widely welcomed right across the community, except of course by the Labor Party.

As I mentioned earlier, automatic indexation of fuel excise was a creature of the Hawke Labor government in 1983-84 and I think it is appropriate that we have a look at Labor’s subsequent record on excise. I noted the shadow Assistant Treasurer’s history lesson during his speech, but it only went back to 1997. I would like to go back a little further. When the Australian Labor Party came to office, fuel excise was 6.155c a litre. When they left office, it stood at 34.183c a litre. So in 13 years it went from 6c to 34c, an increase of over 450 per cent—a rate of 35 per cent for each and every year for 13 years. Under the coalition, it has been 2.3 per cent. From August 2001, when the next indexation increase would have applied, it will drop to zero. There will be no increase as a result of CPI changes.

Where do those opposite stand on this issue? Since the Conroy confession, we are entitled to ask whether fuel excise is now part of roll-back. Is fuel excise going to be one of those taxes to be increased to pay for the as yet uncusted and vague proposals which are currently put forward as Labor policy? Will the shadow Treasurer provide an absolute assurance to the House and to the motorists in my electorate of Dawson that those opposite will not reintroduce indexation on fuel excise?

Let us have a look at the evidence to date. The member for Lalor talked about the size of her electorate—622 square kilometres, from my recollection—and she said that her constituents had no option but to drive. My electorate is in the order of 22,000 square kilometres and they have absolutely no option but to drive. My electorate is in the order of 22,000 square kilometres and they have absolutely no option but to drive. As I have no doubt the constituents in your electorate, Madam Deputy Speaker Gash, have no option but to drive. We have no council buses, no public transport and no taxis that take you 600 kilometres—unless you can afford it. There is a real impost on real people. The member for Lalor talked a great deal about the impost on people of fuel indexation and fuel costs. So what sway did she have with her own party to change this? What was Labor’s position, based on what the member for Lalor had said about her 622 square kilometre electorate that prompted their policy?

Let us have a look at what the Labor Party’s policy on fuel indexation in fact was. To date, the shadow Treasurer has said: ‘Well, what we have—basically our position has been that there needs to be this mix between indirect and direct taxes. We were not proposing to make any changes to the fuel excise regimes.’ You were happy to hand out petitions during the state elections, you were happy to talk about it, whinge about it and make a big issue about it, but the only thing is that you were not going to do anything—not a thing. The member for Lalor may talk about ‘no option but to drive’ and ‘the impost on real people’, but the fact is that she made no impost on her shadow Treasurer. The Labor Party were not going to do anything. ‘We were not proposing to make any changes to the fuel excise regimes’! You were happy to hand out petitions during the state elections, you were happy to talk about it, whinge about it and make a big issue about it, but the reality is you are talking about roll-back. We know that you are going to cut back programs or increase taxes. What is it going to be? Quite clearly, the opposition plan to slide
into government. They will talk about these things, but we know that they are not going to do anything.

In line with the Conroy confession, does the Labor Party support automatic indexation on fuel? Before the next election I know that I will be asking my electorate about this: when is the Labor Party going to tell us, ‘No automatic indexation on fuel’? I have no doubt that others with big electorates like mine will be asking the same question—and no doubt you will be asking it yourself, Madam Deputy Speaker, and you would like to know the answer—but the Conroy confession gives us a bit of an idea.

There are other matters related to fuel that I would like to bring to the attention of the House, and they are the diesel fuel rebate—a big issue in rural Australia—and the Diesel and Alternative Fuel Grants Scheme. These are most important issues in the minds of the farmers, transport operators and marine tourist operators in my electorate. We know that the coalition is committed to the retention of both of these schemes—absolutely rock solid on that—but we have no commitment from those opposite. The Conroy confession clearly puts a cloud over the future of the diesel fuel rebate. We have heard nothing from the opposition on the diesel fuel rebate. We know that they would not give it to marine tourism, but are they planning to roll it back not only from marine tourism but from others? Are they planning to roll it back from farmers? What about the diesel fuel rebate? What about the Diesel and Alternative Fuel Grants Scheme? Are they going to be victims of roll-back? Would they be reduced or cancelled altogether to pay for Labor’s vague commitments? What is their position? We have got the shadow finance minister here tonight

Mr Tanner—Oh, indeed.

Mrs DE-ANNE KELLY—Indeed, and he is in a position to make a commitment to my electorate that the diesel fuel rebate will remain in full in its current format and that the Diesel and Alternative Fuel Grants Scheme will remain in full in its current format. Today is an opportunity for the shadow finance minister to make a commitment to those in rural and regional Australia and tell us. You can hide in the House—

Mr Kelvin Thomson interjecting—

Mrs DE-ANNE KELLY—Diesel fuel rebate. You may not have heard of it, but it is the diesel fuel rebate and we would like to keep it in rural and regional Australia.

Mr Tanner—Do you know where I am from? Any idea? Small town that you come from.

Mrs DE-ANNE KELLY—We would all like to know where you come from. Where are you coming from on the diesel fuel rebate and the Diesel and Alternative Fuel Grants Scheme? The reality is that during the election campaign the Labor Party cannot hide. They cannot hide from members of parliament, they cannot hide from farmers, they cannot hide from transport operators, they cannot hide from fishermen and they cannot hide from marine tourism operators. It is a simple question that I want answered: what is the Labor Party policy on the diesel fuel rebate and the Diesel and Alternative Fuel Grants Scheme? I will ask them all through the campaign: what is their policy?

Ms Hall interjecting—

Madam DEPUTY SPEAKER (Mrs Gash)—Order! The member will direct comments through the chair.

Mrs DE-ANNE KELLY—The reality is that we are the ones who have reduced automatic indexation to zero and we have kept the diesel fuel rebate. Our policy is right out there but yours is hidden—hidden but fortunately revealed by the Conroy confession. So next time the shadow Treasurer and the shadow minister for finance come into the House, I challenge them to come clean for the people in rural and regional Australia. In the unlikely event of them ever winning government again, would Labor commit to not reintroducing an automatic indexation of fuel excise? Would Labor commit to not rolling back the diesel fuel rebate and the Diesel and Alternative Fuel Grants Scheme?

This bill, which abolishes the Hawke Labor government indexation of fuel excise, is
a bold and welcome initiative by the coalition government. It is one which I fully support but, more importantly, it is one which my constituents fully support. We finally have a government that realises it is a big country, with big distances and big fuel bills. But of course there is the big question: what is Labor going to do? Is it going to be the big roll-back? Is it going to be the roll-back of the diesel fuel rebate and of the Diesel and Alternative Fuel Grants Scheme? We need the big answer but they are going to hide. You cannot hide in the campaign. We need an answer.

I am proud of this bill. It is a tremendous endorsement of National Party policy, of the size of our country and of the distances we have to travel. I commend the Prime Minister and Deputy Prime Minister on their initiative and I commend the bill to the House.

Ms HALL (Shortland) (9.02 p.m.)—The member for Dawson is big on rhetoric and grandstanding but, unfortunately, when the sincerity of her rhetoric is tested her principles disappear. Like the shadow minister for finance, I grew up in a much smaller town than the one from which the member for Dawson comes and I understand the hardship that people experience in those towns—the problems that they have with petrol and the extra price that they have to pay for petrol. The Excise Tariff Amendment Bill (No. 2) 2001 fails to do anything to help the people who are living in country Australia and in regional areas. It does nothing to move towards a more equal system of petrol pricing.

The member for Dawson talked about roll-back. We in the opposition are going to have to roll back the GST because ordinary Australians are hurting. The government has attempted its own roll-back in this piece of legislation but it is more a roll-over under pressure from the Australian people. Roll-back is about removing the hurt, the pain, that this government has caused ordinary Australians just to prop up its mates in big business and to introduce its high tax regime.

I rise to support this legislation, but in doing so I must express my disappointment at the government’s reticence to listen to the Australian people and to act and provide them with relief from soaring petrol prices that increase as a direct result of the GST—high petrol prices that were delivering the government a GST bonus, a petrol windfall. This government would have been happy to just keep putting its hand out, taking the money and putting it in its pocket if it had not been for a couple of elections. I will touch on that a little more in a moment. The only reason that the Prime Minister is acting now is that he wants to win the next federal election. He has a philosophy and his number one policy is to win at all costs.

Prior to the Western Australian state election that was held in early February and the Queensland election that was also held in February this year, the Prime Minister and his government were not interested in doing anything at all to assist Australian families, pensioners and workers—in fact all Australians who were struggling under the burden of soaring petrol prices. His own backbench told the Prime Minister and the Treasurer that people were hurting, that people were going to turn away from the government, that they would not vote for them and that the government would no longer be sitting on that side of the parliament. But the Prime Minister, the Treasurer and other ministers were so out of touch that they chose to ignore their backbench. They did so and they paid the price. I have a lot more faith in the Australian people than to think that they do not see through the ploy of this government of trying to buy the votes of the Australian people. The only sound that this government listens to is that of the ballot box—that is the only thing that influences this mean-spirited government.

As I have said, there were two elections held in February and the government was faced with the Ryan by-election. That was due on 17 March, and the Prime Minister was starting to get a little worried. The polls were showing that the government was performing very badly. The government was faced with the possibility of losing the seat of Ryan, one of the jewels in the crown of the Liberal Party, a blue ribbon Liberal seat, one that the government had held since it
came into existence. The polls were saying, ‘The Liberal Party is doing badly; you are not going to win the election.’ They went into panic mode. The Labor Party had a great candidate, Leonie Short, who sits with us here on the opposition benches. She went out there and listened to the Australian people. She heard what they were saying about petrol prices. She heard how they were hurting. She actually listened. That was something that the Prime Minister and the government had not been doing.

Come 1 March, the Prime Minister thought that he might try to trick the voters of Ryan by trying to convince them that, all of a sudden, he had heard what they were saying and that he was going to act in their interests. When he announced his government’s package to cut petrol and diesel fuel excise by the abolition of the indexation of excise and customs duties for all petrol fuels, it was motivated by one thing—base politics. It was designed to trick the Australian people into believing that he and his mean-spirited government actually cared, but they were really buckling under the fear that they were going to lose the Ryan by-election. They did not care how hard it was for Australian people. They did not care that they were finding it hard to exist and to buy petrol, with the prices soaring all the time. The Prime Minister was motivated just by one thing—winning the Ryan by-election. We all know how hard it was for Australian people. They did not care that they were finding it hard to exist and to buy petrol, with the prices soaring all the time. The Prime Minister was motivated just by one thing—winning the next election.

I find it very hard to believe what the Prime Minister said when he made that statement on 1 March. He said that the package was designed to do what governments should always do; that is, respond to the strongly held feelings of the Australian people. Madam Deputy Speaker, I put to you: those strongly held feelings of Australian people had been out there for a very long time, and the Prime Minister had not listened. He listened only when he had two bad results, when the Liberal Party were decimated in Queensland and when they performed so badly in Western Australia. Here he was, faced with the Ryan by-election, in a situation where people were angry with the government and petrol prices were continuing to soar. Finally, he was dragged, kicking and screaming, into bringing in this change, this legislation. He tries to put the main reason down to the rising price of petrol, but the people in Australia are not hoodwinked by that. They know the way in which the GST has impacted on their lives and on the price of petrol.

The opposition tried to convince the government to act early. I must be very fair about this. We suggested that they hold an inquiry into petrol pricing. The Prime Minister was given that opportunity. What did he do? He refused to act. He refused to listen to the Australian people. He refused to hear what they were saying. At that time, he also refused to do anything about the excise. What changed this situation? It was the election results. Previously, he was like an ostrich with his head in the sand.

The opposition were very concerned about what was happening. We felt that the best way to find out about this matter was to talk to people and listen to them. We were forced into holding our own inquiry into petrol prices. I sat on two sessions of one of those committees. It was very disturbing. A number of people came along and talked, including charities, Meals on Wheels, pensioner groups. They told us that they were having to cut the quality of their meals and that they were having to cut the number of excursions that the pensioners went on, simply because the price of petrol was forcing them to rationalise their services. That is what this government chose to ignore and chose not to find out by refusing to hold an inquiry. We listened to workers tell us how difficult it was for them to put petrol in their cars to go to work. Families told us how they were having to stay at home on the weekends
and think twice about taking the children to sporting activities, simply because they could not afford to put petrol in their cars. Still the government did not act. Service station owners were saying that the amount of petrol that they were selling had declined markedly. Their sales were down, they had a very small margin, and this was affecting their ability to earn an income.

It did not stop there. We met with some local governments, and they talked about the impact that it was having on their ability to deliver services to people within their council area. The drivers of trucks were saying how it was pushing them to the verge of bankruptcy. But once again this government chose not to listen to these people; they chose to ignore it. It was only when they were dragged kicking and screaming that they changed their mind—kicking and screaming because of the fact that the election results in Western Australia and Queensland had been so abysmal and because they were facing the Ryan by-election, where the Labor Party had an excellent candidate—somebody who listened, somebody who heard what people said and somebody who was not just driven by base politics.

These are just some of the stories and problems that the opposition heard during our inquiry. These are the stories that the government should have heard if it had been prepared to listen to the people of Australia. But, unfortunately, we have a Prime Minister who only listens selectively. He listens to his mates in big business, people like Rodney Adler and his brother Stan Howard. If the Prime Minister had listened to ordinary Australian people earlier, he would have known that they were unhappy about the escalating petrol prices, prices that were delivering a GST windfall to his government. He liked that windfall; he liked having that extra money. It was all part of his war chest for the coming elections. But, finally, under great protest, this legislation has been introduced.

The GST is hurting Australians. It is hurting families: it is increasing the cost of transport, education, electricity, food, the telephone and kids’ sports. In my area, it has increased the price of a ticket to go to the Knights game—the Newcastle Knights Rugby League team. Even there, the crowds have declined because of the cost. Families say they can no longer afford to go along to the football. It is a travesty. Pensioners and people on fixed incomes are really struggling. From day to day it is a trial to get food on the table. Once again, it can all be attributed to the GST. And rising petrol prices were the icing on the cake. That was the thing that added the final blow, along with the GST. The cost of living had gone up, and then people were hit with the increase in petrol prices, when the government had promised the Australian people that they would not pay any more.

This is a high taxing government. It is a government that taxes all Australians every day, in every way, in every aspect of their lives. This hurts ordinary Australians. So, whilst I endorse this legislation, I must also take time to condemn the government’s approach to developing policy. It is a ballot box approach to policy—policy on the run, the policy of a mean-spirited government, a government trying to trick the Australian people into believing it has listened to them. All it has listened to is the ballot box.

This legislation deserves to be supported, because it will provide relief to all those Australians who have been done over by the Howard government—people who are hurting, people who cannot afford to pay the government’s GST. The Prime Minister has listened—that is why we have this legislation—but he did not listen to the pleas of the Australian people. Unfortunately, the only sound he and his government heard was the sound of government slipping from their grasp. This legislation is welcome, but the government’s rationale, ethics and policy process are not.

Mr O’CONNOR (Corio) (9.19 p.m.)—The Excise Tariff Amendment Bill (No. 2) 2001 and the Customs Tariff Amendment Bill (No. 3) 2001 give effect to the removal of the excise on all petroleum fuels. We, along with the Australian public, have come
to understand the political context in which the Prime Minister and the Treasurer did their backflip—or roll-back or whatever you want to call it—on the GST’s impact on fuel. Indeed, the House is indebted to the member for Shortland for her explanation of the real motivation of the Prime Minister on this very important issue. We all know—the Australian public know, this House knows and we on this side of the House know—what the real reason behind the government’s recent advertising campaign is. The Australian community understands it well. We on this side of the House call it the SOPS campaign—the save our political skins advertising campaign. It was the same motivation that prompted the Prime Minister’s backflip on fuel. It was simply a rather naked attempt to save his political skin in the wake of the Western Australian and Queensland state elections.

Mr Kelvin Thomson—That would be an ugly sight.

Mr O’CONNOR—The honourable member at the table says that that would be an ugly sight, but the only sight more ugly than standing politically naked is doing a backflip politically naked. Nobody believes the Prime Minister’s rationale that he trotted out at the press conference on 1 March 2001, at which he made this significant backflip. The Prime Minister said then that the government had listened to the Australian public. Let us go back a few months, because we really do need to understand the political context. I want to refresh the memory of the House in this regard. If we go back to November-December last year, at the closing of business in this House, the government were cock-a-hoop. They thought they had had a good run in that parliamentary session. The Treasurer was like a grinning hyena, day in, day out, standing up here telling us how good the GST was and how lucky business were that they had such a visionary Prime Minister and Treasurer who had given them the tax to end all taxes—that unique way of looking forward by introducing a 1960s tax. That was the Prime Minister’s vision, and day after day here in the House the Prime Minister and the Treasurer were cock-a-hoop about the way in which the GST was introduced and the benefits that it was bringing to the Australian economy.

Of course, the tide changed when we got to 2001. We on this side of the House warned the government well ahead of their arrogant crowing about the benefits of the GST. We said the issue was a slow burn, and that has proved to be correct. The government have a low standing in the polls, and the Herald Sun survey which has just been released has indicated just how the Australian people, Australian businesses and Australian farm businesses feel about the GST. It was an extraordinary justification that the Prime Minister gave in that press conference of 1 March 2001. He said this:

So for all of those reasons we have come to the conclusion that we do need to recognise that concern, acknowledge that there has been an unwillingness for reasons they feel are well based to accept what the Government has said on that issue and others and through this not only to meet those concerns and re-establish that connection as John puts it very well, but also to make some contribution towards reducing the price of petrol at the bowser, I mean it will help a little.

What a load of gobbledegook that was from a Prime Minister who was choking on his own backflip. He knew that he had been hit in the Western Australian and Queensland elections. The National Party coalition partner was virtually wiped out in those elections. His Liberal and National Party colleagues in Queensland were reduced to an uneducated rump. That is where they sit now and where historically they should be—in a minority in the Queensland parliament, in a minority in the Western Australian parliament and, federally, they will soon be a minority in this House. That will all be a result of the GST and the issue that we are debating tonight—that is, fuel.

I think we need to understand the process that the Prime Minister has gone through in coming to this position and of our coming to debate this legislation in the House tonight. It always starts with a statement of deceit with this government; it always starts with a position of deceit. Then it moves into the rather politically interesting psychological
state of denial. Once it passes that, we have those unseemly backflips that we have seen over recent months from the Prime Minister, who is simply trying to save his political skin. Let me take the House to August 1998 when the Prime Minister made this commitment:

The GST will not increase the price of petrol for the ordinary motorist.

The Australian people soon found out that the Prime Minister had made another non-core promise. It was not very long before he was practising his backflips. He had done a bit of a backflip when he could not hold to the non-core promise that he would not increase the price of petrol, because he had then said, ‘Well, the GST need not increase the price of fuel.’ What do the Prime Minister and the Treasurer think? Do they think that people in regional Australia are mugs? Do they think the farming community and farming households are mugs? Do they think the people that live in rural and regional Australia are stupid? They know the difference between a promise and a non-core promise. They can understand the difference between the statement that the GST will not increase the price and that it need not increase the price of fuel. Where does this government get off? Does it really think that people are stupid in rural and regional Australia? Does it think that they cannot see through this? Regrettably, the Prime Minister then went into denial mode about what he had said. He said this:

Having decided to spend $1.6 billion on roads to then go ahead and spend roughly the equivalent of that, or perhaps a little bit more on waiving this excise increase, to do that, well to do both would be financially irresponsible.

So here we have the non-core promise—you know, ‘never, ever’—then the backflip, and then he says, ‘Well, I’ll spend it on roads. I’ll try and buy you off with an expenditure on roads out there in rural and regional Australia, because to do anything else would be financially irresponsible.’ If it was financially irresponsible in January this year, it is financially irresponsible today. That is what the Prime Minister said: it would be financially irresponsible to waive this excise increase. Now we are debating a piece of legislation which does exactly that. One can only assume, on the Prime Minister’s own criteria, that this is an irresponsible action. I say to the government: get out there and tell the farmers of Australia and the people who live in rural and regional Australia that this measure is irresponsible. You had to be dragged like a bull around the ring at a country show. That is what we had to do with you. We had to put a ring in your nose and drag you around the political arena before you came to the conclusion that you ought to do something about this.

The third part of the process was the backflip. ‘Oh,’ the Prime Minister said, ‘let me make it clear that I was plainly wrong in not understanding some of the concerns held by the Australian people about the price of petrol and I acknowledge that.’

Mr Slipper—Tell us about—

Mr O’CONNOR—You can’t be that dense. Do I have to go through it again? The deceit, the denial and the backflip—D, D and B.

Mr Slipper interjecting—

Madam DEPUTY SPEAKER (Hon. J.A. Crosio)—Order! I know that the parliamentary secretary is going to debate this bill a little later, and he will get the call then. The member for Corio has the call now, and you will either keep your place or wait for your turn. Member for Corio, all comments must go through the chair.

Mr O’CONNOR—The honourable member cannot be that dense. He cannot be so dense that he does not understand the deceit, the denial and then the backflip. Your Prime Minister said it would be ‘financially irresponsible’, and then here is the bill that gives effect to what he said. He said, ‘Oh, I’m sorry. I was plainly wrong and I acknowledge that.’ Well, thank goodness! Thank goodness he finally acknowledged that he was wrong, but he had to be dragged kicking and screaming—as I said, we had to put the ring in his nose and take him around the political arena and bring him to this position in this House tonight where he has been forced by the opposition and by the
Australian community to honour the commitments that he makes. He thinks he can make them frivolously. He thinks that people in rural and regional Australia are stupid, and that is the greatest insult that you can deliver anywhere to anyone in this country.

The deceit of this government on the fuel issue goes much deeper than the bill we are debating here tonight. I say this because, in their enthusiasm for the GST, the government members themselves, especially the National Party members, like lemmings followed the Liberal Treasurer. One after the other they jumped off the GST cliff, and now they are drowning in a political sense as they seek to save themselves. But of course farmers and farm families and people in rural and regional Australia will not forgive the deceit and will not forget.

The big deceit was the exaggerated claims that were made, day in and day out, on the floor of this House by National Party members and by Liberal members from country Australia that the taxation reforms in relation to fuel were a boon for farm families and a boon for rural and regional Australians because they would lower the price of goods and services in rural and regional Australia. We are almost one year into the GST, and we know what the impact has been: Liberal inflation as a result of the introduction of the GST. You have to understand that it took Labor 13 hard years to exorcise Liberal inflation from the Australian economy: 11 per cent inflation, double-digit inflation, was left to Labor by John Howard, and we toiled over 13 hard years to break the back of inflation in this country.

Lo and behold! As soon as this government was elected, the Prime Minister, in violation of his own core promise—or so the Australian people thought—to never, ever introduce a GST, did introduce a GST, and we warned the Australian people and the government that a direct consequence of this would be the ramping up of the inflation rate in this country. Has that prophecy been correct, or has it not? The honourable member opposite knows very well that it is true that the GST, introduced by the Liberal Party after Labor had toiled for 13 years to break the back of Liberal inflation, has ramped up inflation again in this country.

Mr Slipper—A one-off small effect.

Mr O’CONNOR—A one-off small effect? Yes, the honourable member sitting here can say it is a one-off small effect, because he is on a salary of $90,000-odd. He can say that, but I will tell you that there are households out in rural and regional Australia that are on $20,000 and they bleed because of this GST. They bleed every time they go to the bowser—

Mr Slipper interjecting—

Mr O’CONNOR—They bleed every time they go to the dentist—

Mr Slipper—What about the compensation package?

Mr O’CONNOR—Do you want me to run through the whole household budget?

Madam DEPUTY SPEAKER—No. And I am sure he does not want me to warn him.

Mr O’CONNOR—They bleed every time they go to the footy. They bleed every time they go to the dentist. They bleed every time they buy their food. They bleed because of John Howard’s GST. And the Liberal member, a former National Party member, sits there: he has had a foot on both sides of the fence; he is the cowboy in the real sense on the coalition side. He knows how to ride the horse from both sides—he is the Gene Autrey or the Lone Ranger, or whatever you want to call him, on the coalition side. He has been on both sides of the political fence, but there is one side he will never get on, and that is the side of Labor, because we would not have you.

Mr Slipper—you have to draw the line somewhere.

Mr O’CONNOR—We would not have you, brother. You jumped the fence from the National Party to the Liberal Party and now you are trying to save your political skin up there in Queensland. Let me tell you: it will not be six months before you are over on this side of the House, compliments of the people of rural and regional Queensland, because they know what you said in that infamous
meeting that you had up there in Queensland when Shane Stone was the note-taker. Yes, he recorded it all for posterity: a mean and tricky government, an out-of-touch, dysfunctional government—I think ‘dysfunctional’ was the word he used.

Let me tell the honourable member opposite: every time the rural and regional worker on $20,000 goes to the dentist, buys a footy ticket to take his kid to the footy, buys food and groceries or fills up at the bowser, there is one certainty he knows. He has not got the cover of your $90,000 salary and he has got to make ends meet—and he has to make ends meet because you introduced a punitive tax that is wreaking havoc on his standard of living.

The ultimate deception in this was the claim that you made on that side of the House that prices were going to come down. That was the big sell to rural and regional Australia. Well, show me the prices coming down one year into the GST in rural and regional Australia. They have not, and they have not for one reason—Costello’s curse on their households. That is what this GST is: Costello’s curse on their households. Really, you would have to be dumber than dumb in the National Party to fall for the old Liberal trick of buying an outdated tax as a solution to Australia’s economic ills and woes.

Not only should our concern as legislators be about the price of fuel—even though we all recognise its importance to household budgets and to business—but also we should be turning our minds more broadly to the overall cost of travel. When we do this, an interesting range of possibilities and opportunities emerges. I will not go on in that particular vein because, in closing, I just want to quote from an old Beatles song which pretty well sums up where the Prime Minister is at:

Day after day, alone on the hill,
The man with the foolish grin is keeping perfectly still.
But nobody wants to know him,
They can see that he’s just a fool.
And he never gives—
And I will put in here, ‘a straight answer’—
But the fool on the hill,
Sees the sun going down.
And the eyes in his head,
Sees the—
political—
world spinning around.

That sums up where we are in the political cycle here in this country. 

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.39 p.m.)—What an absolutely pathetic effort. I have been in the chamber and I have heard the member for Corio, who is running away from the House at this point in time, make the same tired old speech over and over again. He is like a broken record: he has nothing new to say; he tries by repetition to fool the people of Australia by diverting their attention from the disaster that was the 13 years of Labor government under the Hawke and Keating administrations.

At this stage I would like to thank honourable members for their contributions to the debate before the chamber. The Excise Tariff Amendment Bill (No. 2) 2001 and the Customs Tariff Amendment Bill (No. 3) 2001 give effect to the commitment by the government to abolish the automatic six-monthly indexation of fuel excise to increases in the consumer price index. On 1 March this year the Prime Minister announced a package of government measures to cut petrol and diesel fuel excise, and included in that announcement was an immediate reduction in excise on unleaded petrol of 1.5c a litre with proportionate cuts in other fuels. In addition, the Prime Minister announced that legislation would be introduced in the parliament as soon as possible to abolish indexation of excise and customs duty for all petroleum fuels. These fuels include leaded and unleaded petrol and diesel, and aviation and burner fuels such as fuel oil, heating oil and kerosene. The amendments in the bills give effect to the announcement by the government by altering the indexation provisions of the Excise Tariff Act to exclude all petroleum fuel products from the application of the provisions for the indexation period commencing...
on 1 August this year and any subsequent indexation period.

We all recall Senator Stephen Conroy’s response to a question asked by a 14-year-old boy a number of weeks ago when he was challenged on what the Labor Party would do in the unfortunate event that they were elected to office at the election later this year. Senator Conroy, in a rare moment of honesty—maybe because he was talking to schoolchildren—said that, in effect, the Labor Party would have to consider either cutting services or hiking up taxes. The Labor Party have said that they intend to protect the position of the states. The Labor Party have claimed that certain taxes are not going to go up. So, at the end of the day, either they are going to cut services, because it costs a certain number of dollars to run the federal government, or, alternatively, they are going to find other areas of revenue.

They talk about the roll-back of the GST, and that of course means they are going to raise less money from the GST. If they raise less money from the GST, then clearly what they are looking at doing is reintroducing complexity and introducing other taxes to pay for the reduction in income which would flow from their roll-back. Business has done a magnificent job of mastering the new tax system. In the unlikely and unfortunate event that a Beazley Labor government were elected to office, then business would have to reinvent its systems. It would have to go back to scratch. Business would, in effect, have to wrestle with the new complexity that roll-back and higher taxes would mean for Australian business.

Madam Deputy Speaker Crosio, you have been a student of politics for a few years and you appreciate that the automatic six-monthly indexation of excise was introduced in 1983 by the Hawke Labor government. Its abolition in respect of petroleum fuel products will be a significant discipline on governments now and into the future. The member for Corio spoke at length about the record of this government. In fact, it was amazing that, by raising his voice and by speaking at a very loud level, he expected that somehow people would be diverted from the appalling record of the Labor government from 1983 to 1996. Let us look at that record. Under the previous Labor government, fuel excise rose from just over 6c per litre in 1983 to 34c a litre in 1996. This was due to a combination of fuel indexation, which has been abolished by this government, and discretionary budget increases in the fuel excise, such as those enacted in the 1993-94 budget.

The discretionary budget increases were voluntary hikes in excise by the Labor Party because it needed to take more money from the taxpayer to use for other purposes. For example, in the final three years of the Keating government, fuel excise rose by roughly 8c per litre, consisting of discretionary budget increases of 5c per litre and further rises of 3c per litre due to indexation. In effect, five-eighths of the increase in fuel excise between 1993 and 1996 was because the Labor Party decided to increase indexation and to increase the amount of money that it took from the motorist. So the Labor Party really ought not to come into the chamber and claim that its record was in some way acceptable.

Let us compare that with the record of the Howard government since 1996. The Labor Party had discretionary increases in addition to indexation, but the Howard government has made discretionary cuts to the excise rate. The excise on diesel and unleaded petrol was reduced by 6.7c per litre on 1 July last year in order to ensure that the pump price need not rise with the introduction of the goods and services tax. The excise rate was cut again, following the Prime Minister’s announcement of 1 March, by 1.5c per litre, effectively offsetting the indexation which took place in February this year. On top of these discretionary cuts, the automatic indexation of fuel excise will be abolished by the bills before the House.

Mr Beazley and the Labor Party have been challenged on whether as part of roll-back and their changes to the tax system, in the event that they were elected to government, they would in fact reintroduce fuel
indexation. The Labor Party has refused to guarantee to the Australian people that the fuel indexation which this government is abolishing will not return. I have challenged the Labor Party to state unequivocally that fuel indexation, abolished by these bills, will not be introduced again—and the Labor Party cannot be seen for dust. It is not prepared to stand up and assure the Australian people that the abolition of fuel indexation contained in these bills will continue for the future.

The honourable member for Corio also claimed that all prices went up as a result of the GST. We abolished Labor’s wholesale sales tax, which was levied at a multiplicity of varying and irrational rates. We always said that some prices would go up, some prices would go down and many prices would stay the same. The member for Corio also failed to look at the total tax plan, the total tax package. There was the introduction of a goods and services tax at the rate of 10 per cent, but we abolished Labor’s wholesale sales tax and many other taxes. People received substantial reductions in income tax, and those on pensions and benefits received compensatory measures. So if the member for Corio is going to stand at the dispatch box he ought at least to be honest and tell the Australian people the facts of the matter. He hopes that we have got short memories and that we will forget the disaster that was the Labor government. He is trying to mislead the people of the country into believing that the tax plan introduced by the Howard government is in some way, shape or form inequitable and unfair.

Other spurious claims were made by the honourable member for Wills. He claimed that the GST increased fuel prices. Under the previous government, as I pointed out before, fuel excise rose from just over 6c per litre in 1983 to 34c per litre in 1996 due to a combination of indexation and discretionary budget increases—in other words, tax grabs on the part of the Labor government. We have made discretionary cuts to the excise rate. The excise on fuel was reduced by 6.7c per litre on 1 July last year to maintain pump prices when the GST was introduced. The excise rate was cut again, following the Prime Minister’s announcement of 1 March this year, by 1.5c per litre, effectively offsetting the February 2001 indexation increase. On top of these discretionary cuts, honourable members from around the country will be pleased to recognise that the government has provided infrastructure funding under the Roads to Recovery program. We have introduced a grants scheme for on-road heavy vehicle transport and a Fuel Sales Grants Scheme to address the divergence in fuel prices between cities and regional areas. As a further measure promised by the Prime Minister in his March announcement, the bills before the House will end automatic six-monthly indexation of fuel excise, which was introduced by the Labor Party in 1983. That is another problem we did not create, but we certainly have accepted the responsibility for fixing it.

The member for Hunter claimed that the government should be addressing the problem of lack of wholesale competition in the petrol industry. Honourable members would be well aware that, as part of the package of measures on fuel taxation announced by the Prime Minister on 1 March this year, the government is to conduct a fuel tax inquiry that will examine all issues relating to fuel taxation and fuel prices in Australia. In addition, the ACCC is examining the feasibility of placing limitations on petrol and diesel resale price fluctuations throughout Australia. Preliminary discussions have been held with a range of industry participants and other interested parties. Following those consultations, the commission has prepared a discussion paper, which was released on 14 June for comment by Friday, 13 July this year.

This government has a very proud record in relation to taxation and, in particular, to fuel taxation. The Labor Party created the indexation monster in 1983. We have reduced fuel indexation by 1.5c per litre. We have abolished all future indexation of fuel; and the Labor Party has refused to guarantee that, in the event that it is elected to office, it will maintain our abolition of fuel indexation. I am very pleased to commend these
bills to the chamber. I also point out that there are complementary amendments for equivalent imported goods, and they are contained in the Customs Tariff Amendment Bill (No. 3) 2001.

Question resolved in the affirmative.
Bill read a second time.

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

CUSTOMS TARIFF AMENDMENT BILL (No. 3) 2001
Second Reading
Consideration resumed from 24 May on motion by Mr Slipper:
That the bill be now read a second time.
Question resolved in the affirmative.
Bill read a second time.

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

PRIVILEGE
Mr LAURIE FERGUSON (Reid) (9.54 p.m.)—Madam Deputy Speaker, earlier today I raised a matter of privilege with regard to the Joint Standing Committee on Electoral Matters. I cited three articles that I thought were the basis for investigation into whether privilege had been abused. I inadvertently tabled only two of those three articles and I now seek leave to table the third.

Leave granted.

FAMILY AND COMMUNITY SERVICES LEGISLATION (SIMPLIFICATION AND OTHER MEASURES) BILL 2001
Second Reading
Debate resumed from 24 May, on motion by Mr Anthony:
That the bill be now read a second time.

Mr ALBANESE (Grayndler) (9.54 p.m.)—At the outset of this debate I would like to indicate that the opposition will be supporting the Family and Community Services Legislation (Simplification and Other Measures) Bill 2001. It is not very often that we come into this chamber offering support for a bill moved by this mean-spirited government, because we are accustomed to government proposals, particularly in the area of family and community services, which strip entitlements from older Australians, the unemployed and families.

When the government does actually spend money, it is not usually on assisting people. We saw in today’s question time a debate about where the government’s priorities are with regard to spending. Of course, today confirmed that once again the government’s priority is in multimillion dollar advertising spending sprees.

We need only to have switched on the television last night to have witnessed the wads of taxpayer cash being shoved into the pockets of advertising executives. As the Manager of Opposition Business said today, it was more a case of there being programs in between the government ads, which were non-stop last night. Some half a million dollars was spent in one night on advertising. We heard today what that could have done in terms of providing real assistance for labour market programs, for operations for people in the health system and, perhaps, for extending the $300 payment to carers above the age of 55 who had missed out. But what we saw instead was advertisement after advertisement, which should have been authorised by Lynton Crosby as the Federal Secretary of the Liberal Party but instead were paid for by the Australian taxpayer.

It is indeed a sad development, but it is a sad development which is consistent with a government that is just so out of touch. We get to see not only the lengths that the coalition goes to in an attempt to improve its fortunes in the electorate but also, in very stark terms, the government’s priorities. The government has only one priority for employment and that is for the members of the government to keep their jobs. The government
has only one priority when it comes to families, and that is to keep the family of the Liberal Party on the government benches. With regard to community services, the government regards people out there as being essentially an impediment to its re-election. But in fact the only impediment to its election is the election day, because the coalition will not be able to avoid it. No matter how much money this government wastes, all it will do is reinforce just how out of touch this government is.

The legislation before us tonight is essentially a housekeeping bill. It seeks to simplify a number of provisions in social security law. Key changes in this legislation include an update of the rules regarding recovery of certain social security payments where recipients receive or are entitled to a lump sum or periodic compensation payments, a tightening of the rules regarding income and assets test treatment of income streams, more workable deeming exemptions for assets that have been determined as unrealisable under the assets test hardship provisions, streamlined debt recovery allowing compensation arrears debts that are treated as income to be recovered directly from compensation payers or insurers, and changes to the taper rate for the income cut-out formula used to set the compensation preclusion period for recipients of lump sum compensation.

In addition to these measures, other, minor technical amendments are made. From examining these measures, it would appear that the government has made a number of changes that appear on the surface to be beneficial. They do, however, merely partially reverse some of the cuts that the coalition has already perpetrated. A common theme of the parliament this year has been legislation designed to at least ameliorate either some of the strictly callous decisions which have had adverse economic and social impacts on the community or administrative ramifications which have been negative for community members. As usual, we need to revisit the record of the Howard government to see these measures in an unbiased light, to see why this legislation is necessary and to have a look at the changes to the compensation provisions.

I wish to now refer to the compensation issue. The changes claim to simplify administration, but they make a number of substantive changes. The bill contains an amendment that changes the taper rate for the income cut-out formula that is used in working out the preclusion period for recipients of lump sum compensation. The government claims that this is beneficial to recipients as it will shorten their compensation preclusion periods. While I intend to discuss the history of this measure shortly, I think it is worth while canvassing why the government has made this change. It could be argued that this is yet another example of the government dabbling in GST roll-back. When the new tax system was being introduced, we heard a lot about how they had got it right, about how the system was being simplified and about how this was a revolutionary change which would put in place a tax system that would serve us for generations. What we have seen is the opposite. Almost 2,000 amendments have now been made to the GST legislation. Barely a day passes in the House of Representatives when there is not an amendment being moved to the government’s own legislation with regard to the administration, the operation or the impact of the goods and services tax.

There has been such a widespread backlash from individuals who have served compensation preclusion periods with the introduction of the GST. Those people affected point out sensibly that they have not been adequately compensated for the GST. Of course, they are not alone. Earlier this year, we saw the clawback of the two per cent compensation which had been given for the GST. We heard the government justify it on the basis that somewhere in a footnote in very small print on page 400 of some document it was said that half of the compensation, which was trumpeted so much as a social equity measure, would indeed be clawed back. It is no wonder that pensioners were angry. The GST compensation has not been adequate, and tonight this legislation is necessary because, yet again, the government is
acknowledging that there is another section of the community who were not properly compensated for the regressive impact of the goods and services tax. These preclusion periods have not reflected the increased cost of living that has come about with the introduction of the GST. Those affected have argued that their compensation preclusion periods should be shortened to reflect the fact that their compensation does not stretch as far with the higher prices—a reasonable point of view.

This legislation comes in spite of the rhetoric of this government with regard to the inflationary impact of the GST and in spite of the remarkable situation where a Treasurer of this nation walked into this parliament and said how well the economy was going post GST. The fact is that we had negative growth in the December quarter, unlike the economic growth which this government inherited: four per cent, after four per cent, after four per cent. That is, consistent growth under Labor, negative growth under the coalition—one reason: GST. That is why people want to be adequately compensated for its introduction.

As I go out into the community, I hear that prices have increased not just by the rate of the GST in some circumstances but by even more. I hear from people who get their electricity bills and have the GST added. Every time they have to pay their membership to an organisation, the GST is added. Every time they have a meal out, the GST is added. It has been tax after tax after tax under this government, so it is not surprising that we have legislation continually coming before this House arising from the need for proper compensation. Hence in this bill the government has altered the formula for preclusion periods, effectively shortening them. It is applied retrospectively to 1 July 2000, which is an important date—the same day that this government inflicted the GST on Australia. It is a stunning coincidence, but it is a coincidence of which we will be reminding the electors of Australia. On 1 July—certainly in my electorate—local pensioner organisations and community sector organisations are organising a meeting to express their concern about the impact the GST has had on them. In spite of the fact that the government said it had covered all the side-effects of the GST, this legislation is an acknowledgment by the government of its failure to properly consider all the consequences of this new, regressive tax.

Even if we put this to one side, the government has only partially backtracked to the situation which existed just a few years ago. In 1997 the government forced people who received compensation payments to wait longer for access to income support—totally consistent, of course, with the mean-spirited attitude of this government. Naturally, compensation payments may include a component that is attributed for future lost earnings. It is reasonable then that this component is taken into account and a preclusion period is served before support from the taxpayer is required. Before 1997 the preclusion period was calculated by reference to average weekly earnings. This allowed people who were injured to have access to income that the rest of the community earns and, in most instances, reflected the income these people earned before their injury.

However, as of 20 March 1997 the government changed the formula of the preclusion period with reference to an amount equivalent to the maximum single pension rate plus the free area. This had the effect of increasing the preclusion period and requiring individuals to survive on incomes well below average weekly earnings. As if being hurt at work or elsewhere was not enough, we had this mean-spirited government consigning these people to lower standards of living—consistent, I must say, with the general mean-spirited attitude of this government towards the less well off in our community. If you are actually injured—whether it be physically, through an accident; whether it be economically, through losing your job; whether it be socially, through discrimination on the basis of race or gender or class or where you live—this government see this as an incentive to give you an extra penalty. They do not believe in lifting people up, they believe in discriminating wherever possible, and to discriminate against these people is
yet another example of the mean-spirited nature of this government.

The measure in this legislation is insignificant compared with the near $25 million per year cut by the government’s 1997 changes. So already we are up over the $100 million mark in savings as a result of these government changes. With this in mind, you will not be surprised that the opposition is not praising the government about this bill, because this is a bill which is simply about fixing up the problems that the government itself has created. In addition, the bill will remove the existing direct deduction rules for the partners of compensation recipients, allowing for an increase in benefits paid to the partner of a compensation recipient. Excess periodic compensation will now only reduce the partner’s entitlements under the ordinary income test rather than dollar for dollar. Again, this measure pales into insignificance when compared with the government’s previous cuts. In other changes, the bill will also allow the Commonwealth to recover debts arising from the payment of arrears of periodic compensation payments directly from compensation payers and insurers. This measure will streamline debt recovery and will ensure that compensation recipients can plan effectively without the likelihood of a subsequent debt after an arrears compensation payment is received. It is a sensible move.

I now turn to income streams, which is dealt with in the other part of this broad bill. The bill amends the means test treatment of income streams to ensure the conditions that income streams must meet to gain favourable means test treatment are clear. As a result of the changes, there will be ongoing periodic obligations that must be met by an income stream if it is to remain an assets test exempt income stream for the purposes of the social security law. Among other changes, actuarial certificates will be required periodically to ensure the lifespan of the income stream product does not vary from the original estimate. The measures are reasonable and they provide protection for both the recipients and the Commonwealth and therefore are supported by the opposition.

There are other measures in this bill. Along with the changes I have outlined to compensation and income stream products, the deeming extension provisions are streamlined by providing an automatic exemption for financial investments that are unrealisable for the purpose of the assets test hardship provisions. This change is long overdue, with the prevalence recently of investment scheme collapses, which we in this parliament unfortunately are all too familiar with. One such collapse in Western Australia left investors without adequate income support while the minister of the day—Senator Newman at the time—considered their plight for what seemed an eternity.

I conclude by going back to where I began with this bill. This bill is largely an administrative bill, which therefore the opposition is supporting. However, what we saw last night—and what I am sure we will see in coming days and weeks and months—is the real priority of the government with regard to family and community services. The term ‘simplification’, which is used in this bill, is one which we have heard much used by the government. The new tax system was going to simplify everything. Those small businesses out there struggling with the business activity statement, those families out there struggling to put food on the table and those community organisations and charity organisations struggling with the impact of the GST all know that the new tax system has not brought simplification to their lives.

They also know that this is a government which has replaced the sort of funding which needs to go into areas of family and community services, needs to go into providing support for those less well off, needs to go into health and needs to go into education. It is not going into living standards to improve the lifestyles of families in this nation; it is going into the pockets of advertising executives. We saw it last night to the tune of half a million dollars, and I am sure that people who have had the opportunity to watch television have seen it again tonight. We have seen a government which, regardless of that, has committed a fatal error which cruels all governments of whatever political persua-
sion—that is, when you are in trouble, do not be so arrogant, as the government was today in question time, and just dismiss the concerns and talk about what happened in the past. What people out there in the community know is that they are hurting, what they know is that they need support and what they know is that this government is not prepared to give it to them.

Mr ANDREWS (Menzies) (10.15 p.m.)—I came into the chamber tonight to speak about the technical aspects of the Family and Community Services Legislation (Simplification and Other Measures) Bill 2001 but, having heard the honourable member for Grayndler, I am moved to speak about some matters in more broad detail. He concluded his speech tonight by making reference to the government’s information campaign in relation to a range of measures that have been introduced and are being publicised and advertised in the mass media—on television, in the newspapers, et cetera. All I can say to the honourable member for Grayndler, before he leaves the chamber, is that he has obviously got a short memory.

Prior to the 1996 election, when this government came into office, the then Labor government of Australia engaged in a similar campaign to advertise and publicise its measures. And there is a long convention in Australia that governments are entitled to make known to the people of Australia those measures which have been changed, particularly for their benefit. In the latest range of measures there are changes, for example, to the seniors health card provisions where it is quite clear that many Australians are unaware that they have some entitlements which they can make use of. If the government had not made and does not make the people of Australia aware of those measures, many Australians for whom these measures have been changed would not make any use of them whatsoever.

This bill comes in the context of a wide ranging debate overall about welfare. One can only put this in the long-term context of what has happened to the provision of welfare in Australia. One can go back what is now almost 30 years to the election of the Whitlam government in 1972, during the period when expenditure on the provision of welfare almost doubled in Australia—so much so that, when the Labor government of the former Prime Minister Bob Hawke came to power, we had the most targeted narrowing of welfare provision over a period of a decade that has ever occurred in Australia. So for the honourable member for Grayndler to come in here and, by implication, criticise any targeting, narrowing or focusing of welfare in this particular bill, as he suggests by way of passing, is somewhat rich. Having blown out the welfare benefits in the early 1970s, we had a Labor government under Bob Hawke and then Paul Keating that, incrementally over a period of more than a decade, continued to target welfare. In fact, if we want to look at the beginning of the targeting of welfare in this country, we can go back to the early eighties and the advent of the Hawke Labor government. So what we have is, in a sense, a proxy or a code for a debate about the type of Australia that we want.

On this side of the chamber, I would suggest that the type of Australia we have a vision for is one in which people have an opportunity to make the most for themselves and, where they are not able to do that, we provide an adequate safety net or social security arrangement for them. That does not mean there ought to be carte blanche in the sense that, if people can make do for themselves, that is the only way they can get ahead—without any social security net. Nor should it mean, on the other hand, that the social security net is so wide and so broad that there is no incentive whatsoever for people to try and improve their own situation in life.

So this particular bill, which is largely technical and mechanical in its nature, I think fits into the broader context of the overall debate about where we want to see Australia in the next decade or 20 years or so compared to where Australia has been in the last 20 or 30 years. The reality, despite any rhetoric which is uttered from the other side of the chamber this evening or on similar
occasions, is that there is a degree of consensus that simply opening up welfare to the extent that people do not have to provide for themselves or that people do not have to in some way make arrangements for themselves and take some responsibility is in the end unworkable—not because it is lacking compassion and not because it is uncaring but simply because in the end, as a matter of practicalities, it does not work.

As practical members of the House of Representatives, we have to bear in mind overall what is actually going to work for the Australian people, leaving aside the ideological differences. We are simply saying, ‘What overall is going to be to the benefit of the Australian people and for their future?’ It is in that context that this bill needs to be considered.

As I said, this is mostly a technical, mechanical bill which contains some minor yet beneficial policy provisions. The bill repeals a part of the Social Security Act 1991 that deals with the circumstances in which people receive compensation payments. It simplifies the previous provisions and removes a source of irritation to partners of people who receive periodic compensation payments such as regular fortnightly compensation from an insurance company. Currently, if a person gets a ‘compensation affected payment’, which is a phrase defined in the act, they lose one dollar for every dollar of periodic compensation received. If this amount is reduced to zero, any excess compensation counts against their partner’s compensation affected payment dollar for dollar. Under this bill, if a person’s partner’s compensation has to be taken into account in working out the person’s income for social security purposes, it will be treated only as the ordinary income of the person.

In addition to this central feature, this bill, firstly, allows debts arising from the payment of periodic compensation to be taken directly from compensation payers and insurers; secondly, changes the taper rate for the income cut-out formula that is used in working out the preclusion period for recipients of lump sum compensation so it is consistent with changes in the tax reform package; and, thirdly, makes two minor technical amendments identified following the introduction of the tax reform package. The amendments correct a commencement provision and also a minor cross-reference.

The bill also gives effect to a number of minor simplification measures that were outlined in the 2000-01 budget. Firstly, the current treatment of gross rental income is clarified; secondly, unrealisable assets will automatically be exempt from deeming; and, thirdly, amendments will allow compensation arrears debts that are treated as income to be recovered directly from compensation payers or insurers.

In summary and in conclusion, the bill addresses longstanding criticism that the compensation recovery provisions operate unfairly in relation to partners and bring the treatment of partners under compensation recovery into line with their treatment generally under the Social Security Act. Overall, the measures will increase the amount of income support payments made to couples with low levels of income derived largely or solely from compensation payments. I support the bill and I urge its support upon the House.

Mr ALLAN MORRIS (Newcastle) (10.25 p.m.)—It is simply amazing to sit in the House day after day while members of the government go through the most convoluted verbal gymnastics to try and rationalise and justify their meanness and their dishonesty to the Australian people. The member for Menzies has just demonstrated this very adequately in terms of the advertising bill currently being incurred by his government. What government members fail to realise is that their self-proclaimed expertise in economic management has gone and the more they spend in such a profligate way and so obviously the harder it will be for them to ever get their reputation back.

The other thing he was talking about was this ‘practical welfare’. This is a fascinating new concept. I suppose it is like ‘practical reconciliation’—the one you are having when you are not having one. He also ad-
mitted that some of these issues and problems are longstanding; so they are not exactly expeditious if they are practical.

The point he did not make, of course, in talking about this Family and Community Services Legislation (Simplification and Other Measures) Bill 2001 was that, in this whole compensation area, we have had to date two preclusion periods for people who have received lump sum payments. The first was the pre-March 1997 period, where the lump sum compensation was attributed at average weekly earnings—and that is not an unreasonable way of approaching it. In March 1997 this government introduced the most draconian shift: it changed that figure to the level effectively of single rate pensions. So people who had been out of work seeking court action for some years and who finally got rectification were then told that, for the last three or four years while they had been waiting for it, they should have been living at the pension level, because the money they had got would preclude them now at the rate of pension—which was almost double in many cases. It in fact had to last twice as long. Most people who received lump sum payments after March 1997 were seriously and substantially out of pocket.

Debate interrupted.

ADJOURNMENT

Mr SPEAKER—Order! It being 10.30 p.m., I propose the question:

That the House do now adjourn.

HIH Insurance

Mr MURPHY (Lowe) (10.30 p.m.)—Tonight I wish to draw to the attention of the House that many constituents in my electorate of Lowe are outraged and indignant at the necessity for the government to socialise the debt and liability left in the wake of the HIH Insurance collapse. They are left asking the question: why should I be expected to pay for the incompetence of HIH Insurance, the so-called ‘captains of industry’, the ‘big end of town’, the ‘experts’? When the going is good, these corporate fat cats will demand an almost godlike reverence. They practically dictate to the ordinary policyholder—those who rely on the mercy of the insurance companies who rule this monopoly with an iron fist.

The Parliamentary Library’s briefing titled HIH Insurance Group Collapse, updated on 11 June 2001, notes that, according to the HIH 2000 annual report, the company received gross premium revenue of $2.8 billion, had total assets of $8 billion and total
liabilities of $7.1 billion, with net assets of $900 million. By 15 March 2001, the said text notes that HIH received approval from the New South Wales Supreme Court to place HIH into provisional liquidation. The HIH collapse is attributable to monumental mismanagement and plain incompetence, embracing payment of too high a price for FAI Insurance, too rapid an expansion, unsupervised delegation of authority, extensive and expensive reinsurance arrangements, underpricing of their products, alleged false reports, fraud and self-dealing. Following provisional liquidation, both the New South Wales and Commonwealth governments announced various rescue packages to assist aggrieved policyholders of the former insurer. The Parliamentary Library paper I have already referred to notes that the New South Wales government responded on 11 May 2001 by announcing a $50 million package to compensate motor accident victims and home owners affected by the collapse.

The New South Wales Treasurer, the Hon. Michael Egan, deserves special mention for his leadership and swift response to the HIH crisis. The text further notes that the Commonwealth government responded to the collapse of HIH by announcing, on 15 May 2001, the royal commission and, secondly, by providing a package worth $500 million to assist those people in hardship as a result of the collapse of HIH.

How could it be that a collapse of this size could occur, especially given the amount of prescriptive regulation that governs the insurance industry in Australia? What were the regulators doing? What were the auditors, the investigation teams, the field teams, and so on, doing? On 24 May 2001, I asked the Minister for Finance and Administration question No. 2591 on notice about the extent of the terms of reference of the royal commission into HIH and the role of the Australian Prudential Regulation Authority. To date I have heard nothing from Minister Hockey.

Many Australian industries have developed an insidious culture of either total or practical self-regulation. This is certainly true of industries at the big end of town, such as the banking and insurance companies. They increasingly see themselves as above the law and impervious to criticism. They have lost any sense of their moral obligation. Whether it is the prudential obligations in the insurance industry, fiduciary duties or other ethical relationships, the culture of self-regulation has led only to cost cutting on the part of government agencies that attempt to minimise their bottom line investigation and compliance costs. The prevailing culture is for these ‘captains of industry’ to behave as a de facto government. These corporate giants claim to be the experts, and when they fail they expect the taxpayer to foot the bill for their dishonesty, their incompetence, their greed and their stupidity.

When I see the apparent ineffectiveness of APRA or wrongly named institutions like the Banking Industry Ombudsman, I understand why corporate debacles like the collapse of HIH are all but guaranteed. The Howard government must take this opportunity to review all corporate governance and regulation in Australia. This government must seize this opportunity to put teeth back into the government watchdogs that are now nothing more than toothless tigers. This government must admit that regulation is a public ministry. The regulator must be independent of the person or thing being regulated. The regulator must be indifferent to the outcome. Finally, the government must place the public interest first, get the royal commission into HIH moving and hand the royal commission the widest terms of reference to ensure justice for all.

Forde Electorate: Centenary of Federation School Essay Competition

Mrs ELSON (Forde) (10.35 p.m.)—It is a great pleasure to stand in this chamber tonight and recognise the talent, optimism and enthusiasm of some very special young Australians. It is with great pride that I report to the House on the Forde Centenary of Federation School Essay Competition. I am delighted to have been able to personally host this special event as part of our local cele-
As honourable members know, I firmly believe in the optimism and talents of our young people. I believe that one of the very best aspects of being a member of parliament, and certainly one of the most enjoyable, is that I have the opportunity to meet and talk with so many great young people, especially when I visit our local schools, as I do on a regular basis. In this age when we seem to have a conflict driven media that feeds on bad news stories, it is wonderfully refreshing to know that our young Australians hold great hope for our future and have a strong belief in our nation and their place in it. This was certainly reflected in the hundreds of essays that local students submitted to the competition. Having read most of the essays myself, I must say that the judges had a very hard task.

Our three winners and three runners-up were certainly very worthy. It was a pleasure to meet them and their families at our special ceremony last month. In the nine- to 12-year category, we had joint winners in Kathryn Hales, who is 12 and comes from Tamborine Mountain College, and Anton Carboni from Tamborine Mountain State School. In the 13- to 15-year category, the winner was Joanne Tamblyn from Beenleigh, who attends Rivermount College, and the runner-up was Angela Smith of Helensvale, who goes to St Stephens College. We had two worthy runners-up in the nine- to 12-year section, Lisa Smith of Studio Village, who attends Jubilee School, and Stephen Fleming from Jimboomba State School. I would like to mention that there were a further 15 people who received special highly commended awards and whose work featured in the commemorative booklet that I launched last month. I hope to table that in the House tonight.

I was so impressed with the optimism and pride that our young students expressed that I decided to prepare this booklet as a lasting memento of their special work. It contains the winning essays as well as excerpts from our runners-up and highly commended entries. The booklet has been widely distributed throughout our local community so that others can share the national spirit and enthusiasm which is the underlying theme in all of these essays. It is really what our Centenary of Federation celebrations are all about. I have already received very positive feedback from the people in our community, who have remarked on the great pride they felt when reading this booklet. I could spend a great deal of time reciting some of my favourite pieces, but time does not permit me to do so, and they are all very worthy of recognition. Instead, with the permission of the Speaker, I will seek leave to table this booklet so that the views of our young people become part of today’s parliamentary record. I found it really heartening—I am sure that other members will too—that the young people of Forde have been so willing to share their ideas and that they have the skills to express them so beautifully.

In the short time I have left, I would like to make a very few well-deserved thank yous to our great local theme parks—Dreamworld, Movieworld and Seaworld—for sponsoring and donating the first prizes. I would like to thank all the teachers and parents in our community. Both jobs can be challenging and very thankless at times, but we see the rewards reflected in the thoughts expressed in these essays. Local parents and teachers are obviously doing a tremendous job of nurturing and encouraging our young leaders of tomorrow.

Finally, I want to thank the hundreds of schoolchildren who took part in this competition. Every one of them has done our community very proud, and I hope they continue to speak their minds and take an active role in helping to shape our nation’s future. We have a very proud history of democracy and a wonderful tradition of having a go, which is great news for the future of public debate and politics in Australia. One thing is crystal clear to me: in reading these essays and in meeting and talking to these young people, if the future of Australia is what they make it, then our future is in great hands. I now seek leave to table this small booklet.

Leave granted.
Mr HORNE (Paterson) (10.39 p.m.)—As we are approaching the end of the financial year we can look back over the past 12 months and the changes that have occurred during that time. I found it interesting to sit through question time today and listen to the Minister for Trade and other members of the National Party tell us how buoyant things are in rural Australia. In the electorate of Paterson, which I represent, the major primary industries are the dairy industry, the broiler industry and the oyster industry. Those are three primary industries that have undergone significant change and have faced extreme uncertainty. The people in those industries have had to cope with a new tax system which has brought about some significant changes to the way in which they do their record keeping and their accounting. I would like to read from a letter tonight which I received a copy of, which was sent to the Prime Minister by a dairy farmer—a very progressive dairy farmer, one of the largest dairy farmers in the Hunter Valley. The man who wrote this letter has farmed all his life. He is a very good farmer and he is determined to stay in the dairy industry. For that reason, he has made a significant investment. To cope with the new tax system, he has had significant GST outlays and, at the end of each quarter, has required a significant refund of his GST outlays. His letter says:

During the current term, your government has introduced:-

1) G.S.T.
2) Dairy deregulation.

The promise was made that all G.S.T. refunds would be paid within 14 days of receipt of B.A.S., and that no-one would be treated as a criminal during the phasing-in period. Ha! Ha!

We are dairy farmers. To survive, some of us have had to invest heavily in infrastructure to milk more cows. Therefore, our G.S.T. refunds are above the dairy industry average. The A.T.O. has a “wiff” of criminal activity, which must be investigated. Fair enough, but why prejudice us by withholding our B.A.S. refund? The review has nothing to do with the refund. If we have been fraudulent, there are legal ways of prosecution once this has been proved. The withholding of the refund prejudgets us as “cheats” and “a risk to the system”.

Although our bookkeeping was criticised as being imperfect, the rest of the review was okay. How many Australian farmers are trained book keepers? Until all aspects of the review are complete, no further funds will be released, no matter how long this takes. Why? What have we done to deserve this treatment?

Our refund for the March quarter of $35,000 has still not been paid as of today—That was last Friday. He continues:

Big bikkies to us—buys a lot of concrete. We are in the difficult world of small business battling to survive the ever expanding mountains of “red tape”.

Please explain:

Why wasn’t our refund paid in the normal way and paid on time?
Who authorised the A.T.O. to withhold such payments?
There is also an aspersion cast on the credibility of registered taxation accountants. They don’t prepare B.A.S. to defraud the government.
How will you rectify such situations? We know we are not the only ones victimised. How has your government allowed such a simple system to become so complicated?
Do you realise how much unpaid labour your government expects the community to supply to run this tax system? Not only does a B.A.S. take considerable time to compile, in many cases it still has to be submitted by an accountant, further adding to the cost. Maybe, to help small business, G.S.T. could be charged on receipts, not invoices.

Finally, you have also had the temerity to claim the government funded a $1.7 billion dairy restructure package. Even we moronic dairy farmers know how much came from the government purse—and your humble peasants despise such careless handling of the facts.

It’s a pity we only get one vote each.

Yours sincerely,

I will not give his name, because this letter was handed to me and it has been sent to the Prime Minister. It is typical of the dairy farmers in my community that are going broke because of deregulation and who also have to face the harshness of the change in the taxation system. (Time expired)
Telstra: Telephone Call Charges

Mr Lloyd (Robertson) (10.44 p.m.)—I rise tonight to expand on comments I made earlier today in the 90-second statements. My comments were about welcoming the change to the STD charges that Telstra announced on Sunday. It is a very significant change. It is one that is welcomed by my electorate most certainly, and I am sure by all the outer metropolitan areas of capital cities. It is a change which I have been lobbying for for the more than five years that I have been the member for Robertson, to enable people in my electorate to call the CBD area of Sydney for an untimed flat rate.

The new flat rate of 25c, with an unlimited time, will enable almost all of my electorate of Robertson to make those calls to Sydney. This will be a significant benefit to all the residents in my electorate, particularly older residents. As most members in this chamber would know, the demographics of my electorate of Robertson show that it has a higher than average population of older residents. Many of these people have family and friends residing in Sydney. Of course, the telephone is their lifeline. Some of these people are housebound—obviously, as people get older, it is not as easy to travel—and the telephone keeps them in touch with the outside world. It keeps them in touch with their families and their friends. They like to spend some time on the telephone. During the day, on an STD rate, this ran up the bill quite considerably. Now they will be able to speak to their families and friends in Sydney for an untimed flat rate.

The new flat rate of 25c, with an unlimited time, will enable almost all of my electorate of Robertson to make those calls to Sydney. This will be a significant benefit to all the residents in my electorate, particularly older residents. As most members in this chamber would know, the demographics of my electorate of Robertson show that it has a higher than average population of older residents. Many of these people have family and friends residing in Sydney. Of course, the telephone is their lifeline. Some of these people are housebound—obviously, as people get older, it is not as easy to travel—and the telephone keeps them in touch with the outside world. It keeps them in touch with their families and their friends. They like to spend some time on the telephone. During the day, on an STD rate, this ran up the bill quite considerably. Now they will be able to speak to their families and friends in Sydney for an untimed flat rate. That will be a great saving. A three-minute call to Sydney will be reduced from 52c to 25c during the day. Quite simply, the longer the call the greater the savings. A 30-minute call using this option will be reduced from $3.22 down to 25c. That will be a very significant saving.

Other residents on the Central Coast—those living a little further north in the Wyong region—will still be able to call the Sydney CBD under the community call charging option, which will mean that they can have a three-hour phone call to Sydney for a maximum rate of 99c. They will have an STD charge of no more than 10c per minute of no more than 10c per minute of no more than 10c per minute. If they have a two-minute or three-minute call, it will cost them only 20c or 30c. The people living in Wyong and those areas on the northern fringe of the Central Coast will still be able to call Sydney. And, of course, those people living in the northern areas of the Central Coast will now be able to call the CBD of Newcastle at a cheaper rate. It is important that they use that opportunity as well.

Another important aspect of these changes is the assistance to businesses. One of the hindrances to a lot of businesses relocating to regional areas from capital cities was the additional cost of telecommunications charges. I know that we have worked very actively on the Central Coast of New South Wales to attract businesses—new businesses and businesses from all over Australia that are looking to relocate to the Central Coast, which is a vibrant and expanding area. One of the questions they always ask is, ‘What about the cost of telecommunications?’ Having to make STD calls down to the CBD of Sydney, whether for Internet connections or for phone calls, was always a bit of a negative, a bit of a drawback. But now, under the new packages, businesses can take advantage of the BusinessLine Complete and the BusinessLine Plus packages, which will significantly reduce the call costs to the capital city of Sydney.

None of these changes would have been possible if not for the deregulation of the telecommunications industry. The members opposite criticise us for wanting to privatise Telstra, deregulating the industry, allowing other players to come into the market, providing competition and providing cheaper calls to the community. If we had not done this, none of these significant breakthroughs would have happened. It is important to recognise that fact and recognise that the community is now benefiting from the results of the partial privatisation of Telstra, the deregulation of the industry and allowing other companies to come in and provide cheaper services. (Time expired)
Telstra: Privatisation
Centrelink: Call Centres

Mr RUDD (Griffith) (10.49 p.m.)—There was a delightful irony in some of the remarks just made by my colleague opposite, the member for Robertson, who spoke before me. When we listened to Senator Alston on television on Sunday talking about the great benefits to be delivered by Telstra under its current management and ownership, we seemed to have a government claiming fully the benefits of being able to dragoon Telstra into undertaking a new charging regime. Yet the government seems to think that, once Telstra is fully privatised, according to its plans as they have been currently put to the Australian people, the government will be in a position to continue to dragoon Telstra into doing anything. It is quite a remarkable twist in the logic. But enough of that for this evening.

On most Saturday mornings in my electorate, I conduct a mobile office session. Last Saturday was no exception. I was at Stones Corner, which is in suburban Brisbane. You often find out some very interesting things when people come to talk to you about their experiences of government, either as a consumer of government services or as a government employee. Last Saturday was no exception. I had a woman come up to me to talk to me about what it was like being an employee in the Centrelink call centre in downtown Brisbane, just next to the customs house. There has been a lot of debate in the parliament about the changes which have occurred to various payments and to various categories of persons under this government. We have had the bogus $1,000 bonus for age pensioners, 40 per cent of whom never got it and 20 per cent of whom got something in the vicinity of $1 to $50. We now have the debate about the $300 bonus, and those who are now not eligible for that. We have also had the debate about the two per cent claw-back on pensions, the hike in pharmaceutical co-payments, the axing of free dental care, the axing of hearing aids for retirees and a range of changes to pension benefits.

What this woman came to talk to me about on Saturday morning was the impact of this raft of changes on her workplace and the ability of the staff working in the call centre for Centrelink in Brisbane to manage the sheer breadth and pace of change. She spoke to me at length about the stress which staff are under; she spoke to me at length about the unhappiness of customers that staff at this call centre had to deal with, and she spoke about being confronted with absurd findings from surveys conducted by management which in one case indicated that 78 per cent of Centrelink customers were ‘happy to be breached’. She informed me that, in her experience of people who were being breached in terms of their payments, happiness was the emotion least in their minds as they expressed their response to those who were trying to service them through the call centre.

She also spoke to me about the impact on staff morale of the error factor which understaffing at the call centres was causing. Of course, we have had the report from the Auditor-General which indicates that there has only been something like a 46 per cent accuracy rate in the payment and processing of pension claims. The same report says that 5.9 per cent of pensions were rejected when they should not have been, 13.5 per cent of claims were just plain wrong in the amount which was paid and, in terms of the $1,000 savings bonus which was offered last year, we had a total of some 31,430 corrections which needed to be made to it once the errors were discovered in the initial calculations. Staffing levels are proving to be inadequate and, in the case of this particular call centre, management has now decreed that there will be something called a ‘getting it right strategy’, which is leading to much hilarity around the staffroom at the call centre in downtown Brisbane.

However, the thing which really struck me about the story that I was told concerned the way in which people at that call centre are being treated. To use the term which the woman who came to speak to me used, people are being treated like ‘battery hens’. She told me that every call in which these work-
ers at the call centre were involved was monitored, that every amount of time they spent on the computer processing the results of an individual call was monitored and that every minute they spent away from their desks on toilet breaks or whatever was monitored. She said to me, ‘You don’t need to watch Channel 10 to see Big Brother. What you need to do is simply come down to the call centre in the middle of Brisbane and see Big Brother at work.’ She said, ‘This is having an enormous impact on the morale of workers at the centre and it is very difficult for those workers to sustain anything like the productivity levels necessary to deliver the outcomes which government expects of them.’ Yet in the midst of all this we have a government which is spending $4 million on advertising Centrelink services. Government should instead be spending this money on staff. (Time expired)

CrimTrac DNA Database

Mr LINDSAY (Herbert) (10.55 p.m.)—Mr Speaker, I suggest that that employee come to Townsville and join the Townsville call centre where the staff are extraordinarily happy. In fact, the call centre is probably the best performing call centre in the nation. I know because I visit that call centre quite regularly.

Later this week the government will be launching the CrimTrac DNA database for the country. That will be a very welcome launch. It is something that is supported by all state governments. It is very strongly supported by the law enforcement agencies in the country. Some weeks ago I put on the national record that I would like to see that database expanded to a national DNA database for all Australians. That caused all sorts of comments, all sorts of interest. It caused a wide debate across the country which continues today. There are some very good reasons for establishing a national DNA database—and it is not the Australia card issue all over again. I have correctly pointed out that anyone’s DNA is available virtually instantaneously. It is not a question of privacy: it is available now. So there is no problem, I believe, in storing the technicalities of a person’s DNA for good purposes. Those good purposes are that it allows the law enforcement agencies of this country to use modern weapons to fight the ever increasing crime rate. Aren’t our constituents across the country getting unhappier and unhappier about the amount of crime that occurs in the suburbs, the towns and the cities of this nation? We need to be using the most modern techniques available. The technique is being used overseas now. In the United States and the United Kingdom there are databases being built and the privacy of those has remained absolutely intact.

Having a national DNA database would allow the law enforcement agencies across the country to track anybody, no matter where they might go. But there are some other good things that it can do too. For instance, it would allow us to identify when people are innocent of crimes. In this morning’s Courier-Mail I noticed a report that a fellow in the United States had been in jail for 22 years for six murders and a rape—crimes that he had not committed. Earlier this week he walked out of a Florida prison a free man after all charges against him were dropped. The authorities had discovered that DNA tests had proved, after all those years, that he was innocent. In the press last week the New South Wales police minister was quoted as saying, quite openly, ‘We have many innocent people in our jails.’ If they are there, they should not be there. We should be using modern techniques to make sure that people are not put in jail when they should not be there. If there is an accident and a body cannot be identified, a DNA database is the simplest way of immediately ascertaining that person’s identity.

Taking a DNA sample is extraordinarily straightforward. It is only a matter of a cotton bud type swab in the mouth and a bit of saliva and you have got the DNA. In relation to prisoners, the Queensland authorities have been taking DNA for some time. Queensland leads the country in this process. No prisoner has ever refused to give a DNA sample because it is a straightforward matter. There are visions in some people’s minds of blood samples. Some people say it is outrageous to
collect this information, but it is nothing more than a fingerprint database—a unique identifier that has many more positive attributes than does a fingerprint database. To those who would say that there are privacy and security issues involved, all our medical records are already on computer in Canberra. Those records are never breached, and neither would a DNA database be breached. You need to be a very technical person to understand where that might be used. I am calling for a national DNA database for the Commonwealth of Australia.

Mr SPEAKER—Order! It being 11 p.m., the debate is interrupted.

House adjourned at 11.00 p.m.

NOTICES
The following notice was given:

Mr Beazley to present a bill for an act to require government advertising to meet minimum standards with respect to objectivity, fairness and accountability, and to prohibit the expenditure of taxpayers’ money on advertising which promotes party political interests.
Mr DEPUTY SPEAKER (Mr Jenkins) took the chair at 4.13 p.m.

APPROPRIATION BILL (No. 1) 2001-2002
Second Reading

Debate resumed from 7 June, on motion by Mr Costello:
That the bill be now read a second time.

upon which Mr Tanner moved by way of amendment:
That all words after “That” be omitted with a view to substituting the following words:
“whilst not declining to give the bill a second reading, the House condemns this Government for its:
(1) reduction in the projected Budget cash surplus from $14.6 billion when the 2001-02 Budget year first appeared in the 1998-99 Budget Papers to a surplus of $1.5 billion and an accrual deficit of $0.8 billion in this Budget;
(2) failure to address the significant investment needs in the areas of education and health provision;
(3) string of policy backflips and wasteful, panic driven spending across almost all program areas;
(4) commitment to sell the rest of Telstra if re-elected;
(5) failure to provide relief for Australian families under financial pressure;
(6) failure to address the hardship, and red tape nightmare faced by small business arising from the introduction of the GST;
(7) deception of self-funded retirees and pensioners through misleading taxation claims;
(8) failure to provide a comprehensive retirement incomes policy which addresses the needs of the new century;
(9) lax approach to corporate governance issues which has contributed to the recent spate of corporate failures;
(10) lack of an ongoing commitment to the protection of employee entitlements;
(11) misuse of taxpayers’ money on its politically partisan GST advertising campaign;
(12) provision of complex, confusing and uninformative budget documents;
(13) failure to identify in the Budget papers the true cost of GST collection and implementation; and
(14) failure to deliver its guarantee that no Australian will be worse off as a result of the GST package”.

Mr McCLELLAND (Barton) (4.13 p.m.)—The last sitting week was a significant week for the Attorney-General’s Department. It was the 100th anniversary of the creation of the department. The department, with justified pride, held a function to celebrate that. The motto of the department was ‘Achieving a just and secure society’. Indeed, they can have considerable pride in what has been achieved over a century of their work. I think the use of the word ‘achieving’ rather than ‘achieved’ was appropriate because we have a long way to go before we can really regard ourselves as having achieved a just and fair society. In particular in that context I wanted to make a few comments on this government’s policies in so far as they have affected access to justice.

The first thing to note is a massive cut in legal aid. In 1995, for instance, the last year of the Labor government, legal aid was at $160 million. This year, by way of comparison, we are looking at only $114 million plus $5.1 million unspent from the previous year. One of the reasons it was unspent is confusion also introduced with a splitting of what is a federal or a state matter and the matter of whether the Commonwealth will be prepared to pay a matter, because they will not if it is now a state matter. So we are looking at $46 million in one year less but,
if you add in a figure for inflation, in real terms we are looking at $67 million less on legal aid in just one year.

In fact, if you project the eight-year period from 1996, from this government’s first budget, through to the eight-year period covering forward estimates, it will be a total of $402 million that is cut out of legal aid—$402 million of Australians’ access to justice ripped straight out of legal aid. When we compare that with the $500 million GST ‘in chains’ advertising campaign, it is just an outrage, quite frankly. So that is one issue. That in itself is putting more strain on our court system. Indeed many senior members of the judiciary have spoken as to why it is indeed penny wise and pound foolish not to provide a decent level of legal aid, because the blow-out in unrepresented litigants is simply causing cases to be longer, which in itself is adding costs to the Commonwealth by way of additional judge time, associate time, court officer time, transcript time and the like. So it is very much in the context of being penny wise and pound foolish.

The other issue that I am finding as I am going around rural and regional Australia is the effect that the cutbacks have had on the Family Court’s budget. As part of the establishment of the Federal Magistrates Service, the government took out about $15 million over four years from the Family Court—roughly equivalent to the cost of funding judicial registrars, which by and large have been abolished or substantially abolished through the creation of the Federal Magistrates Service. This withdrawal of funds has had a significant effect. For instance, I was up at Coffs Harbour recently, and we have seen a complete closure of that registry, it being reduced to basically a filing registry on the morning of a court circuit that may come up there.

The vacuum in funding for the Family Court has not been filled by the creation of the Federal Magistrates Service so, for instance, we have seen a significant cutback in the area of counselling. Again, that is very much in the category of being penny wise and pound foolish because Family Court counsellors have been so successful in resolving matters prior to litigation. In fact, we have seen in metropolitan areas that the number of counsellors has been cut from 101 to 81, which is a reduction of 20 per cent. However, the number of counsellors in regional Australia is even worse on a proportion basis. That number has been reduced from 22 to 16, a cutback of 27 per cent.

If you follow this through with the reduction in counselling hours that have been provided to rural and regional Australia, you see they have also been cut back, by 26 per cent. In fact, distressingly, counsellors no longer visit the towns of Nowra, Orange, Parkes, Bourke, Lightning Ridge, Muswellbrook, Tenterfield, Glen Innes, Inverell, Ayr, Bowen, Emerald, Mount Isa or Griffith. The government, in place of that $15 million that has been cut out, has contributed about $1.7 million to assist in the outsourcing of counselling services. But just comparing $1.7 million to $15 million does not add up; clearly there is going to be a shortfall. It is very difficult for private counsellors—and many organisations are excellent, it must be said—but, in the context of litigation where there is a need to provide children’s reports and the like and to advise parties to the counselling as to what the likely outcome is should the matter proceed to court, again that is not justification for cutting out these very successful counsellors from the Family Court itself.

Regrettably, counselling at the pre-trial stage or at the pre-filing stage has now virtually been abolished as a service that the Family Court provides. Obviously, the community would say that, if you can help partners to a marriage resolve their differences before the break-up occurs, it is far better than seeing the trauma and the suffering that occurs in the family unit, in particular for children, during full-blown Family Court litigation.

Again, it is very much penny-wise and pound-foolish not to provide proper counselling services, because we simply see knock-on consequences down the line in terms of child sup-
port services—the Department of Community Services in New South Wales, for instance—or, in worst-case scenarios, the police being called in to resolve situations of domestic violence. Frequently these disputes have been inflamed in circumstances where counsellors can have a role in helping the parties come to terms with the problems that they are confronting.

There are also issues in this year’s budget regarding what appears to be a reduction in grants to family relationship support. It will fall from $31.4 million in 2001-02 to $26.1 million. We pursued this in Senate estimates recently, and it was explained to us that it was a result of an underspending of $3.675 million in 1999. But then again there were suggestions that the funding was for a contract services program, for the contact orders pilot evaluation and for primary dispute resolution. In that answer, the government seems to be suggesting that that $5 million was for one-off events that occurred last year. Whichever way you look at it, there is $5 million less in the area of family relationship support. I think the community is saying, ‘Whether they are one-off programs or not, the fact of the matter is that there has been a reduction.’

In terms of the whole area of the Family Court and the interaction with family support and counselling services, I also see a real potential cloud on the horizon that the creation of the Federal Magistrates Service is not going to be able to fix. Initially, when the Federal Magistrates Service was created, because they started the lists off, the lists were very short in terms of getting a final hearing. In those circumstances, it was not necessary for the federal magistrates to hear interim applications making arrangements most specifically in terms of residence and access to children. A real problem is emerging, because increasingly the magistrates are becoming busy. As I indicated earlier, with the creation of the Federal Magistrates Service virtually all of the registrars in the Family Court were made redundant or placed elsewhere. That has meant that the registrars have conducted these interim applications in the Family Court, which means that there is an ever increasing and indeed dramatically increasing list of interim applications. That is a real problem on the horizon, particularly in these highly emotive access, custody and residence matters, and is a real powder keg for aggression to develop and for children to be affected. I also note that the government has significantly contributed to that list blowing out because of its delay in replacing judges.

There are several other areas in which this government have been found wanting. By way of a gimmick, really, they are proposing $6 million for a family law telephone service, despite the fact that many legal aid commissions operate extensive and sophisticated telephone advice networks across a range of matters, state and federal, including family law. In fact, of that $6 million only $750,000 will actually go to increasing the availability of legal services. What we will see with the balance is money spent, firstly, on consultants and, secondly, on Centrelink staff—not legally trained—providing, on figures given to us in the estimates hearings, only five minutes of advice to people, and that is usually going to be by way of a referral to another organisation, such as a community legal centre. Effectively, you are spending $6 million to duplicate a layer of services in circumstances where that money most certainly could have been much better spent on enhancing the resources of community legal centres, for instance, that operate virtually on the smell of an oily rag but provide invaluable assistance in so many areas, particularly in family law.

With respect to that issue of community legal centres, I note that the Attorney-General, by way of a media release, has denied our assertion that there has been a reduction of $3.9 million in the community legal service budget for this current financial year. The government is spending now only $21.8 million. Again, we see the government coming back to the argument that the $3.9 million was for one-off programs last year. But that is money that has come out of the sector. By way of contrast, on 21 June 2000, the Attorney-General said to me in the
REPRESENTATIVES
27792
MAIN COMMITTEE
Monday, 18 June 2001

Main Committee, ‘I would not sneeze at the $26 million that actually goes to those 126 CLCs because it is a very effective use of money.’ He did not say then that it was $21.8 million plus $3.9 million short-term, one-off funding; he was claiming that there was $26 million. So the sector is entitled to complain that $3.9 million has been taken out of their resources—in circumstances where they, as community organisations, have been required to pick up a tremendous amount of the work coming as a result of the cutback in legal aid to which I have referred.

We have seen with this government a complete abandonment in so many areas, including in what was in place when they came to office in 1996—measures to assist middle Australians to access justice, for instance, by way of the disbursement fund of $10 million that Labor had created to assist middle Australians who were not entitled to legal aid to otherwise be in a position to defend or pursue their rights with the assistance of a fund to pay their actual disbursements.

When you look across the board at what this government has done to legal services, we cannot claim to be, under this government, a just and fair society because, in so many instances, access to justice is quite irrelevant to people—they just do not have access to justice. In those circumstances there is a real risk of our legal system becoming irrelevant to an increasingly widespread sector of Australian society. That is something that we should all be concerned about.

FRAN BAILEY (McEwen) (4.29 p.m.)—This Appropriation Bill (No. 1) 2001-2002 before us today delivers on what this government has been focused on for the last five years. It delivers responsible economic management, a budget surplus, a $60 billion reduction in government debt, a $4 billion a year cut in government interest payments, low inflation, low interest rates and an unemployment rate that is at the lowest level it has been for many years. This government has recognised the fundamental importance of responsible economic management. Without it, the government’s ability to fulfil its responsibilities and to provide for and create an environment in which everyone has equal opportunities is severely limited. You simply cannot have good economic policy without good social policy and vice versa—they go hand in hand.

Five consecutive budget surpluses have been used to reduce government debt. This has helped to pull down interest rates and to enhance private capital investment, labour productivity and economic growth. The budget surpluses that have been produced have also increased national savings and, in the long run, led to higher investment and living standards. I often say to people in my electorate that there is very little difference between the government budget and the family budget. If the family budget is weighed down by excessive debt, there is nothing for the extra things that families might want to do, whether that be taking a holiday, buying a new car or computers for the kids, or whatever. Government is in exactly the same situation. If government is weighed down by debt, it simply does not have resources to put into many of the social programs which are necessary.

Under the previous government, irresponsible economic policy was taken to a new high. Under the ALP, Australia was living beyond its means and, in the process, it damaged the Australian economy. People must not forget how things were pre-1996 with record high budget deficits, $80 billion in government debt, high interest rates that crippled small businesses and severely penalised home owners, an outdated and unfair tax system and an unemployment rate which reached double figures. Make no mistake: if given another chance, the ALP will increased taxes, as their record shows. They are about big government, big spending, big taxes and big deficits, crowding out private investment, providing no incentive whatsoever for entrepreneurial and risk-taking activity, resulting in reduced real incomes and sav-
ings levels. Budget deficits have a detrimental effect on the economy because they result in higher government borrowings and inflation. Inevitably, this impacts on interest rates and has an adverse outcome with respect to private capital spending and investment decisions. Now that this government has decreased our debt, reduced interest payments and operated stable and responsible monetary and fiscal policies, it is possible for the government to concentrate on building on its social obligations. This includes putting more resources into building on our social capital and infrastructure—greater resources for education, health and welfare—delivering a social bonus to the people of Australia.

A record $7.6 billion will be spent by the federal government over the next four years on vocational education and training programs. The federal government, with this budget, has recognised the importance of building on what has already been established in areas such as jobs pathways, numeracy and literacy programs, new apprenticeship incentives, job placement and education training. In total, the federal government will provide over $12.4 billion in 2001-02 to support schools, training and education. Federal government funding to government schools has also grown by almost 46 per cent between 1996 and 2002. Most importantly for my electorate, the government has signalled its commitment to providing first-class education and training opportunities for young people in rural and regional areas. On the question of funding for education, there has been one almighty scare campaign raised. At an AISV dinner which I spoke at in Melbourne last Thursday night, I had a very good example given to me. It is this: if you were to take a bucket and put all of the state funding for education into it and then put all the federal funding into it, out of every dollar that was extracted for education, 24c goes to non-government education. Nowhere could the example be made more clearly. It was a very good example to let people know in very clear and concise terms exactly what the funding position is for both government and non-government education.

In 2001, we have 1.6 million young people in vocational education and training, and this compares to only 1.2 million when this government came to office. The number of young people in new apprenticeships now totals 500,000, and this is more than double the number of people in apprenticeships prior to this government coming to power in 1996. Despite running massive and crippling budget deficits, the ALP neglected these important areas of educational and social infrastructure. These appropriation bills will also provide an extra $2 billion for new apprenticeships, incentives for employers to take on new apprentices and extra incentives for those in rural and regional areas. I can tell you, Mr Deputy Speaker, that small business in my electorate really welcomes that.

Giving more young people than at any time in the past the opportunity to learn new skills and trades and to set out on career paths in which they will make a productive and worthwhile contribution to their local communities is what these programs are all about, as well as of course promoting self-esteem amongst young people. This is vitally important in regional and rural areas such as the areas I represent, where many young people are often left with little option but to leave home and to travel to the city in search of opportunities. With this government’s focus on new apprenticeships, young people no longer have to do this. Employers in regional and rural areas will continue to be given important incentives to take on these young people, to provide them with skills and to give them a means of developing career paths for their futures.

These appropriation bills also provide additional funding for the highly successful Jobs Pathway training and placement programs. The Jobs Pathway programs help to smooth the transition from school to work for young people aged between 15 and 19 by providing personal assistance that focuses on the skills and knowledge required to reduce their risk of becoming unemployed. The ongoing funding means that services will continue to assist up to
70,000 young people annually from over 1,600 secondary schools around Australia, and I am proud to say that the secondary schools in my electorate are right in with this program and young people are benefiting.

Schools in my electorate have welcomed the focus on vocational education. In particular, Mansfield Secondary College has participated in a vocational education and training project, with 16 students taking part and 15 signing training agreements after successful completion of the training. That is just one example across my huge and diverse electorate. I think having 15 out of 16 young people signing up and getting the benefit of that is an excellent outcome.

Young people at risk of homelessness and other disadvantage will also benefit from an additional $16.8 million over four years though the JPET program. This funding ensures JPET will continue to assist young people until 2005, with a direct program commitment of $74.4 million over this period. In 2001, the number of young Australians in Jobs Pathway type training programs totals over 168,000. This compares with only 26,000 before March 1996. Nowhere is there such a stark contrast, especially with regard to young people, between what the Labor Party did when they were in government, prior to 1996, and what we have done. The proof of the pudding is in the eating, and nowhere will young people find better support than from this government.

Once again, this signals an ongoing commitment—because of the funding going to the years ahead—and this has been able to be implemented only because of responsible economic management. Once again, if you are heavily weighed down with debt, you simply do not have the funds to put into these programs. This delivering of a social bonus, brought about by responsible economic management, is what government is all about. It is about delivering services on the ground to people.

This government is also reinforcing its commitment to funding places for young people in regional higher education: $34.8 million is being made available to establish an extra 5,226 places for regional higher education institutions, once again recognising the fact that families want their young to have access to further education within their own regional areas. Prior to March 1996, the literacy and numeracy levels of teenagers in Australia were at an unacceptable level. Close to 30 per cent of teenagers were unable to read or write. This government will continue its commitment to the National Literacy and Numeracy Plan, and $36.9 million has been allocated to provide ongoing support for this. This program has been a resounding success, reducing the rate of teenagers unable to read and write from 30 per cent to 13 per cent. I think 13 per cent is still way too high, but just imagine the number of young people who now have a chance, who have the opportunity to get their foot in the door simply because they are now able to read and write.

This is something which I am sure most of us take for granted, but without it you get absolutely nowhere. You do not get a foot on the bottom rung of the ladder unless you can read and write. I am very proud that this government has actually reduced that from the very unacceptable, high level of 30 per cent down to 13 per cent. The ongoing support for this program is going to see that 13 per cent reduced even further. That means, of course, that those young people will now get access to training programs. They are not going to drop out of school and they are not going to get into difficulty; they are actually going to have a chance in life, and that is what it is all about. These benefits really deserve bipartisan support. I think everyone would agree on the undoubted benefits of an educated society. I can only wonder why there has not been bipartisan and ongoing support for this program. If the ALP were to roll back the GST, which provides $5.7 billion to Victoria alone, I would like to ask how such funds could continue to be provided for such essential programs.
Information technology is also being utilised to provide educational opportunities for regional and rural Australia. These appropriation bills provide $34.1 million over five years to support online curriculum development. You have only to visit a little primary school like Jamieson in my electorate to watch young primary school students logging online to take part in science adventure programs. This is a very remote community in my electorate, and watching these young students is absolutely fantastic. This is what this sort of funding means. When you pick up the budget papers and you read that there is $34 million for online curriculum development, it does not say very much. But when you start to implement this program you can see the direct benefit, like the benefit that the primary school students in Jamieson in my electorate receive. I must say that I was very honoured to be able to launch that online science program just last year. It is fantastic that even students in remote areas in my electorate now have access to this technology.

Last year the federal government announced the largest rural health package ever put together by a government. The regional health strategy is providing $562 million to increase doctor numbers and to provide better health services in areas outside the major city centres. It is interesting to note that prior to March 1996, under the ALP, the percentage of medical services which were bulk-billed stood at 58 per cent. In 2001, this figure now stands at 72 per cent, which once again reinforces this government’s continued commitment to Medicare and to bulk-billing.

I must say, as a point of interest, that when we came into government there was not one place to access Medicare anywhere in my electorate of almost 15,000 square kilometres. Today I am proud to say that people now have that access in pharmacies throughout my area for the very first time ever. People living in rural and regional areas and even outer metropolitan areas not all that far from the areas that the member for Jagajaga represents have now got access. I think that is an important contribution. I also think that the rebate for lifetime private health insurance cover—is of course, non-existent under the previous government—is an important contribution.

An issue which is of continuing concern to all of the people who live in the rural and more remote areas of my electorate is getting access to GPs. It is never an easy issue. What was done prior to 1996? Precious little. This government has put in place a whole range of incentive packages to make it much easier to get GPs into rural areas. Another area of great concern, especially for families, is immunisation. Immunisation rates have increased from a low of 53 per cent prior to 1996—it is really unbelievable to think that they could be as low as that, but in fact they were—to 91 per cent in 2001, and there is a target of 95 per cent. I think the target should be 100 per cent. I also think that there is a special need for GPs in rural areas. I certainly support looking at Medicare to take into account the extra time that GPs spend addressing the needs of patients from rural areas, and that is something that I will be continuing to push. But I think all of these measures, especially in the health area, have been absolutely fantastic, including of course the new measures in these appropriation bills for $104 million over the next four years to enable general practices to employ more practice nurses—a great measure for many areas like mine. Also, $43.4 million is being made available to help reduce the after-hours workload on rural doctors.

There are also measures to tackle major chronic diseases like diabetes, asthma and mental illness. I will take a moment to place on record how absolutely appalled I was at the scare campaign run by ALP candidates with regard to diabetes. Nothing could be further from the truth. The scare campaign that was run was absolutely disgraceful but probably typical of many of the people involved. This government is reinforcing its commitment to fight diabetes by providing $50 million in funding to allow GPs to better manage patients with diabetes and
to improve the prevention and early diagnosis of the disease. The study that formed the basis of these recommendations was actually begun in the area of Diamond Creek in my electorate, and I am very pleased to be able to say that the work done in my area has contributed to this. I see that time is running out and I still have a lot to say about these measures. No doubt I will have opportunities in other forums. I commend this bill to the House.

Ms MACKLIN (Jagajaga) (4.49 p.m.)—The Howard government’s sixth budget takes Australia another step closer to one of the Prime Minister’s long held political goals—the destruction of Medicare. This Prime Minister’s strategy is to undermine Medicare by running down our public hospitals and, as we see day after day, pushing more of the costs of doctors and medicines onto patients.

These policies, as so many Australians know, are resulting in the Americanisation of our health care system—a two-class health system, which Australians certainly do not want. The Howard government is running down our public hospitals by failing to fund them properly. In its first three years, this government slashed more than $800 million from our public hospital budgets. In its second term, hospitals have been squeezed because the states have been short-changed when it comes to the proper indexation the Commonwealth was supposed to provide to the states under the Australian health care agreements. This budget does not have any new funds for public hospitals to attack the backlog in elective surgery, to reduce the queues in emergency departments, or to replace ageing equipment. According to the Royal Australasian College of Physicians, in some public hospitals:

... capital equipment has been allowed to run down to the point where it is creating serious clinical problems.

Our public hospitals are finding it increasingly difficult to respond to the demands being placed upon them, and this government in this budget had no answers. Time and time again from the minister for health we get abuse, which we are all used to, and now we are finding exaggeration added to that. Just recently, on the national television program Meet the Press, the health minister was questioned as to why there were no additional funds or new funds for public hospitals in this year’s budget. He could not explain. He was stuck, so what did he do? He just pulled out of thin air the claim that the Commonwealth is giving $1 billion extra a year for public hospitals. If only our public hospitals were receiving ‘an extra billion dollars a year’. This is a totally baseless claim. It certainly has no basis in the budget papers. The forward estimates show that there is only a fraction of this amount to cover rising costs.

The independent arbiter appointed to determine the proper indexation under the Commonwealth-state health care agreements has clearly demonstrated the extent to which the Commonwealth has been short-changing the states. This year alone, the Commonwealth has left the states $215 million short. It is not the Labor Party saying that; it is an independent arbiter who was chosen to sort out the disagreements between the Commonwealth and the states. This is no billion-dollar boost; in fact what we have seen is the screws increasingly being tightened on our public hospitals. The minister has yet again been exposed for his exaggeration. Either he does not know what is in the health budget, or he thinks it is okay to just make these untrue statements on national television. He certainly has an obligation as a minister to not distort the facts, particularly on such an important matter as public hospital funding, and he should come out and correct the record.

Unlike this government, the Labor Party has public hospitals as its highest priority. Labor’s Medicare alliance is a document signed now by five Labor state premiers and all Labor opposition leaders, including our leader, Kim Beazley. It signals a new era of cooperation in health funding. It demonstrates that Labor can and will fix our health system.
The split in responsibility for funding our health system between the Commonwealth and the states has dogged Medicare for all of its time. It is one of the critical issues that we need to resolve so that our health spending is focused on the needs of patients, not on who is paying. There are hundreds of true stories documenting the human cost of not fixing these problems—stories of elderly patients being trapped in expensive hospital wards because the Commonwealth, particularly this government, refuses to provide the additional funding for much-needed nursing home beds. Patients are forced to stay on trolleys in emergency departments for hours because there are not enough nursing home beds for those patients needing nursing home care. Labor’s Medicare alliance policy will fix these problems.

People working in our public hospitals are frustrated because the Commonwealth-state funding arrangements will not allow them to focus on what they know is the most important thing—their patients’ needs. This government has no policy to solve this problem, and the Medicare alliance is Labor’s solution, which will enable a new partnership and a joint commitment between a future Labor government and all state governments.

The Medicare alliance, most importantly, commits all levels of government to rebuilding Medicare over the next 10 years under new health funding arrangements that put the focus back onto patients. We are recognising that once we get the funding arrangements right we can get things right for the patient. We can reduce overcrowding and waiting lists because people who can be better cared for in nursing homes will be able to get a nursing home bed and will get the appropriate level of care. We can make it easier for parents with sick children, parents who currently wait hours in emergency departments because GP services are not available after-hours. We can stop the needless bickering between federal and state health ministers over who pays and start looking after people properly.

It is a pity that the government does not copy Labor’s Medicare alliance policy in the way that it is trying to copy Labor’s Medicare after-hours policy—another policy which we announced last year. Any person who has been confronted with a medical emergency or who has been anxious about their child’s health knows how important it is to get medical advice when you need it. Unfortunately, we also know how hard, and sometimes how expensive, it can be to see a doctor at night or on the weekends. Labor’s Medicare after-hours policy will provide better medical help outside normal working hours. The policy has two parts—after-hours GP services, working with local hospital emergency departments and a 24-hour medical advice line staffed by trained nurses under the supervision of doctors. It will be a truly national scheme to make sure all Australians can access after-hours medical care.

In his budget reply speech, Kim Beazley, the Leader of the Opposition, announced that a future Labor government would allocate $55 million over its first three years to establish the 24-hour medical phone service. This $55 million will come out of the Howard government’s wasteful advertising and consultancy budget. The days—or, I should say, nights—of only being able to get a recorded message in a doctor’s surgery after-hours will be over. Medicare after-hours will be supported by a web site with comprehensive information. A book for parents will be distributed through chemists. The government proposal contained in this year’s budget is a very weak imitation of Labor’s Medicare after-hours policy. Unfortunately, this copycat proposal is not national and does not include a 24-hour phone advice line. It envisages a small number of clinics which certainly will not be able to deliver accessible services to all Australians.

It is not surprising that Labor has the policies to fix our health system because, as Australians know, Medicare is Labor policy. The coalition lack any policies to strengthen Medicare because they want to continue the undermining that we have seen for the last five years. They do know that the great majority of Australians want Medicare strengthened. As the govern-
ment’s popularity continues to go down, the coalition are certainly looking around desperately for health policies. In this budget we saw them stealing them from the Labor Party.

I am sorry that the government has not agreed to accept our policy to dramatically cut the millions of dollars wasted on advertising and consultancies in order to fund desperately needed cancer services. This government wasted more than $500 million on advertising and education for the GST alone. In this calendar year, the Howard government is scheduled to spend $150 million on advertising. Over the last three years it has spent an average of $322 million on consultancies.

One policy which Labor are very proud of is that we are going to cut the advertising and consultancy budgets and re-allocate some of this money into a national policy to fight against cancer. In his budget reply speech, the Leader of the Opposition committed $90 million in new funds coming out of the advertising and consultancy budget to mount a national fight against cancer. Labor’s policy to fight against cancer is aimed at cutting the number of people who develop cancer and further increasing the survival rate of those who have it. A prime ministerial cancer advisory panel will be established to develop national strategies and produce an Australian cancer plan in its first 12 months. We will also build a new national cancer alliance to link our scientists with cancer specialists. We will create comprehensive cancer centres to enhance treatment services.

We will tackle the causes of cancer, the most notorious being tobacco. In 1999, 21 per cent of adult Australians smoked. Labor has set itself a target to reduce this to 15 per cent within five years. This will have a significant long-term effect on the number of people who get lung cancer. The funds will also enable a major melanoma screening trial in Queensland to be conducted and will begin the important bowel cancer screening trial. In addition, Labor will redesign the government’s cervical cancer screening program and create specific community based and outreach services that will better target women who are not using the current programs.

Patient care is at the heart of Labor’s cancer plan, and the services cancer patients receive will be improved by reforming the hospital pharmaceutical system to make sure that patients can get specialist cancer drugs as outpatients at home. Clinical trials for new cancer treatments will also be boosted to allow Australian researchers to test the most promising new cancer treatments and introduce innovation into medical practice. Labor’s national fight against cancer is a further demonstration of the fundamental differences in priorities between Labor and this government. Money on advertising is the Liberal priority; for Labor it is increased services to fight cancer.

The only plan this government has for Medicare is a not very secret plan to continue its dismantling, a plan it has been implementing via the back door for the last five years. We see started last night the latest $15 million being spent on private health insurance, just the latest example of this government’s spending priorities. The community knows that Labor is the only party capable of restoring Medicare and building it up to face what challenges are in the future. We are the party that believes in Medicare and we have the policies that will strengthen it over the next few years.

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (5.02 p.m.)—I also rise to enter this debate and support the Appropriation Bill (No. 1) 2001-2002 before this Main Committee. I want to put on record the scope and scale of the domestic and global environmental issues that confront us this century and this government’s response, both in budgetary and in policy terms.

First, on this, the day after World Day to Combat Desertification and Drought, it is important that we acknowledge that in 1998 people displaced for environmental reasons, for exam-
people polluted water supplies, exceeded the number of those displaced by war, and it has been
the same each year since. The Second World Water Forum held in The Hague in March 2000
estimated that by 2025 the number of environmental refugees could quadruple. On 18 April
this year, environmental scientists in Boulder USA reported that a huge dust storm, originat-
ing in Northern China, had reached the US and was blanketing areas from Canada to Arizona.
In March, the *People's Daily* in China reported the season’s first dust storm, the earliest and
worst in living memory.

Erosion is, as we all know, related to vegetation loss and associated loss of soil structure
and soil moisture. This is an ecological catastrophe, but water simply for human populations
for drinking and sanitation is also of major global concern. Only 2.5 per cent of the world’s
water is not saline, and of that some two-thirds is locked in ice caps and glaciers. In the next
20 years it is estimated that water use by humans will increase by about 40 per cent, with ag-
riculture requiring 17 per cent more and industry demands rising by 20 per cent to 70 per cent.

Only three per cent of the surface water in Russia’s Volga River Basin is considered safe to
drink because of pollution from toxic waste, and only three per cent of the water from the
Ganges is thought to be unpolluted. According to the World Water Commission’s report of
2000, water tables are falling by as much as a metre a year in many parts of Mexico, India and
the Yemen, and by over 1½ metres in China, with water diversions in Central Asia having a
particularly devastating effect on water quality and quantity and human health there.

We know that Australia’s Great Artesian Basin is being seriously depleted. There are over
4,500 bores across this basin, and nearly 1,300 have ceased to flow because of unsustainable
extractions and drop in water pressure. Eight hundred and eighty of the bores require urgent
rehabilitation. Some of this water we know is hundreds of thousands of years old. We have
estimated it would cost over $222 million to save 200,000 megalitres of wasted water per
year, or nearly half of the current use, or should I say wastage, as much of it seeps across
those dry desert sands.

This is a huge cost, and the Commonwealth has helped to shoulder the burden through
some $27 million allocated so far to help the states, territories and land-holders of the basin.
The Commonwealth has also contributed over $200 million between 2000 and 2002 for in-
land water protection and rehabilitation of the environmental values of our inland waters.
What sorts of problems are we countering and why are we entering into this partnership in
funding with the states, local governments and private citizenry? In Australia the long-term
flows from the Condamine-Balonne basin in Queensland have declined to approximately 45
per cent of the natural mean flow, which is a typical level of the flow reduction across the
Murray-Darling catchment in New South Wales and Victoria. Most of the streams in the
Murray-Darling Basin have experienced major flow related environmental degradation and
consequent loss of biodiversity. This includes salinity, of course, loss of quantity and blue-
green algal blooms. In the Barwon-Darling River it is estimated that, prior to development,
flows at Bourke were at about three million megalitres per annum. Flows are currently around
two million megalitres per annum as a result of upstream water use, so about 30 per cent of
the total flow has been extracted by the time the river passes Bourke.

Until the mid-20th century, most of the significant new diversions of water from river sys-
tems was achieved by the construction of large-scale public dams for irrigation and urban
consumption. As a consequence of these dams, flows in rivers like the Murray have been sig-
nificantly reduced and we need to urgently review their downstream impacts and adjust envi-
ronmental flows. At the same time, we also need to address the environmental flow needs of
the Snowy River and the Murrumbidgee River. Flows in these three streams, of course, were
altered as a consequence of the 1950s Snowy Mountains scheme. The Commonwealth is
funding significantly the buy back of water saved to put into these streams for environmental flows. We shoulder that burden believing that, as a nation, all of us will benefit when we make those rivers run as they should.

The New South Wales Department of Land and Water Conservation regard the Darling and its tributaries as already heavily impacted by water extractions. They also estimate that long-term average diversions in the Barwon-Darling are 30 per cent above the levels set under the Murray-Darling Basin cap. When large floods come down it is estimated that the flow is reduced to 50 per cent less than would otherwise have occurred under natural conditions, as agricultural users take the opportunity the flood presents to fill massive off-stream storages. Queensland, no doubt reflecting its later stages of regional development in the remoter parts, has been slow in addressing water and vegetation management down- and cross-basin consequences. The independent audit report pointed that out at the August 2000 Murray-Darling Basin Commission meeting. In particular, Queensland was singled out as the state which had the least appropriate water allocation management process, with inadequate consideration of down-basin impacts of additional water extractions, for example, in the Narran Lakes, a place of international significance for biodiversity values. We understand that, as a Commonwealth, we must help Queensland build its capacity to help its individuals understand what is at stake, and we must help that state, as with others, to set about producing the right sorts of management treatments. We are, of course, investing heavily through the Natural Heritage Trust to assist them to do that. The Commonwealth is leading the Murray-Darling Basin Commission in seeking the water reform practice that is required for all Australians to benefit.

The government of the Northern Territory is now considering the concept of an intensive irrigated agricultural development in the Douglas-Daly Basin. Previously unallocated Crown land has been offered for sale as development blocks. The Northern Territory Department of Primary Industries and Fisheries has suggested that 45 per cent of the basin is not suitable for the development, but 20 per cent can be developed as agricultural land and the remaining 40 per cent could be suitable for pasture improvement. As a Commonwealth we are concerned to make sure that this does not represent for Australia a loss of something that is incredibly precious and irreplaceable, but rather represents balanced development and careful conservation. The Daly River Basin contains two wetland systems listed in the directory of important wetlands in Australia. There are a number of endangered and migratory species that could be affected by intensive agricultural development there. The impacts of clearing and water extraction, particularly ground water, concern us. We are aware of the potential to permanently damage this area. So the Commonwealth has funded five environmental flow projects to research aspects of the Douglas-Daly River system. These projects are all funded, of course, through the Natural Heritage Trust’s river health program.

In Tasmania, there continues to be concern about the impacts of agriculture and the use of native forest and private land for low value production, like woodchips. In Queensland, the lack of vegetation management legislation continues to cause panic clearing in areas that may otherwise have been conserved, or should be conserved. In Victoria and South Australia, few native grasslands remain—and they need protection—and inappropriate firewood collection threatens many species. In Perth, Western Australia, the unsustainable use of ground water for urban consumption is just one of the environmental threats that that state faces. It is no wonder then that people within and outside governments are frustrated at the constraints on the Commonwealth when it seeks to set mandates and oversee the implementation of national standards for all aspects of sustainable natural resource management right across the country.

At the time of Federation, it was clear that the new states did not envisage a substantial role for the Commonwealth in developing national environmental policy or standards, or in regul-
lating the management and utilisation of natural resources across our vast continent. In fact, it was not until the 1970s that the first Commonwealth piece of legislation dealt with an environmental issue. At the turn of the last century, there was certainly very little understanding of the interdependencies of elements within an ecosystem so, not surprisingly, ecosystems were not regulated or managed in an integrated way. State government departments compartmentalised the management of forests, private and public land, soils, marine resources, wildlife, agriculture and water supply. Later, the regulation of air quality and noise abatement was similarly divided for policy development. The legacy of this earlier failure to understand the imperatives of managing in a totally integrated way lives on—even though the different state, territory and local government jurisdictions in Australia now understand that ecosystems cannot be protected and sustained, nor resource access equitably shared, unless policy and management are integrated. It is an absurdity, for example, to attempt to manage regional vegetation, sustainable agricultural production and the preservation of water quality with a silo mentality. But we continue to see examples of this right across Australia.

The environmental issues that I have just described were all evident and well understood prior to 1996. Unfortunately, prior to the Howard government’s election in that year, there was no national commitment to providing environmental funding on a scale that would leverage significant investment by states and the private sector sufficient to make a difference. There was no concerted effort to look at the institutional arrangements that varied so much across states and that often hampered the coming together of the various stakeholders so that, together, they could manage in an integrated way.

The Natural Heritage Trust, of course introduced by the Howard government in 1996-97, was the biggest environmental package ever seen in Australia. We saw $1.17 billion invested in over 10,300 projects to deliver into the hands of over 300,000 ordinary Australians the means to get to work to save our waterways, beaches, threatened species and productive farmland. In this budget we have provided an extension of $1 billion to the Natural Heritage Trust, extending for a further five years from 2002 the life of that great trust.

We have also become the first government to address the very serious dry land salinity affected parts of the country. Some states—for example, Victoria, South Australia, New South Wales and Western Australia—have long struggled to find sufficient resources to address salinity within their territory. For some of them, there is still a need to build in the communities an understanding of what the salinity problem really is. The Howard government’s $700 million National Action Plan for Salinity and Water Quality, like the Natural Heritage Trust, leverages further state and private sector funding to address the land management practices, the revegetation and the biodiversity protection that is necessary to obtain or protect the long-term sustainability of our natural resources. And they, after all, underpin our way of life, our economy and our culture.

And, significantly, this government is reviewing the institutional arrangements, nationally and locally, in an effort to produce cross-jurisdictional cooperation, information sharing and adoption of best practice that comes with integrated action. The government has allocated $5.1 million over four years to extend the national pollutant inventory or NPI, which provides vital information to the community on the types and amounts of pollutants being emitted into the air, land and water. This community capacity building is being supplemented by an additional $5 million over four years to then tackle the removal of dioxins and dioxin-like substances from the environment. As well, in this budget this government provided $8 million over four years to improve fuel quality and vehicle emissions in Australia.

We understand our task particularly in relation to the fact that Australia is one of the highest per capita emitters of greenhouse gases. We understand that each jurisdiction alone cannot
tackle this issue; it requires a national approach. This Australian government, led by John Howard, has committed to the first national greenhouse office, and through its work the Greenhouse Office has stimulated some of the world’s most innovative research into non-fossil fuel energy. We have seen local councils pick up the issue of climate change and the need to work, individually as councils, through those problems. In fact, our councils have been some of the fastest to adopt practices in a program like climate protection change.

To meet our international as well as domestic environmental obligations, this government has provided $217.9 million to meet the challenge of climate change, and another $212 million in 2001-02 to also maintain world-class weather forecasting and climate information development. We have a world-class service in the Bureau of Meteorology. It is a service that has included in it some 6,000 volunteers who daily help to keep the climate record of Australia. Those volunteers are being especially recognised this year as part of the International Year of Volunteers. It is certainly this government that has recognised a need for the Bureau of Meteorology to continue to be given the resources to upgrade its technologies and to maintain the excellence that it now has an international reputation for.

I have been saying that, as a government, we understand that a significant level of financial resources must be put into managing the strategic development and the implementation of strategies to ensure that all our natural resource use in Australia is sustainable. We understand, too, the level of resources needed to inform and educate the public about the role that they can play. We understand the importance of research and we understand, in particular, our nation’s role as we work on the most significant environmental problems that affect us both domestically and as a planet.

Human pressure on the land has been exacerbated by well-intentioned but disastrous policies. I began by talking about China. For example, in China a decision in Beijing in 1994 saw any crop land taken out of production for construction being offset by land reclaimed elsewhere in China. This so-called ‘reclaimed land for crop land’ was where the deforestation occurred and where the ploughing of previous grasslands occurred. Hence fast growing coastal provinces such as Quandong and Shandong, which are losing crop land for urban expansion, are paying other provinces to plough new land elsewhere to offset their losses. We have to make sure that that sort of situation does not arise in microcosm in Australia, where our coastal fringes are pushing into our inland areas with urban development. We must make sure that our urban development is never at the expense of degradation of the natural resource that, as I said before, we depend on for our economic foundation, our way of life and, indeed, the basis of our culture.

We have to understand that, in Australia, we are living in a time where we need to make good the mistakes of the past. We are indeed only borrowing from the futures of our children. I am very proud to be the Parliamentary Secretary to the Minister for the Environment and Heritage in this government because I believe we have committed the resources. We certainly have committed ourselves to working with the other stakeholders in this country, the other jurisdictions to—for the first time—make a significant difference in this country. I thank you.

Mr MURPHY (Lowe) (5.19 p.m.)—This afternoon I wish to support the amendments to the Appropriation Bill (No. 1) 2001-2002 moved by my colleague the shadow minister for finance and administration, Lindsay Tanner. Without question this bill confirms the damage this government has done to the lives of low and average income earners through six Howard-Costello budgets. The government’s desperate attempt to address this damage through panic spending and cynical vote buying is nothing more than admission of its failure, and a final insult to those who have suffered the burden and nightmare of the GST.
More than half the constituents in my electorate of Lowe are aged between 24 and 64 years and fall between the income brackets of $30,000 and $80,000 per year. They are the families that are the backbone of our country. Having fought hard to gain an education and move into the work force, these families are entitled to expect some support from this government. What assistance has the government provided to those who work so hard? The answer: next to nothing.

After all the promises, this budget ignores hardworking Australians. In fact, with all its meanness and trickiness, the Howard government has combined the punishment of the GST with silent tax thresholds and bracket creep. The impost of the GST on low and middle income earners—the people this government expects not only to carry out this government’s policies but also, somehow mysteriously and miraculously, to provide for their own retirement—has added to their cost of living, a cost unrelieved by the tax cuts and the incentive to join a health fund. The effect of the tax cuts and the health fund incentive was a cynical one-off action swept away by the ongoing daily impost of the GST and bracket creep. Terry McCrann, in his article in the Weekend Australian of 2-3 June 2001, says:

Bracket creep is real... It is just as real an increase in tax as an excise or an explicit rate change... and it hits every taxpayer—even those who stay in the 31.5c tax bracket. Crucially, it hits hardest those in, or moving into, the two top brackets with taxable income around $40000 to $80000...

Low to middle income earners are the silent majority upon whom this government has built this sham of a budget. They get nothing from this budget except the unrecognised honour of paying more and more and more. Bracket creep revenue over the 2001-02 to 2004-05 financial years is estimated by McCrann, in the same article, to rise by an amount equal to the total rise in GST revenue plus the federal excise and other indirect taxes, a figure of some $7 billion. Without bracket creep this budget heads into the red. Crispin Hull, in an article in the Canberra Times of 2 June 2001, is even more precise when he says:

The present Government has engaged in even worse humbug by imposing higher indirect taxes in the form of a GST and pretending to more than compensate by giving ‘cuts’ in income taxes. However, the figures presented in the Budget papers and other figures give the lie to this pseudo-generosity.

He goes on to say:

If compensation for this GST had been permanent and real, one would have expected a permanent reduction in the relative position of income tax as a percentage of total government revenue and as a percentage of gross domestic product. But what do we find? No such thing... income tax appears to be creeping back to its pre-GST level... In short, mug PAYE taxpayers are back where they were in 1998-99... but they also have to cop the 10 percent GST on everything they buy with their post-tax wage.

The Australian Taxpayers Association, in its review of this budget, also comments on bracket creep starkly with these statistics: that, while total PAYG collections are expected to rise by 5.3 per cent, average salary and wage income is expected to rise by only 3.75 per cent. This increase in taxation for low and middle wage and salary earners is further compounded by the load shifting in the family expenses of education, child care, health and aged care from the public purse to the family purse.

In education, this government has consistently favoured private education over public education—but, worse, within private education this government has heavily weighted its prejudice to the old category 1 end of town. Category 1 schools under the REI scheme are advantaged under the SES scheme with a $1,000 per annum per student increase, as against the lower levels with less than a $200 per annum per student increase. Public schools, by contrast, will get the princely sum of a $4 per annum per student increase. Lowe has 20 non-government schools containing some 11,000 students. None is in the former REI scheme.
category 1. Seventy-five per cent of those schools are in the Catholic education system. All but two of those schools are in the former ERI category 1.

Of course, whether you choose a public or a private school, the GST is ever present, from the tuckshop through school books to school equipment. Labor says that all Australian children have, as a right of their citizenship, a claim to a fair share of the resources allocated to education in Australia. At present under this government, the children of parents at the big end of town are being quarantined in privilege whilst the children of lower and middle income Australians have to make do with the crumbs from the table.

This government’s budget has simply subsidised the reproduction of privilege in this country at the expense of the children of middle and battling Australia. Recently released CPI figures indicate that education costs on a year to date basis rose 4.5 per cent, with the increase from the December 2000 quarter and the March 2001 quarter being 4.2 per cent. The year to date increases in secondary education were 6.3 per cent and in primary education they were 4.4 per cent. These are huge imposts on the family purse, particularly when the salary and wage incomes of these families rose by less than four per cent over that period.

Education is the lifeblood of a knowledge nation. Labor says education must be whole of life; without it nothing else is possible. Education is the great fuel, the great renewable, by which we maintain and progress the Australian way of life and standard of living. The very life of our country as a society of people operating at above subsistence levels in the world is at stake. It is time education ceased to be the province of partisanship and became a national commandment.

The other great impost on any family is health care. A recent survey reported in the Daily Telegraph of 28 May 2001 noted that over 70,000 people have exited health funds of which many are in the 30- to 50-year age group. Moreover, the government’s incentive package to drive people into health funds has not yet relieved pressure on the public health system. The March quarter 2001 CPI figures indicate an increase in the health cost year to date of 3.9 per cent but an increase of 9.3 per cent in pharmaceuticals. So, despite large increases in expenditure by this government on incentives to join a health fund, low and middle income Australians have experienced further health imposts on the family budget, and many are seeking to relieve those pressures by once again exiting health funds and running their luck as before.

This is the government that tells us there is no such thing as a free lunch. Clearly the exception to that rule is this government itself: this is another example of how this budget’s largesse is at the expense of something else or someone else. This is a government which sees its role as providing only the most minimal of social safety nets in health, education, child care, aged care and so on. If any publicly provided service or resource provided for more than that, then this government has shown a willingness, even an avid enthusiasm, for reducing that provision to the most minimal by transferring services and resources to the profit driven private sector to make sure the public sector cannot do more than provide the most minimal service.

The recent corporate collapses, attributable to what can only be described as corporate delinquency, are instances of where the watchdogs, the regulators, have been reduced by a poverty of resources to do little other than watch. It is as if this government has told the lifeguards on the beach to put away their equipment, save for a pair of binoculars, a pencil and paper by which to observe the conduct of swimmers and to note the drowning as a matter of record—but never to enter the water. This government’s ideology and prejudice driven social engineering are designed to drive middle Australia away from the community as the standard bearer of social services and resources to the market driven, fee demanding private sector.
Everyone knows the corporate sector is a risky and racy place. More and more of low and middle income Australians’ savings, either through investments or superannuation, are now used by corporate Australia. No longer can corporate Australia behave in the cavalier manner of the 1980s or the recent dot com frenzy. Low and middle income Australia demands now that corporate Australia conducts itself with a community obligation to protect and enhance those investments and savings. It demands that corporate Australia swim between the flags and that the watchdogs, the regulators, be forever vigilant in ensuring that they do.

The people of my electorate of Lowe expect and demand better of government. They expect and demand that the community will make more than minimum public provision for health, education, child care, aged care, corporate conduct and rectitude. My constituents of Lowe want to know why, after five years and six budgets of this government, this country seems to be run no better than some hapless Third World country. In fact, the lack of accountability of this government for its conduct is matched only by the Pontius Pilates of the recent corporate collapses. Australians have had enough of the mean and tricky hypocrisy of the Howard government and its corporate allies. What has become blindingly obvious to all Australians is that this government runs two sets of moral codes: one for itself and its big end of town allies and one for the rest of us. Australians expect and demand better of themselves and of their governments. They know our country can do better and they are not happy with their country becoming an international pariah.

So far this government has been a one issue per term government: in the first term, industrial relations and the war on the trade union movement with masked men and Rottweilers; in the second term, the GST and the promise that no-one would be worse off—a claim exposed by the recent Newspoll on the GST showing that 57 per cent of the population oppose the GST and 58 per cent believe they are worse off because of the GST; and, in its third term, the coalition only holding out on the promise of the sale of Telstra. What have the last five years of coalition government been for? Attacking working Australians through industrial relations changes, tax changes and the running down of social services and assets. There is nothing about where this country is headed or should be heading. Australia can no longer afford the coalition in government. The time has come for this government and its threadbare mean and tricky ideology to be brushed into the dustbin of history. Finally, all Australians want this government off their backs. This will occur when the election is held on 17 November 2001.

Mrs VALE (Hughes) (5.29 p.m.)—I rise to speak on the Appropriation Bill (No. 1) 2001-2002. I wish to record my support for this bill because of its focus on a group of Australians who deserve from us our regard and a respectful duty of care. I specifically refer to those older Australians who have worked and raised their families—often in the hardship of the world depression of the 1930s and in a recession or two in later decades—and who had fought or lost loved ones in World War II, Vietnam, Korea or the Malaysian conflict. These older Australians, some of whom are recipients of social security and some of whom are low-income self-funded retirees, are Australians who have paid their own way throughout their lives. Many are of little burden upon government revenues and they continue to get on with their lives in a positive and contributory way.

I welcome the 2001 budget because I believe it is a budget of honour and respect for all Australians, but especially for our older Australians. As such, it is a fitting budget for the year of the Centenary of Federation. It is a budget that pays tribute in sentiment and in dollars to those who, over the past 60 years or so, have—like our young men who fought on the Kokoda Trail—helped to defend our country during its days of danger.

This budget also pays tribute to those who, over their lifetimes, have contributed to the many benefits that every Australian, whatever their circumstances, today enjoys in our great
nation. No longer in the work force, they continue to contribute to the Australian community in a positive manner. They do this, for example, through their advice to and support of younger family members, helping them to cope with the daily stresses of life, or through other forms of volunteer community service that are often hidden from the public agenda but are essential to a healthily functioning community. This brings to mind a fine elderly couple who live in my electorate of Hughes, Mr Don Morrison, OAM, and his wife, Nita, of Engadine. Don, actively supported by Nita, has served on various voluntary community committees since the 1930s and was recognised last year for his lifelong service to his local community and to the RSL association.

It has been a privilege for me to be a member of a government that, in five years, has steered our nation from a crippling national indebtedness, foolishly created by the opposition when it was in government, to a prudent budget surplus and with the inherited debt substantially paid off. Sixty billion dollars of Labor’s $80 billion debt has now been paid off in five years of sound economic management by the Howard coalition government. This has created interest repayment savings of over $4 billion a year. This is a significant achievement and one which has become a hallmark of the responsible financial management of this government.

The coalition government has done this despite knee-jerk ideological warfare by the other parties and their cheer squads who oppose us in and out of parliament. It has been achieved during times of international financial collapse, especially in our own geographic area, and the economic woes of many of our key trading partners. The coalition government has planned for responsible economic management which, in turn, has provided the ability to implement caring social policy. This reasoned and responsible management was not undertaken without pain in some quarters, and there was certainly some screaming and gnashing of teeth by the opposition. But now the hard yards are almost over, and the work has been carried out to the point where we can now implement the care for those in our society for whom we are responsible and to whom we owe respect.

Now we can prudently honour our elders, our widows and our aged warriors through the surpluses provided by previous federal governments in federal budgets through the exercise of tough economic restraint and which were implemented without fear of criticism but in determined pursuit of our national economic health. This is not a budget of empty promises to our senior Australians like the infamous 1993 l-a-w law election promises of the then ALP government; but it is a budget of benefits n-o-w for now. This budget is not just about dollars; it is also a tangible message of honour and respect to our senior Australians and their families.

Focusing upon low income aged persons, the 2001 budget makes good policy sense. Australia is a greying community. The baby boomers of the late 1940s and 1950s are already beginning to enter early retirement. As our population ages and grows greyer, there is a growing burden upon the younger tax paying workers of Australia to support the elderly. This was one of the vital reasons that we needed a new tax system, so that the government could rely on the widest possible tax base to underpin our commitment to those Australians dependent upon government support.

However, we also need to encourage a culture of self-sufficiency in retirement. This requires governments to establish the right precedents and to put in place the right incentives to encourage those in the work force to make prudent and sensible financial provision from their own resources for their retirement years. I believe this budget has begun that process and is sending out the right messages. This budget will have a positive and significant effect at the local community level. For example, I estimate that, in the electorate of Hughes, there are some 2,500 aged persons who are also low income, self-funded retirees who will be substan-
tial beneficiaries of this budget. For them, an effective non-taxable threshold will soar from $6,000 to $20,000 for a single person and from $7,000 to about $32,000 for couples.

Not only will those who do not exceed the $20,000 threshold not pay any tax but also they will not have to submit a tax return. For all who qualify, it will take effect in the current financial year—that is, it will be backdated to 1 July 2000. If they have been paying tax on any of their income during this financial year, they can look forward to getting it back. I estimate that in Hughes there are about 12,000 full- and part-time pensioners who will benefit from the non-taxable payment of $300 announced in the budget. The purpose of this payment is simple: it is a tribute given as tangible recognition of the contribution to the community made in the past by these older Australians.

In my electorate, there are about 20 former prisoners of war of the Japanese or their widows who will benefit from the $25,000 ex gratia payment contained in the budget. Prisoners of war of the Japanese were not covered by the Geneva Convention and suffered a form of brutality that was of exceptional severity, even when compared to the general suffering and horror of war that non-POWs were called upon to endure. More than one in three prisoners died, either at the hands of their captors or through deliberate neglect. Most of us can recall seeing archive film of places like Changi and the Thai-Burma railway and the emaciated living skeletons who managed to survive and emerge from their ordeal of horror.

There was also the infamous Sandakan death march which only a handful of the hundreds of Australians who began that forced march survived. Nothing in Australian life compares to that kind of suffering and sacrifice made in order to protect their fellow Australians from the very real prospect of invasion, possible massacre, certain occupation or ruthless exploitation. This $25,000 payment will also be a tangible thank you and tribute to the many wives who, when the war was over, spent many years looking after those who had been deeply scarred physically and emotionally by the brutality of captivity. There are about 300 British Commonwealth and allied veterans and qualifying merchant mariners in the electorate of Hughes who will now qualify for the Repatriation Pharmaceutical Benefits Scheme. During the Second World War, they were enlisted in the service of countries such as New Zealand, Britain, Canada, Belgium, France, Greece, the Netherlands, Norway, Poland, the United States and the former Yugoslavia. These older citizens fought alongside Australians against the common enemy and their efforts helped our Australian democracy to survive. We owe them a debt of honour and our continued gratitude.

I was especially pleased to hear on budget night that our coalition government would also end Labor’s discrimination against remarried war widows. This restores justice to widows who lost their husbands to wartime service, only to be penalised by later marrying again. Since the decision of the Labor government in 1984, for almost two decades there have been two classes of Australian war widows: those who receive their rightful entitlements and those who were denied what was due to them. This budget offers the nation’s deepest regard and respect to all our war widows. I applaud them, join with local members of Legacy and the RSL subbranches of Woronora River, Engadine, Liverpool, Helensburgh, Bundeena, the Heathcote Services and Citizens Club and the Sutherland United Services Club and salute this initiative on behalf of the war widows in our local area.

Families in my area will also be pleased to learn of important initiatives within the health portfolio. In Hughes, there are about 15,000 over the age of 25 who already suffer or will suffer from diabetes. Half are currently undiagnosed. They will benefit from the $49.8 million over the next four years announced in this budget to improve the prevention, early diagnosis and management of this disease. It is estimated that up to one in three people do or will suffer from mental illness at some time in their life and that possibly more than 10,000 people in my
representatives will experience a mental health problem in the next year. The budget provides $120 million over the next four years to help GPs provide improved care for those suffering in this way. It will enable greater access to psychological support for patients. This will be good news for families and friends as well. When this flow-on effect is taken into account, I have no doubt that this is one measure that will have a widespread beneficial effect within my electorate of Hughes and within other electorates of members from both sides.

Asthma is a real concern for families in the Sutherland Shire. The electorate has approximately 13,000 asthma sufferers living in close proximity to two national parks. This important health issue will also receive budget attention. The budget will provide $48.4 million over the next four years for GPs to better manage this illness through a unique three-plus visit. I also note that the national cervical screening program and the incentives to GPs is worth $71.9 million in the budget. This will increase the number of women participating in this important women’s health program. I am sure it will be widely welcomed by all Australian women, including those in my electorate.

The other major scourge afflicting young people is illicit and addictive drugs. As someone who has spoken often about the drug problem I was pleased to see the Australian Federal Police receive an extra $110.5 million in funding over the next four years. This will lift funding for law enforcement from $260 million when the coalition government came into office to almost $400 million in the next financial year. The runs on the board are impressive: over the past two years apprehension of offenders has increased by 30 per cent; illicit drug seizures are up 800 per cent for cocaine and 164 per cent for heroin; recovery of criminal assets is up 140 per cent; and the proportion of finalised cases referred to the legal system is up 70 per cent. These increases are no coincidence or accident. They have come about as a result of the tougher anti-drug policies of this government. These policies have led to the AFP setting up 10 specially trained mobile strike teams based in our major cities and involving 133 agents and specialists. They are having a quantifiable impact on the drug and underworld bosses, quite a number of whom are now locked away.

I also welcome a sensitive article in the Daily Telegraph by journalist Anna Cock. She reported significant anecdotal evidence from families who had lost a member to suicide after a history of using the so-called soft and recreational drug, marijuana. I have raised the concerns of parents about this dangerous drug and the connection with incidents of suicides on other occasions before this House. Losing a family member to suicide is the most devastating event that any family could suffer. Unanswered questions remain for years to torment the family, and there is always the weight of an unbearable guilt. It seems to me that it is time we began some qualitative research into a link between marijuana and suicide. But until we can interview many families at such a sensitive time in their lives—at the tragically family —we are not going to get any closer to the truth as to the causes. Now is the time we should learn more about connections between illicit marijuana use and the mental health of our young people. I also note that the young people aged 15 to 24 in the Sutherland Shire have suicide rates higher than the national level.

The failed economic policies and the high home mortgage interest rates that plagued Australian families for years under the previous Labor government have placed family relationships under enormous strain. The high interest rates led to many families losing their homes, and many of those families became homeless. For over 30 years the ALP has just shrugged its shoulders as family relationships have broken down and been destroyed by financial stress. Maintaining healthy, functional families is a priority of the Howard coalition government, and the record of low interest rates, low inflation rates and low unemployment levels enjoyed by Australian families since this government began making tough budget decisions in 1996 is
continued in this fifth budget. For example, many Australian families who qualify under the family tax initiative may qualify for a tax free threshold of up to $17,000, depending on the number and age of their children.

The Howard coalition government has also recognised the importance of helping to maintain cohesive families. I am also pleased that this government is continuing its efforts to strengthen family relationships. In the 1999-2000 budget the government provided $6 million to fund marriage and relationship education services. It followed recommendations of the report, *To have and to hold: strategies to strengthen marriage and relationships*, from the House of Representatives Standing Committee on Legal and Constitutional Affairs, of which I am a member. This report pointed out that marriage breakdowns cost Australia up to $6 billion each year. By better educating people about their relationship responsibilities our government hopes to reduce some of the personal and emotional trauma associated with family breakdowns, both for the adults and for the children. I welcome and applaud the continuing initiatives of the Howard coalition government to support and uphold the families of Australia, which have long been recognised as the basic building blocks of our nation.

However, I am mindful that there are other families in Australia who are in deep social crisis and desperate for our understanding and active support. I refer to those families—particularly the women, girls and, tragically, even female babies—in some of our remote indigenous communities who suffer silently and unrecognised by mainstream Australia. I refer to the report by the courageous academic, Boni Robertson, and her team of 50 other Aboriginal women, who toured outback Queensland and some parts of regional Australia. It noted horrific findings of rape and sexual abuse amongst Aboriginal girls, women and even babies as young as 17 months. I also acknowledge with respect Michael Duffy’s article in the *Daily Telegraph* of 16 June 2001, which faithfully covers this national tragedy. I actually brought this particular report to the attention of House last year, but I am afraid that report also met with silence. That is another reason I raise it again today: it is indeed the real tragedy of indigenous relations within Australia today.

I stress that not all remote communities suffered in this way. Indeed, there are many indigenous leaders prominent in Australian society today who deny the existence of the sexual abuse and the murders and who turn their back on their own people. We spend our entire national consciousness, it seems to me, on worrying about past wrongs, but the real tragedy for Australia is this shameful inability—almost a national paralysis—to honestly face and deal with the proper protection of these women and children and help them cope within their families, within the terror of their daily lives.

I ask two prominent indigenous leaders recently in the news what they have done to respond to the important report by Boni Robertson. I say, ‘What have you done, Mr Geoff Clark, President of ATSIC? What have you done, Pat O’Shane, to help respond to this report and to support these women and girls and babies? What have you done other than accept the fine accoutrements and high status of your office accorded to you by the wider Australian community?’ Unless and until you and others like you accept that there is a horrendous problem in some of these communities, and that some women’s lives are nothing but terror, and sit down with governments to seek ways to face and address it, you are both frauds upon your own people.

**Mr EDWARDS (Cowan) (5.46 p.m.)—**I want to relate to the parliament, in the debate on *Appropriation Bill (No. 1) 2001-2002*, the story of one of my constituents, Mrs Usher, the wife of a veteran who has unfortunately passed away. She looked after her husband for the last 22 years of his life, a period of time in which he was on a pension from Veterans’ Affairs, but not a TPI pension because some of the disabilities he had were not directly attributed to
his war service. Mrs Usher recently received a letter from the Minister for Veterans’ Affairs—to ‘Dear Mrs Usher’—and I quote from that letter:

You may have heard about the $300 one-off payment to Senior Australians that was announced in the Budget recently. You may have read about this payment in the newspapers or heard about it on radio or television.

... ... ...

I am writing to let you know about action my Department is taking to make that $300 payment to you.

You will receive an extra $300 on top of your usual Department of Veterans’ Affairs pension on payday 14 June 2001. The payment will be made to the same account as your regular pension account.

The minister concluded by saying:

Thank you for taking the time to read this letter. I hope it clarifies what you may have heard about the $300 one-off payment.

Mrs Usher thought this was great. She was after a new quilt for her bed and she went out shopping for one. She narrowed it down to a choice of two or three but, because she did not have the money, she did not purchase it there and then. That was fortunate for her because next morning she received a follow-up letter from the Department of Veterans’ Affairs:

Dear Mrs USHER

Following the recent Budget announcements, you received a letter from the Minister for Veterans’ Affairs advising you of an additional $300 payment which you would receive with your normal pension payment on 14 June 2001.

... ... ...

The payment will not be credited to your account as previously advised. Officers from this Department have tried to contact all affected people by telephone over the past few days to explain how this occurred and to apologise. Please also accept my sincere apology for this error.

So we have the minister pushing out the good news and leaving it to his department to front up when the bad news has to be passed on. I would have thought that if this minister had any decency whatsoever he would have written personally back to Mrs Usher instead of leaving it to his department. I call on the Minister for Veterans’ Affairs to come into this parliament and explain to Mrs Usher and many other veterans why this mistake was made. Unfortunately, we have a Minister for Veterans’ Affairs who has more front than Myers when it comes to photo opportunities but has a heart about as big as a caraway seed when it comes to the issue of getting up and fighting for veterans.

I have got a couple of examples of these things, the first of which is found with an organisation called the CT Group. The CT Group are former SAS servicemen who worked on counter-terrorist operations over a period of time. Many of these are young men now discharged. Some of them are as young as late 30s or early 40s and are on TPI pensions. Many of these former soldiers do not qualify, however, for the service pension. They put up a submission, which was passed personally to the minister by the member for Curtin some 18 months ago. The minister has sat on that submission and has done absolutely nothing. A media release recently put out by Martin Hamilton-Smith MP, Member for Waite, says:

As an SAS captain, Liberal MP for Waite, Martin Hamilton-Smith led the first group of SAS soldiers in operational counter terrorist duty. Hamilton-Smith was trained by the British SAS in 1979 and subsequently was involved in training and commanding the first teams.

“The war in the late 1970s and 80s was not in Vietnam or Timor. It was fought in the capital cities and airports of countries around the world between Special Forces like the SAS and International terrorists.”

“These men were on operational service. The Army made this clear to us all.”
"Soldiers were on 24 hour a day, 7 day a week pager recall at a few hours notice for up to a year to deploy anywhere in the world to respond to a Qantas hijack, an Australian Embassy siege or any other terrorist attack or hostage seizure targeting Australians."

“These men were on notice to die for their country throughout 1980. Regrettably as a consequence of their injuries during this operational period many are dying 20 years later. It is not good enough. The Defence Force and the Government need to respond."

“This was more than hazardous training—it was operational service.”

“The Australian Defence Force knows that Counter Terrorist work was operational service, for a defined tour of duty to face terrorist conflict. We saw men shot dead, gassed, blown up, drowned and seriously wounded during this operational service.”

I am going to come back to that situation in a minute but I really want to know why it is that the minister has not done anything about that submission. I want to know why it is that he has not given those former SAS soldiers the support they need and why it is that he has not helped them put their own submission together.

The other example I want to use is the one which relates to the appalling treatment that the minister has handed out to TPI veterans. Not only is his treatment of them as individuals appalling but it is very obvious that this Minister for Veterans’ Affairs is playing wedge politics with veterans’ organisations. Firstly, he is trying to use the national RSL to lean on the TPI association and, secondly, he is trying to create division within that TPI organisation. It is called wedge politics and this minister knows exactly the game he is playing. For some time now many TPI veterans have been pursuing the government over what they see as an erosion of their benefits.

The history of the issue is that there is some division in the TPI community, and that is recognised. That division comes about because, while there are some veterans who are well off, there are many others that are not, particularly those who have their TPI pension counted as income against Centrelink benefits. Some of those people are those former SAS soldiers that I spoke about. Part of that division came about when the national executive of the TPI association refused to listen to the rank and file. It ended with a vote of no confidence being passed in the minister and in the then national president. A new president was elected and despite being a sick veteran he has fought hard to represent his members and pursue their issues all to no avail. Indeed, this veteran organisation, made up of sick and disabled veterans, has had to do the work that this government should have done for them. This minister is on the record as conceding that the TPIs have a case but he has done nothing to help them develop their submission; worse, he has duded them. In a recent letter sent to the National President of the Australian Federation of TPI ex-servicemen and women, he said this:

As I said at our meeting, I see a case for carrying forward Proposal 1 of your submission to remove VEA Disability Pension from being counted as income for Social Security purposes. This is an issue I would take up on behalf of TPI veterans and other disability pension recipients. This proposal has wide support across the veteran community and will require new expenditure of $27 million per year.

When the budget was brought down, people from all over Australia were brought into a lockup, including the national president of the TPI association. He was brought in and read through the budget. There was not a single thing there for TPI veterans—not a single thing. There was nothing from the government in response to their submission and nothing in relation to the commitment the minister gave that he would move to make sure the Veterans’ Entitlements Act disability pension would not be counted as income for social security purposes. When this matter was in the Senate some time ago the ALP moved to amend it. The government refused to accept that amendment and they threatened to pull the Veterans’ Entitlements
Act unless we relented. We did relent; the minister indicated then that it was a matter that would be dealt with in the budget. I regret that he has chosen not to do so.

There are a couple of other issues that I want to relate to this minister. The first one is the payment to the POWs. It is a pity that it is not going to the prisoners of war in German camps. This minister is on the record as saying that he did not think the POWs should get compensation anyway. The second issue I want to relate is the nashos medal. Once again, this minister was on the record as saying that he was opposed to nashos getting a medal. He is obviously not the one who has fought for these issues; it has come about as a matter of intervention by the Prime Minister.

The last thing I want to say relates to the series *Australians at War*. I watched the series the other night when it dealt with Vietnam. It was interesting how the whole program hinged around the veterans of Long Tan. It is a disgrace that this minister still refuses to allow the veterans of Long Tan to wear Vietnamese medals. This is a right he has granted to every other Australian veteran group or individual. He still refuses to allow the veterans of Long Tan to wear the Vietnamese medals that they were to be presented with. I think that is a disgrace. They will get them. It will not happen under this minister, but it will happen.

Mr SCHULTZ (Hume) (5.57 p.m.)—The 2001 federal budget was a budget the Labor Party would never have had the stomach to deliver as it rewarded effort and sacrifice. The budget Peter Costello gave Australia reflected the coalition’s belief that effort should be rewarded. This budget rewarded the self-funded retirees, those Australians who have put away for the rainy day, and saved the Australian taxpayer in the process. These are the people we should be rewarding. I am proud to be a member of the government that has made the decision to reward those who deserve to be rewarded.

Just after the budget a man called my office and asked what was in the budget for him. He was a self-funded retiree and he had not heard of the benefits that he would gain from the budget. My staff said that on his income he would pay no tax next year and that, when he put this year’s tax return in, he would not be paying any tax this year either. Here is a bloke who was about to get almost $2,700 back in his pocket. He was pretty happy about it, as one would expect. But this man had a long memory. He remembered the last time he was promised tax cuts. ‘Is it l-a-w law?’ he asked. That is the legacy of the members sitting opposite. They have permanently scarred the trust of the Australian people. This budget helped return some of that trust not only by putting money in the pockets of ordinary Australians but by making sure they got the benefit of that money before the ALP could rip it from them. After all, if they can rip you off when it is l-a-w law, it is advisable not to underestimate them.

The whole effort of the government has been misrepresented in various ways. I was pleased that the member for Lilley went so far as to suggest we were being too generous. Misrepresentation is one of his favourite devices but it did not work this time. That is why I particularly enjoyed the following exchange between the Prime Minister and the member for Lilley. It went:

Mr SWAN (2.18 p.m.)—My question without notice is directed to the Prime Minister. Prime Minister, can you confirm that under your budget a retired married politician living on a parliamentary pension with a joint income of $80,000 per year will receive an ongoing tax reduction of $2,844 per year, or $55 per week, a seniors health card and a pensioners telephone allowance of $17.20 per quarter but that a full-rate pensioner living on $10,500 per year ... will get a one-off payment of $300? Prime Minister, how can you say your budget is fair?

Mr HOWARD—I assume the question is based on a notional application of the measures announced by the Treasurer last night in relation to self-funded retirees and taxation. The member nods. Also, as I heard the question, it was in relation to a hypothetical example of somebody on $80,000 of income. The
member may have overlooked that the increased rebate announced last night phases out for a couple at
$58,244. Therefore, your example is wrong.

It must have stung. In a similar vein, the Leader of the Opposition delivered his budget re-
response, this time representing what a future Beazley government might do. He was in this
place with his hand on his heart pledging not to raise income taxes. Who does these days?
His, you should remember, is the party adept at raising wholesale sales tax. Who could forget
the sterling effort of the Keating government just after the 1993 election? The Leader of the
Opposition said that his budget reply presented choices to the Australian people. You heard it
here first—I agree with the Leader of the Opposition. The Australian people have a choice
between a party that raises taxes and a party that gives tax cuts. What the ALP never tell you
about when they are doing their GST song and dance is the $12 billion in tax cuts that the
Howard government gave PAYE taxpayers in the 2000 budget. Instead, they want to bore the
public into submission about the GST mugging the economy. They are buskers with only one
song to sing, and I can assure the ALP that the tedious refrain is grating the public. What else
have they got? Nothing. They have nothing to sell to the public.

We gave them the biggest tax cuts in history. Here is just a sample from the coalition’s
‘best of’ collection. In July 2000, there was $12 billion in annual income tax cuts and family
benefits went up $2.4 billion. All six hidden wholesale sales taxes were abolished. There were
cuts to income tax, capital gains tax rates and company tax rates, and $3.5 billion in export
costs was removed. This has been reflected in the export boom the rural sector is currently
leading. In 2001, there has been a lower tax rate on franked dividends. Full import tax credits
have been brought forward from 1 July 2002 to 23 May 2001, saving businesses about $600
million a year. Capital gains tax relief for shareholders of listed investment companies means
that the shareholder will benefit from the 50 per cent capital gains tax discount. Financial in-
stitutions duty has been abolished, thanks to the GST. Fuel excise has been cut by 1.5c a litre.
Labor’s automatic fuel indexation has been abolished. Company tax has been cut again—this
time from 34 to 30 per cent.

I would like to remind the members who sit opposite that this government backdates tax
cuts. Surely this is the only time any government has ever done this. The backdated tax cuts
are a way of correcting the breach of trust the Labor Party has embedded in the psyche of
every Australian. Treasurer Costello is to be congratulated for doing his bit to regain the faith
of Australian voters in the promises of the people they vote for. There is little doubt that the
self-funded retirees of Australia benefited from the 2001 federal budget. But, of course, they
were not the only ones to have money in their pockets. The pensioners of Australia were also
winners in the federal budget with the $300 pensioner bonus. As the Treasurer said:
... it wouldn’t be fair to cut tax rates for the self-funded retiree and not have benefits for pensioners.

He went on to say:
This is not a Budget that promises benefits in five years time.
That is what restores people’s faith in politics. Contrast this with the Labor Party. I was inter-
ested to read the comments made by the shadow Treasurer on 2GB on 31 May 2001. Mr
Crean was speaking with Philip Clark. Mr Crean was given the opportunity to come clean and
let the Australian people know what he was going to do should, heaven forbid, he start work-
ing on the government side of the chamber. It was an interesting interview. Mr Crean had a
touch of the Stephen Conroys about him, and those who listened to his effort ended up with
waffle for breakfast. Mr Crean was obviously having flashbacks to when he was on this side
of the chamber. We all remember the debt the Labor Party left us when they departed office
and the pious promises that there was no deficit. Mr Crean, the Flashback Kid, obviously feels
a bit of guilt. Here we go with Simon Crean and Philip Clark:
CLARK: Why don’t you do this now—to keep faith with the people, the Australian people on the promise that there will be a rollback. Why don’t you say right now, “Here are some scenarios based on what we’ve worked out. If the budget surplus is this, if it’s this, or if it’s this, here are three scenarios—A, B or C—this is how rollback could work.” You don’t need to wait, you can do it right now. You can say, “This is predicated purely on the basis, of course, that these figures are right. When we get there we’ll have a look but that’s evidence of what we’ll do.’ Why can’t you do that right now?

CREAN: We do need to wait because we’re not going to promise what we can’t afford—

CLARK: No, no.

CLARK: —and we’re not going to raise expectations, Philip.

CLARK: But have you done that work, have you done that work already?

CREAN: Yes, we have.

CLARK: So why can’t we see it?

CREAN: Because we’re not going to promise what we can’t afford. Let me just say this ...

CLARK: No, but what I’m suggesting is not a promise, what I’m suggesting is just a way of saying, ‘Look, here’s what we’ll do if these figures are correct. We can’t tell until we get there whether they’re correct or not because the Government won’t release the figures. But this is what we’ll do’. We’re not even getting that from you.

CLARK: Mr Crean, Knowledge Nation is a policy which, as you mentioned, Labor is pinning its colours to in a very large way. There’s no doubt that the Australian community regards and values education highly and would like government to do more about it—particularly school education, particularly higher education—will universities receive more money under your government?

CREAN: Well, the universities, the schools, these are all areas that we’ve got to look at. We made an announcement...

CLARK: But see, here we go again, looking at it. I mean we’ve got a policy that doesn’t actually promise anything concrete.

CREAN: Well, it does promise concrete things. It promises a commitment to reinvest in the nation’s education and training.

CLARK: So will we be spending more on universities?

CREAN: We will be spending on education and training as a priority but when we know what’s in the books, and again people will know in advance of the election precisely what that involves.

CLARK: How soon before the election will we know this?

CREAN: As soon as we’re confident about the costings. We can’t promise what we can’t afford. Are you suggesting that we promise something that we can’t ...

CLARK: No, no. What I’m suggesting you could do—Mr Crean, what I am suggesting you could do right now, you could right now say, ‘Here are some scenarios. These are scenarios only but this is what we’ll do based on what we find out in the books.’ You could do that right now.

Rubbish! All the shadow Treasurer needs to do is take the budget and work his tax hikes into it to work out what he is going to have. It is not that hard. What will be interesting is which coalition initiative he wants to slash and burn. He might want to take the knife to the Natural Heritage Trust. The people of Hume would be eager to know if he intends killing this highly successful environmental initiative. In Hume, the Natural Heritage Trust has provided funding for a number of local projects, including the Yass area dieback revegetation project, Bushcare and Landcare in the Narrawa catchment, and revegetating the Jugiong Creek catchment. In fact, all corners of Hume have seen the benefits of the Natural Heritage Trust.

The Upper Lachlan Catchment Coordinating Committee has been granted over $100,000 from the federal government’s Natural Heritage Trust to attack salinity. The Upper Lachlan
Catchment Coordinating Committee sought my support for this project and I was pleased to announce in March that they had been successful. I am sure they will be successful in attacking salinity in the area. The Upper Lachlan Catchment Coordinating Committee will target areas of high salinity priority, which have as yet seen little or no Landcare activity in the Upper Lachlan region. The Yass and Cowra district will undertake the same activity. Participating landholders will be offered technical advice and support as well as financial incentives for revegetation in recharge areas. The project aims to generate Landcare activity in these gap areas, to promote improved natural resource management practices and to raise community awareness and understanding of issues affecting productivity and biodiversity. The Natural Heritage Trust is one of those projects that the government has undertaken. When this coalition does lose an election, as is bound to happen one day, I fear the end of the Natural Heritage Trust.

Under this government, however, the life of the Natural Heritage Trust has been assured for the next five years. Commencing in 2002-03, another $1 billion has been allocated to help communities continue to repair their local environments. The $1 billion I just referred to is in addition to the $700 million National Action Plan for Salinity and Water Quality. That is, in addition to the funds generated by the interest on the $300 million, remaining in the Natural Heritage Trust reserve.

There is little doubt in the minds of the people I have spoken to about the Natural Heritage Trust that the works they undertake have two effects. First, they provide an improvement to the problem they are fixing. Second, they restore the pride people have in their local environment, which leads to long-term care, way beyond the life of any individual Natural Heritage Trust project. Through the trust, community groups have been able to access more funding than ever before to create lasting solutions to local problems.

Since the beginning of the trust, over $1.17 billion in funding has been approved for 10,300 projects, more than 300,000 people have worked to address the community’s environmental problems, 600,000 hectares of native vegetation has been replanted or rehabilitated, 15 million seedlings have been planted, 12,000 kilometres of protective fencing has been erected, 5,000 kilometres of waterways have been protected by the installation of fences and more than seven million hectares of land has been approved for purchase or added to our conservation estate. So far, more than 50 federally funded projects have been undertaken throughout Hume. This budget ensures these achievements will continue.

Like the Natural Heritage Trust, Work for the Dole will forever be linked to the Howard government, and we are proud of that connection. Of course, Labor has never liked Work for the Dole. It must be the fact that it helps people get back into the work force and back on their feet. The success is proved by the fact that Work for the Dole participants have about an 80 percent greater chance of landing a job than non-participants.

So impressed have I been by the Work for the Dole projects in Hume that I brought Minister Mal Brough from Queensland to see the quality of the work and the benefits that have been reaped by the community and, of course, the participants. In Hume, projects have varied from work being carried out to restore the courthouse at Gunning so that visiting professionals and community groups have a place to work, through teaching people how to build web sites, to the reconstruction and running of a community radio station. These projects are developing skills and making a difference to communities and people. The men and women involved in these projects can rightly hold their heads high, free of any stigma that may be attached to unemployment. These men and women are making a difference. For that reason I am pleased to see that the program is being widened so that more people may benefit, specifically those aged up to 39 years who are receiving benefits.
The Work for the Dole principle is mutual obligation. The theory behind it is that those who are receiving unemployment payments should make the most of their opportunities to participate in work and in the community. It must be said that many receiving unemployment payments make a contribution to their communities as parents, carers or volunteers. This is particularly evident in many of the rural communities I represent. When I was in Young a few weeks ago, it was inspiring to hear the long list of names being read out for that day’s Meals on Wheels roster.

Those receiving benefits who carry out volunteer caring or parenting work will not be expected to participate in Work for the Dole, illustrating that the Howard government does not expect to place undue burdens on benefit recipients, merely that those in a position to contribute should contribute. It should be remembered that the aim is not to punish, as many of the bleeding hearts in the welfare industry would have you believe; this is about preparing for entry back into the work force.

From July 2002 there will be an extra 30,000 Jobsearch training places. There will also be 16,500 more Work for the Dole places and 35,000 opportunities for community work over the next three years. I remind those who oppose the scheme that this is not for people the day after they have become unemployed, but for six months after they become unemployed. The chamber should be reminded that part of the aim is to help people before they become long-term unemployed and it becomes harder to enter the work force.

The Howard government has also initiated intensive assistance services for job seekers. These services will help the unemployed who have special needs, and may include referrals to literacy and numeracy training. Again, the aim is to help people re-enter the work force. With this in mind, intensive assistance may last up to 12 months if necessary. These programs and incentives are aimed at encouraging and assisting, not waiting and watching.

I would like to make special mention of the support that this government is extending to Australian Defence Force cadets. In doing so, I must congratulate Dr Brendan Nelson on the work he has done in this area. The most obvious area of support has been the implementation of the Defence white paper’s recommendation that cadets receive a 25 per cent increase in funding, taking the annual funding to $30 million.

But this is not the area that garnered the most media attention recently. It was not the fact that over 25,000 young people are dedicated to being cadets and will be receiving help from the government that will in turn help future recruitment into the Australian defence forces. None of that made headlines. You would have had to look hard to see anything about cadet initiatives beyond recent headlines like ‘Outcry over plan for cadets’ access to guns’ in the Sydney Morning Herald. The story in the Herald, taken from AAP, paraphrased comments from the president of Gun Control Australia, John Crook, that the teen years were a high testosterone period for young men, who should be kept away from anything that promoted violence. Coalition for Gun Control chairman, Roland Brown, was also paraphrased as saying that the move was a bewildering backdown for the government, which implemented national gun laws following the 1996 Port Arthur massacre.

We will not dwell on why they were not quoted directly, because I think the more appropriate action at this point is to mention some facts that the anti-gun lobbyists have neatly forgotten to mention while they were busy pandering to the café set. One fact is that most of the 427 cadet units in Australia have maintained the use of weapons since 1996 when many, if not all, state school cadet units had their weapons withdrawn after the Port Arthur massacre. Only 28 per cent of the ADF cadets are private and public school cadets. Seventy-two per cent of units are community based and located either on ADF premises or in the community, and most private school cadet units have maintained the use of weapons under supervision. But, by the
way, the way the anti-gun lobbyists were talking you would think the cadets were being allowed to take guns home and walk the streets with them on weekends—not the case at all.

In fact, it is interesting that Dr Nelson will oversee the timely reinvigoration of cadet units and their training in the safe use of firearms. ‘I have been a public advocate for gun control all my adult life. I would be the last person advocating or implementing anything that would contribute to us living in a less safe society,’ Dr Nelson said. It is a shame that the anti-gun lobby has seen fit to score some cheap political points but it did give us a chance to again witness the ignorance of which they are indeed champions. I would like to close by saying that the one reason cadets are becoming such a focus of this government is that at this point in time about a quarter of reservists were cadets and 22 per cent of full-time ADF personnel were cadets, including the Chief of the Defence Force, Admiral Chris Barrie. I thank you, Mr Acting Deputy Speaker, for the opportunity to make those comments about the appropriation bill tonight.

Mr LAURIE FERGUSON (Reid) (6.16 p.m.)—Mr Acting Deputy Speaker, the budget served as yet the latest instance of a government in panic mode desperate to buy its way back onto the federal Treasury benches. We all know that a surplus of $14½ billion, projected two years ago, has collapsed to a figure of $1.5 billion, and today’s revelations in regard to aged care certainly put a further black hole in those estimates. Despite the budget effort, the coalition has offered no relief to ordinary families, to small businesses, to our vital public hospital system or to our struggling poorer schools.

However, in the limited time available, I seek to speak about forestry and also defence personnel. The timber industry and timber communities were clearly short-changed in the budget, demonstrating that the minister concerned is unable to match his seeming pro-industry rhetoric with genuine assistance. We all recall the embarrassing performance at the Timber Communities Australia conference where from the floor the organisation had to tell the minister that they are sick of the rhetoric, sick of the talk, they want money for people who are facing retrenchment and for people that need to be reskilled, and they are sick of excuses.

The chest thumping during question time is all very well, but the industry will progress only with genuine financial assistance from the Commonwealth. To date, the industry has been kept afloat only by the funding that was set aside under Labor’s wood and paper industry strategy and under Labor’s forest industry structural adjustment package. I reiterate: the only money he is usually able to talk about is money committed by the previous government. I am not interested in his excuses about what Senator Hill is doing against him, how hard it is for him to fight within the cabinet, how many people are against him, what a heroic fight he has to wage. The reality is that his only financial effort so far has been to just continue the money that Labor voted.

For more than two years, Minister Tuckey has been promising to help the industry through his so-called ‘action agenda’. When this was finally released late last year it contained only one extremely modest funding commitment—extra funding of $1½ million a year for the Forest and Wood Products Research and Development Corporation. The opposition, of course, supported the extra funding but we note this evening that that funding, for an industry that he says is so vital and for which he is such a major advocate, is worth only three days of government advertising—three days of funding to promote themselves and try to save their seats is devoted to this industry in this so-called much promoted action agenda.

When I queried the absence of any further funding commitments in a question to the minister he replied on 5 March:
The Government is in the process of developing the 2001-02 Budget. Details of funding for Action Agenda items are as yet unknown.

That was the answer to question on notice 2339. Here we are actually debating the 2001-02 budget, and it contains absolutely no additional funding for the action agenda.

In response to my demand for an explanation of this, the minister has been uncharacteristically silent. He might be out there in slinging matches with Minister Hill but he has been silent with regard to what has actually happened to this much vaunted promise. When my colleague in the Senate Senator Forshaw raised this at the Senate estimates the reply on behalf of the government stated:

The action agenda is primarily a partnership between the industry and government, so government response to the action agenda should be looked at in the context of whole-of-government expenditure—

One is entitled to ask: just what has Minister Tuckey been doing if all his department can refer to in terms of assistance to the timber industry is Labor’s FISAP program or to general road funding? It is thus little wonder that Minister Tuckey has spent most of his time recently talking about fisheries rather than forestry issues. He is obviously embarrassed that Labor’s funding for the timber industry was $39 million for WAPIS and $107 million for FISAP whereas he has managed to get cabinet support for extra R&D funding of only $1½ million a year.

Indeed, not only has the government failed to come up with funding of its own for the timber industry, it also has an appalling record in actually spending the FISAP funding that Labor set aside to help the timber industry and those retrenched workers so that they would be able to cope with structural adjustment. Departmental officials—not the Labor Party—have confirmed that $78 million of the $107 million of FISAP funding remains unspent. This is completely unacceptable and it has been repudiated by the industry’s representatives. It has been condemned by every interested party in this field. Essentially, this minister continues to rely on technicalities and excuses, and he is preoccupied with fighting every state government around this country whether coalition or Labor.

Since Minister Tuckey became minister 2½ years ago this is his record. In New South Wales the program was totally suspended from November 1998 until late last month. In Western Australia none of the funding promised in May 1999 has been provided, much to the consternation of the member for Forrest, Mr Prosser, who has spoken out recently to both the ABC and the West Australian. Turning to Victoria, only $3 million of the promised allocation of $11.1 million was spent in 2000-01. In Queensland the federal minister has refused to cooperate with that state government on both forest management and action to reduce excessive land clearing. Last month’s budget predicts FISAP expenditure of some $43½ million in 2001-02 to honour existing commitments to New South Wales, Victoria and Western Australia.

I sincerely hope that the government will actually spend FISAP funding this year after the inordinate delays we have seen to date. It is totally unacceptable that the industry has been starved of funding because Minister Tuckey finds it difficult to work with his state counterparts. Half the time he is threatening to destroy their letters—to ‘shred them’. Equally, it is extremely disappointing that the budget contains no provision for additional assistance to the industry in Victoria, which is facing significant challenges due to the revised sustainable yield system that arises from the state’s five RFAs.

Turning to defence personnel, the biggest issue facing the Defence Force at present is clearly the coalition’s inability to overcome the current personnel recruitment retention crisis. In last year’s white paper they conceded that the Defence Force would be 12,000 under
strength if its poor recruitment and retention performance continued. I remind the chamber that the white paper promised, at page 63:

The government will take firm action—
whatever that is—to ensure that that does not happen.

More recently, the Auditor-General revealed that, in 1999-2000, 6,467 personnel left the Defence Force but, despite increasing the advertising budget—obviously a government preoccupation—by 112 per cent, the government managed to recruit only 4,043 replacement personnel. That is a net loss of 1,400. They can talk about cadets until the cows come home, but the unfortunate reality is that nobody from the government—least of all Minister Scott—can tell us just what firm action the government has in mind. All we are promised is a so-called defence people plan on top of the previously announced external review of ADF remuneration arrangements.

I turn now to defence reserves. Thirteen months ago the government announced, with much fanfare, that the reserves had been allocated additional funding of $20 million. At this year’s estimates we found that the government has in fact spent only $2.7 million of that extra $20 million provided in last year’s budget, a mere 13 per cent of the extra money. This is despite the opposition’s support for the speedy passage of legislation to give effect to several of the announced measures. It is extremely disappointing that so few of the measures that the government announced last August for the reserves have actually commenced. This has not prevented the government from launching a major advertising campaign in yet another field over the weekend.

In the meantime we saw the Auditor-General finalise the detailed audit for the defence reserves. That report contains the results and independent analysis of Defence’s personnel data on the Army Reserve, revealing that the Army Reserve shrank by 25 per cent between 1997 and 2000—from 23,875 to a mere 17,363. Even those overall figures disguise the question of how many individual reservists are left. In fact we learn that 12,841—or more than half of the Army reservists on the books in 1997—left three years later. This was a devastating finding for the government which has repeatedly said that the reserves would have to shoulder a greater share of our national defence effort.

It is clear from the budget that the government’s rhetoric towards the timber industry and defence personnel is not matched by concrete measures or by adequate ministerial performance. The opposition will continue to pursue those aspects in the weeks and months ahead. Quite clearly, more is needed in the defence area than advertising campaigns and tete-a-tetes with consultants. The reality out there is that there is a significant problem with regard to accommodation and outsourcing—as the Peacock inquiry found—and a variety of other fundamental problems in the personnel sector which will not, I reiterate, be solved essentially by advertising campaigns.

Sitting suspended from 6.26 p.m. to 8.00 p.m.

Mr LAWLER (Parkes) (8.00 p.m.)—I would like to start my contribution to the debate on Appropriation Bill (No. 1) 2001-2002 by congratulating the government on yet another surplus to further reduce the debilitating debt that this country was left with after the period in which the Labor government was in office. People probably know that in the 90 years prior to 1991 the accumulated debt of the Commonwealth was $16.9 billion and in the five years after, between 1991 and 1996, it blew out by about $80 billion to $96½ billion.

The last few years, in which this government was charged with bringing the nation’s books back into order, resulted in the last year with Australian taxpayers paying $4 billion less per
year in interest than they were only some four years earlier. Some interesting statistics show that in 1995 we as a nation, unbelievably, spent the same amount in interest as we did on schools and hospitals and in 1995 we spent nearly as much on defence as we did on paying interest bills. As a businessperson, I think any businessperson would say there is nothing particularly wrong with debt, particularly in business, because most debt is tax deductible, but in effect it means that, if you compare the nation’s debt and interest repayments to a business’s debt and interest repayments, we would really have to make a comparison of a business being in debt for $8 billion, because half of it being tax deductible means you are up for only $4 billion. But governments do not work like that. Governments are part way, I guess, between businesses and private people.

When the Labor Party were in government they not only had a garage sale, sold all their assets and increased taxes but they still ran deficits. It is the government equivalent, I guess, of a private house running up unmanageable debt. We all see it in our electorate offices where people come in day after day and, by and large, when they are in financial difficulty, it is somewhat of their own making—sometimes not, but it comes about from uncontrolled spending, no matter how noble that spending might be. It might be spending on a comfortable home for the family or on a nice car, but if you sell your car and your furniture and spend the proceeds and still go and rack up more bills on your Mastercard to pay your Visa card, you just run into an untenable situation, which was the issue that faced this government when they came in in 1996.

Sometime that kind of uncontrolled spending has got to stop, and stop it did in 1996. Was there pain? Of course, there was. Is there pain in a household when a household has to cut back and live within its means? Yes, of course, there is. Does everyone in the house agree what the cutbacks are or where those cutbacks should take place, even if they are particularly noble disciplines that that money is being spent on—perhaps dancing lessons, sports or extra tuition for the kids? Everybody does not agree where the cutbacks should be in a household nor have they agreed where the cutbacks should have been that were forced on the Australian government. But, as I said, stopping the spending was what it had to do.

The ALP often make comments about this government collecting more tax than ever before. That is hardly surprising, since there are 800,000 more people working now than there were in 1996. The economy is expanding and interest rate cuts have meant more spending so it clearly stands to reason that if that is happening there is more tax collected. Having said that, I have always been a firm believer that, if you claim all the credit when things go well, you also take all the blame when things go poorly. But, clearly, if a country is in a reasonable economic position, it will perform more strongly than it otherwise would in good times and it will fare less badly in tough times.

I would like to touch on a couple of things in the budget that relate particularly to my electorate. Clearly, there is not enough time this evening to go through the lot. One of the most welcome things that has happened in my electorate is that self-funded retirees have beaten a path to my door—as they did before this budget to tell me what needed to be done—to tell me, to their credit, that they recognise that their demands have been met. Increasing the effective income tax free threshold for self-funded retirees and pensioners to $20,000 for singles or $32,600 for couples was most welcome. By definition, I guess, this led to an increase in the Medicare levy threshold to that same amount. There has also been the delivery of the non-taxable lump sum payment of $300 to all those of pension age on the pension or part pension. One of the most welcome things was lifting the income limit for the seniors health card to $50,000 for singles and $80,000 for couples. In my previous life as a pharmacist, when the income limit was lifted before—actually it may have been the introduction of the seniors
health card—it was an extraordinarily welcome measure. I understand that an extra 50,000 Australians will obtain the card. For those who do not know, it is quite easy for someone who is a self-funded retiree on blood pressure medication or lipid lowering medication and, say, an ulcer medication to be spending of the order of $70 to $80 a month. That same person, in receipt of a seniors health care card, will spend of the order of $10 a month. It is therefore certainly a measure that is most welcome.

Regional universities—and, obviously, the most notable regional university in my books is Charles Sturt University—have been allocated about 6,000 new regional places over four years. Speaking to both students and staff at the university based in Dubbo, which has already been promised another $9 million to expand their services in Dubbo—and they are halfway through spending that $9 million—I found that that is most welcome. I was speaking recently to the dean and he pointed out the importance of expanding the roll-out of regional universities. He pointed out that, even in the early stages of the Dubbo campus, there were 300 more people receiving a tertiary education from the western area of New South Wales than there would have been if the university campus had not been there. That is not counting students who would have relocated from Albury or Wagga to Dubbo—this was 300 people receiving a tertiary education who otherwise would not have received a tertiary education. There are 6,000 more places going to those universities, including Charles Sturt University.

Obviously the motor trade was very excited about businesses being able to claim full input tax credits for the purchase of motor vehicles. One of the other most welcome things—perhaps it was more recognised in the country and less recognised in the city—was the just under $600 million over four years to upgrade the Australian Quarantine and Inspection Service. This has been of great concern to people not only in the rural and pastoral industries but also in the communities that rely on those industries for their wellbeing. It has been of great concern that the outbreak that occurred in England could quite easily happen in Australia. Since this government has been in, it has constantly been upgrading the Quarantine and Inspection Service, but this increase of nearly $600 million will go a long way to developing a fortress Australia, even though we cannot, of course, be anything other than ever vigilant. If this dreadful disease gets into Australia, the impact on our part of the world, in country New South Wales and country Australia, and therefore the impact on Australia as a whole, will be incredibly huge. I understand that the minister is looking at further measures to address preparation in the event of this ever happening. One of the great concerns of people in my part of the world is the proliferation of feral pigs. I understand that pigs spread the virus at something like 1,500 times the rate cattle do. That is certainly something that has to be looked at and addressed so that, if we are unfortunate enough to get such an outbreak, by having some control over the feral pig numbers we will be able to quarantine the area and more effectively control the disease.

The strength of this government’s economic management has been brought to bear, certainly over the last six months, and the evidence is there for everyone to see. The Roads to Recovery package was incredibly welcome in my part of the world. In my first couple of years as the member for Parkes—and I point out that Parkes goes from Dubbo, Parkes and Forbes in the east right out to the South Australian border and up to the Queensland border—everywhere I went in the remote areas of New South Wales we had thousands of kilometres of unsealed roads. In fact, on a recent trip, when I was heading out west, I left Cobar on Monday at lunchtime and arrived in Bourke on Thursday evening the same week, and in all that time I spent about an hour driving on sealed roads. Everywhere you go in my part of the world the roads issue has been raised, despite the fact that the Leader of the Opposition believes that roads are trivial and unimportant.
Since the announcement of the $1.2 billion by this government—which it has been able to do by managing the economy to the degree that it has—the comments about funding for rural roads have almost dropped off. The main comment has been not only that do we need that $1.2 billion—which, as well as delivering better roads, is going to deliver jobs in our communities—but also that we need it extended for longer than four years. There is not a council in the western division of New South Wales that would not support that.

Another very practical announcement in the budget—which built on the previous budget, in which we spent just over half a billion dollars in new programs to address the shortage of medical practitioners in regional Australia—turns to nursing, which is also extremely welcome. There has been recognition that, while delivering doctors to the bush is important, there is also a critical shortage of nurses and allied health workers in the bush. Now $13 million over four years is going to improve access to undergraduate nursing education for rural and regional students. I understand that there will be 100 rural nursing scholarships worth $10,000 per year available for rural students studying nursing in rural locations. It is not only for rural students; it will allow others to spend their training and their formative young adult years learning in a rural location and those future members of the work force will clearly be far more likely to stay in regional areas.

One of the less publicised announcements in the budget which is critical in one part of my electorate, in Broken Hill, is the commitment of $43½ million to improving after-hours primary medical care services. I am having a meeting in the next few weeks with various providers of health care in Broken Hill, including GPs, the area health service, the Royal Flying Doctor Service and some others, to address the critical shortage of after-hours GP services in Broken Hill. By being able to work together and to access funding under that federal government program, it is my belief that they will go a great way towards addressing the problem faced when getting medical attention in Broken Hill after hours. To a large degree, that load has been borne by the area health service.

One of the other significant amounts of spending that the government has announced recently is in response to the Besley report and is going to be a huge bonus for telecommunications infrastructure in country Australia. Probably the most significant part of that announcement—and there were several parts to it—will be the delivery of mobile phone coverage to any town which has a population of more than 500 and about $50 million for improved mobile phone coverage. They are only two of the areas of improved telecommunications infrastructure but, again, they are most welcome and greatly anticipated by my communities.

One of the important announcements in the budget for the electorate of Parkes was an increase in ABC funding. I understand that there will be an additional $71 million over the next four years as a result of this budget. We in Dubbo and in the areas surrounding Dubbo are anxiously looking to the ABC to open studio broadcasting from Dubbo, instead of delivering the service to the central western region from Orange, as it does now. When they broadcast from Orange, they have a huge area to cover news wise and a lot of the area misses out getting information. It is very important to the strength of rural communities to have a radio station that looks at issues locally and not from a greater regional perspective.

Speaking about other things rural and the things that the government’s economic management has enabled us to do, I heard through the grapevine today that the Labor Party, through their minions on the ground in the electorate of Parkes, have been spreading, as often happens, false rumours about the flood assistance package, indicating that the money was all targeted at the electorate of Gwydir for the benefit of the Deputy Prime Minister. Can I say that the money that was delivered and is going to be delivered in the flood assistance package is absolutely critical to the ongoing strength of the economy in western and north-western New
South Wales. I have just called up on the Internet some of the details from the flood assistance package. In the electorate of Parkes there have been 810 successful applications so far. They are grouped in postcodes. In some of the areas where we cannot separate the postcodes, a further 500 are linked between Parkes and Gwydir. I assure anybody who is interested that the electorate of Parkes has been thoroughly well serviced by the flood assistance package. I get daily phone calls from farmers who have applied for assistance under this package. When they receive it, they come to me and say that they would have been out of their farm this year had they not been able to access that assistance.

There is a bit of a misconception that this money has been targeted purely at farmers. From my perspective, the target was more rural communities, who are the beneficiaries of farmers spending this money, rather than the farmers themselves. Over the years, the Rural Financial Counselling Service has provided tremendous services to the farming community when they have faced tough years of drought and decreasing commodity prices, and they have done it again with the flood assistance package. There were many people on the edge of their seats, most welcoming the announcement that the government will provide $17.4 million from 2001-02 to 2003-04 to extend the Rural Financial Counselling Service’s program. At this juncture, I congratulate the Rural Financial Counselling Service that operates in the electorate of Parkes for the absolutely fantastic job it does in servicing its constituents, not only in the area of rural financial counselling but in the other areas that it has been asked to expand its services into—for example, providing assistance in setting up rural transaction centres. When it goes to do that sort of activity, its communication with the community allows it to teach the community how to access other programs which deliver great benefits as well.

There are one or two more things I would briefly like to mention. One is the extra $1 billion which is going to be added to the Natural Heritage Trust and which is a top-up to the $1.5 million already committed in the 1996-97 to 2001 budget. There are any number of successful programs in my electorate that have been funded by the Natural Heritage Trust. Landcare, Bushcare, Rivercare and all these sorts of groups value add the money that is spent by the Natural Heritage Trust by adding in kind and giving the government—and therefore the Australian community—far more value for money than they would have done had it been a purely funded project which employed people to do all of the work.

Finally, a very small measure in the circumstances of the budget—but, again, one that provoked a dramatic response in my electorate—was funding of about $600,000 to upgrade the Bureau of Meteorology base in Cobar. On the Internet it will provide updates, every 10 minutes, of weather forecasts in the western region around Cobar. To those who do not know western New South Wales and do not know much about rural communities, that may not seem like a very important announcement, but I assure you that the radio station operating out of Bourke told me they have received more phone calls about this announcement than any other in this budget or previous budgets.

For me, they are the highlights of the budget, and they are able to be delivered because of the sound economic management of this government. There is no doubt that there have been some hard times and some tough decisions have been taken over the last few years, but we are now seeing the benefit of those hard decisions and the government is able to assist those communities in need when they need it without having to go to the Bankcard or the Mastercard to borrow further.

Mr COX (Kingston) (8.20 p.m.)—In this appropriation debate I want to examine some broad budget aggregates. To do that I will refer to three tables assembled from the budget papers and the ABS government financial estimates. I seek leave to incorporate them in Hansard.
The tables read as follows—

**NET IMPACT OF FISCAL POLICY DECISIONS 1996 TO 2001**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NET IMPACT OF FISCAL POLICY DECISIONS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$m</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>2860</td>
<td>7477</td>
<td>6083</td>
<td>7641</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>40</td>
<td>243</td>
<td>-187</td>
<td>-392</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>-151</td>
<td>-2183</td>
<td>-3261</td>
<td>-7371</td>
<td>-7683</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>32</td>
<td>-2518</td>
<td>-2754</td>
<td>-3858</td>
<td>-2993*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>-59</td>
<td>-2574</td>
<td>-1663</td>
<td>-1586</td>
<td>-1502</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>-1649</td>
<td>-3693</td>
<td>-4856</td>
<td>-6760</td>
<td>-7296</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(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.

* 3rd out-year of 1999 may not include all capital expenses because budget reconciliation and measures tables are not compatible.

Source: Compiled from the reconciliation and measures tables in the Budget papers and Mid-Year Economic and Fiscal Outlook for 1996 to 2001.

**ASSET SALES AS A PROPORTION OF REDUCTION IN COMMONWEALTH NET DEBT 1996/97-2001/02**

<table>
<thead>
<tr>
<th></th>
<th>SALE OF NON-FINANCIAL ASSETS</th>
<th>SALE OF FINANCIAL ASSETS</th>
<th>TOTAL ASSET SALES</th>
<th>REDUCTION IN NET DEBT</th>
</tr>
</thead>
<tbody>
<tr>
<td>96/97</td>
<td>828</td>
<td>7341</td>
<td>8199</td>
<td>-500</td>
</tr>
<tr>
<td>97/98</td>
<td>2063</td>
<td>15208</td>
<td>17271</td>
<td>13400</td>
</tr>
<tr>
<td>98/99</td>
<td>1351</td>
<td>7027</td>
<td>8378</td>
<td>12500</td>
</tr>
<tr>
<td>99/00</td>
<td>2223</td>
<td>9385</td>
<td>11608</td>
<td>17300</td>
</tr>
<tr>
<td>2000/01</td>
<td>2489</td>
<td>6228</td>
<td>8717</td>
<td>10300</td>
</tr>
<tr>
<td>2001/02</td>
<td>1740</td>
<td>3154</td>
<td>4894</td>
<td>5100</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10694</td>
<td>48343</td>
<td>59037</td>
<td>58100</td>
</tr>
</tbody>
</table>


**TAXATION REVENUE AS A PERCENTAGE OF GDP**

<table>
<thead>
<tr>
<th></th>
<th>As reported in Table A2</th>
<th>Corrected for GST</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue $m</td>
<td>% of GDP</td>
</tr>
<tr>
<td>1996/97</td>
<td>124,559</td>
<td>23.4</td>
</tr>
<tr>
<td>1997/98</td>
<td>130,984</td>
<td>23.2</td>
</tr>
<tr>
<td>1998/99</td>
<td>141,105</td>
<td>23.7</td>
</tr>
<tr>
<td>1999/2000</td>
<td>150,695</td>
<td>23.8</td>
</tr>
<tr>
<td>2000/01</td>
<td>144,671</td>
<td>21.5</td>
</tr>
<tr>
<td>2001/02</td>
<td>147,558</td>
<td>21</td>
</tr>
</tbody>
</table>
Tonight I will examine the evidence in relation to each. The first is their record on cutting government spending. Yes, it is true that Howard and Costello made substantial savings in their first budget in August 1996. The subsequent events have shown that many of those decisions were unwise, as much for policy reasons as their unpopularity. That first budget improved the bottom line by more than $2.8 billion in the 1996-97 financial year. The effect of those decisions in the third out year was an improvement in the budget bottom line of $7.6 billion. They held the fiscal line until their second budget in May 1997 when they did some further tightening and Peter Costello declared that he had won the fiscal battle. He was so smug about it he lost focus on the need for continuing financial discipline. By the time of the 1997 mid-year review the fiscal gains he had made were being eroded.

The next year was an election year and the year in which a new tax system was unveiled. Big promises were made and 1998 saw a loosening of the budget bottom line by $7.6 billion in the third out year. Governments usually stop spending after an election but not this one. It made new commitments costing $2.5 billion in each of the next two financial years. Now 2001 is another election year and they have looted the 2000-01 surplus of more than $1.6 billion.

The budget spend in the new financial year will be almost $3.7 billion. But what is utterly breathtaking is the third out year cost of $7.3 billion for this year’s budget decisions. In this election year, as in 1998, they have made forward commitments that are equivalent to their best year of savings. But this time, unlike the election when they unveiled the GST, there is not even the pretence of a major policy, just a desperate scramble to buy votes.

Adding the third out year in the net impact of the fiscal policy decisions table can approximate the ongoing cost of all of the new commitments made by this government. That calculation shows a net deterioration in the budget bottom line as a result of policy decisions of approximately $11.8 billion. That exposes the first great financial lie of the Howard-Costello government: that it has cut government spending. Occasionally the government’s poor position in the polls weighs on the Treasurer. It is at those times he lets slip that the other purpose of all of this spending is to deny an incoming government a sound financial position and the capacity to implement an alternative program. Far from being smart politics, it reveals the decadent psychology of a government that long ago ceased governing for the nation and is now governing for itself.

This budget forecasts a small cash surplus—easy to manipulate—but a deficit on the more rigorous, and previously preferred, fiscal balance. In terms of Australia’s future economic...
prospects the concern is how little progress the government has made on fiscal consolidation while presiding over five years of strong economic growth. The 2001 budget numbers assumed strengthening Australian and world economies but the budget documents also carry a warning that the US economy may not achieve the growth on which Australia depends. Far from being in a position to weather a significant downturn, the budget is vulnerable and would move quickly and deeply into the red.

The Treasurer’s current fiscal boast is to say that he has paid $60 billion off government debt. To be precise, if this year’s budget goes exactly to plan, he will have reduced government net debt by $58.1 billion by 30 June 2002. What he does not say is that he will have sold more than $59 billion of government assets to do it. Peter Costello is entirely dependent on asset sales for debt reduction—more than dependent on asset sales for debt reduction. Those asset sales are in two parts. The first is net proceeds from investments in financial assets for policy purposes. That means the sale of government equity in companies like the Commonwealth Bank and Telstra. They amount to $48.3 billion. The second category is the sale of non-financial assets, like telephone spectrum and public buildings, which amount to $10.7 billion. Together they total $59.037 billion, or a little over $900 million more than the forecast reduction in debt.

Have these asset sales resulted in a strengthening of the government’s financial position? If the assets are sold at too low a price, or the government incurs additional costs in the future because it has sold an asset, then the government’s long-term financial position may be weakened. There are obvious examples where that was the case. The pre-eminent example is the sale of the first tranche of Telstra, which was substantially underpriced. Those shares were worth an extra $3.2 billion within minutes of listing, and an extra $16 billion a year later. That exposes the second great financial lie of the Howard-Costello government: that they have cut debt and strengthened the financial position of the Commonwealth. I also have a major concern that I have raised with the Auditor-General about the effect of the sale and lease-back of government buildings on future Commonwealth outlays.

Next is the issue of the Treasurer’s characterisation of the GST as a state tax. Reading the budget papers it is as if the GST did not exist. The historical data presented in the budget papers does not include the GST. By doing so he can present figures that show the lowest level of tax as a proportion of GDP since the Whitlam government. When you add in the $23.9 billion of GST, instead of 21 per cent of GDP in 2000-01, the result is 25 per cent of GDP being accounted for in tax. That is the highest tax to GDP ratio in Australia’s history. That exposes the third great financial lie of the Howard-Costello government: that they are running a low-tax government. Mr Costello even argues that he should be given credit against his tax take for some new outlay programs that accompanied the new tax system, but that is the Liberals’ big problem—they had to create so many outlay programs to try and compensate for the adverse effects of the GST that they became the biggest taxing and spending government in Australian history.

How do you settle the issue about whether or not it is a state tax? You go to independent authorities—in this case, the IMF and the ABS. This specific issue is thoroughly examined in the ABS’s information paper No. 5517.0: Accruals Based Government Finance Statistics 2000. Chapter II.G of the IMF GFS manual provides a general guide for the attribution of tax revenues to non-collecting beneficiary governments, and sets out five specific rules for use in the attribution of tax revenues among collecting and beneficiary governments. The ABS has published an assessment of the GST against each of these rules to determine whether the revenue from the GST should be attributed to the states. Four of these rules are inapplicable, but the ABS found:
Rule 2: Tax revenues which a government collects and unilaterally earmarks at its discretion for distribution to another government should be shown as revenue of the collecting government and an intergovernmental transfer to the beneficiary government.

So that rule is applicable. According to the ABS, the Commonwealth has the ultimate role in determination and distribution of GST revenue. On the basis of these IMF rules, the ABS found the GST is a federal tax and the Treasurer’s budget papers should have reported it as one. That exposes the fourth great financial lie of the Howard-Costello government: that the GST is a state tax. What is more disturbing is that that analysis came from the relevant independent statutory authority within the Treasurer’s own portfolio, and he chose to ignore it. Why? Because he wanted to conceal the fact that he is running the biggest taxing and spending government in Australian history. That exposes the fifth great financial lie of the Howard-Costello government: that it has set new high standards in the presentation of ‘honest’ budget documents.

Mr PROSSER (Forrest) (8.29 p.m.)—I rise to speak on Appropriation Bill (No. 1) 2001-2002, Appropriation Bill (No. 2) 2001-2002 and Appropriation (Parliamentary Departments) Bill (No. 1) 2001-2002. It does not seem all that long ago since I stood in the Main Committee to discuss the benefits that the 2000-01 appropriation bills would have on my electorate of Forrest and the communities of the south-west. The 2000-01 budget contained major reforms on rural and regional health as part of the $562 million More Doctors Better Services package. This is already having a major impact on many communities in the south-west. Walpole and Silver Chain received a $750,000 commitment to increase health services out of the package. This has meant increased GP services from one day to three days per week; increased access to mental health services, podiatry care and physiotherapy services; increased access to occupational therapists; first-aid and ambulance training for willing community volunteers; increased home nursing and support for the elderly; and better access to aged care support to allow the elderly to stay in their homes longer.

The federal government also announced as part of its 2000-01 budget new medical scholarships—the Rural Australian Medical Undergraduate Scheme, the Medical Rural Bonded Scholarship and the John Flynn scholarship—to help attract continuing or recently graduated medical students to rural areas. South-west students have already benefited from these scholarships. The best way to get professionals back into rural and regional Australia is by training those that grew up there and were basically living in the area, giving them opportunities to go back to work in the communities that they came from.

The 2001-02 budget has continued to build on the solid gains made in health in the last budget and over the preceding years. The further strengthening of Medicare and the health system by committing an additional $900 million shows that the federal government does more than care about the health and wellbeing of people living in communities in the south-west and across Australia, and shows that the federal government acts on that commitment in a way which benefits all Australians.

Little attention has been paid to the record funding that Medicare received in this year’s budget—an additional $750 million—which will help make Medicare stronger than ever by improving access to primary care services, boosting targeted funding for quality primary care and making medicines safer. The budget provides for an increase in patient rebates for GP services of $300 million over four years. By providing increased rebates for longer consultations, this measure particularly benefits patients with complex or chronic conditions who may need to spend more time with their doctor.

The budget allocates $48.4 million over four years to assist GPs to better assist those with moderate to severe asthma. One in four primary school kids in my electorate of Forrest, many
of whom I met during the Centenary of Federation celebrations, has asthma. I want each and every one of them to have treatment from their GP that is considered best practice. The ‘asthma plus three’ plan that this funding provides for aims to do just that.

I have great interest in mental health and I am the patron of Pathways, a mental health services group based in Bunbury that does an outstanding job. I am delighted that mental health is the priority in this budget that it deserves to be with an extra $120.4 million in funding over the next four years to assist GPs to develop their skills in mental health diagnosis, care and treatment. A new Medicare benefits schedule item will be introduced for trained GPs to provide a range of non-medication based therapies. The government will also be supporting doctors to form links with other mental health professionals. Once again, the mental health package builds upon previous initiatives—including Beyond Blue, and the National Depression and National Primary Mental Health Care initiatives—which provide a range of care options for those 2.4 million Australians experiencing a mental health problem each year.

Some 450,000 Australians have diabetes but do not know it, and an estimated 900,000 have this debilitating disease. I doubt there would be a member of this House who would not know someone or who would not have a member of their own family who is affected by diabetes. In recognition of this, an amount of $49.8 million over four years has been allocated to improve prevention and to provide incentives for GPs for earlier diagnosis of the disease. After-hours emergency care funding of $43.4 million, $71.9 million for increased funding for cervical cancer and $18.1 million for safer use of medicines is proof positive of this government’s genuine commitment to the health and wellbeing of all Australians no matter where they live.

This budget provides $238 million for government schools, which is 87 per cent of the funding for specific schools initiatives contained in this year’s budget. There is no doubt that investing in our children and their education, health and wellbeing is one of the best investments we can make. I have been to many school assemblies recently and met with many students during the Centenary of Federation celebrations, on Anzac Day and as part of my normal role in attending school assemblies and presenting honour certificates on school prize nights and the like. There is really a friendly and positive atmosphere at schools that was not there in my day. All the children I have met have been fantastic, the teachers are committed to providing supportive but challenging learning environments and each school has a strong community network and great resources.

Key initiatives funded in this year’s budget include $143.5 million to strengthen government schools by returning funding under the EBA to develop students’ scientific, mathematical and technological skills as well as developing and building schools based innovation and supportive learning environments. Literacy and numeracy funding of $36.9 million over the years 2001 to 2003 will support the government’s keen focus on literacy and numeracy and the national literacy and numeracy plan. This plan has already seen a 13 per cent improvement in the reading ability of year 3 students across the country. Provision for additional resourcing of $99.5 million over 2003-04 and 2004-05 has been made. Schools do much for children but the most basic building block kids will need to get through life is to be able to read and to numerate. We take for granted the ability to read a good book, read signs, read mail and the labels on food on the grocery shelving. Yet there are many that cannot do these things. It is beholden on governments to resource schools so that they can focus on the basics—the three Rs.

Online curriculum development has been given a boost with $34.1 million to support online curriculum development. This should allow schools to share world-class curriculum material. An amount of $46.7 million has been allocated to assist 70,000 young people per year moving from schools to further education, training and work. This funding maintains the Jobs
Representatives, Monday, 18 June 2001

Pathways program, and I am pleased that those young people who need extra support in moving on from school will receive it.

I also want to comment briefly on the $34.8 million for new places at regional campuses, with 670 new places on top of the existing allocations commencing next year. Last year both universities which have regional campuses in my electorate—namely, Edith Cowan University, which has a campus in Bunbury, and UWA, which has a campus in Albany—came to see me about research funding specific to regional universities, which excludes Western Australia as WA only has regional campuses. I took this up with the minister at the time and I am pleased to note that regional campuses have been recognised with this allocation of new regional places. There is no better way to keep our young people in regional communities than to educate them and to offer them opportunities in regional centres. It is a forward thinking government that recognises this. According to the Department of Employment, Training and Youth Affairs, although comprising one-third of all school students, students from remote and regional areas constitute only 17 per cent of tertiary students in Australia. I hope that ECU and UWA gain new places so they can offer more opportunities for young people in the south-west to learn and live in their own communities.

Margaret River Senior High School, which I have discussed in this House before, has been an outstanding school. Margaret River has a retention rate for kids completing year 12—in WA that is the final year of schooling—which runs to upward of 92 per cent and an acceptance rate for university of 89.4 per cent. This is an excellent result and, for a regional school, truly extraordinary. The community is very closely involved in the school and they tell me that, when that year 12 generation of kids leaves to go to uni in Perth, a part of their community is missing and they do not feel complete. Not surprisingly after this level of support, when these Margaret River young people are by themselves at uni without the family and peer support that they had at high school, many struggle, despite being as bright and committed as their metropolitan counterparts. Consequently, many return home without completing their studies. This is not good enough. Universities need to examine their peer support structures, and I think the government needs to look at doing more in respect of youth allowance for young people from regional and rural areas studying at university. I am committed to ensuring that young people in the south-west have the very best opportunities and, more importantly, that those young people are in a position to take advantage of those opportunities. Their futures are our futures, and our south-west communities will need these young people to remain vibrant.

Finally, I want to briefly touch on the boost in funding for our quarantine system. Coming from a regional area that relies on its clean and green image to trade on world markets, an image that gives the south-west and indeed Australia a competitive advantage when trading our produce, I know that to lose that would be disastrous. Whether it be the apple growers in Donnybrook, the home of the famous Pink Lady, concerned about fire blight, the table grape growers and the vineyards concerned about Pierce’s disease and the glassy-winged sharpshooter, or the many beef and dairy producers in my electorate concerned about BSE and foot-and-mouth disease, our entire community has a stake in protecting our borders from disease. Not only would an incursion of any one of these three diseases result in growers and producers suffering severe hardship because their produce has been affected; it would ruin our clean and green image, and you cannot put a value on that—it is just priceless.

Australia remains one of the few countries in the world free of fire blight and BSE, and it is important that we remain that way. This year’s budget provides an additional $596 million in funding for quarantine. It includes $5.7 million for AQIS up until 30 June 2001 to support extra measures introduced to counter the UK and European outbreaks of foot-and-mouth dis-
ease; $281.4 million from 2001-2002 through to 2004-2005 to boost quarantine enforcement by AQIS; and $238.8 million over the same period for Customs to provide quarantine support services. This will have the effect of dramatically strengthening our borders and protecting our agricultural industry from exotic pests and diseases. A sum of $68.8 million has been identified to alter infrastructure at international airports and international mail centres as well as to cover ongoing surveillance costs at Australia Post.

Risk management and preparedness arrangements for BSE and foot-and-mouth disease are being coordinated by a high level industry and government management group and have received resources of $1.2 million. Finally, half a million dollars has been allocated to purchase reagents which allow rapid testing of suspected foot-and-mouth cases as part of the surveillance program. These resources will mean the great majority of passengers will undergo physical inspection or X-rays, and this will be combined with an enhanced detector dog support unit. All aircraft containers will be inspected and cargo of quarantine concern will also be inspected. On top of this, all ships will be inspected with increased general surveillance. Sea cargo containers will continue to be externally inspected, and matters of quarantine concern will also be internally examined at mail exchanges by X-ray and detector dogs. Greater public awareness to better inform travellers will take place in both English speaking and non-English speaking countries.

As an island nation, we are lucky that we have one of the greatest physical barriers to diseases, and so far we have been able to keep out many exotic pests and diseases. Our customs and quarantine officers and their detector dogs do a great job in protecting us from external threat. We all have a stake in quarantine matters, and it is important that customs and quarantine officers be resourced properly so they can continue to protect us and our clean and green image. I commend the bill to the House.

Mr WILKIE (Swan) (8.45 p.m.)—The 2001 budget very clearly demonstrated the choices that the Australian people will have before them later this year when they vote to elect a national government. Never before have the differences between the present government and the Labor opposition, the government in waiting, been so stark. This budget demonstrated the government’s total lack of vision and direction for taking this nation forward. It demonstrated that it is the big end of town that this government directs its policy initiatives towards and, most sadly, it demonstrated how totally unconcerned this government is with offering any assistance to those sections of the community that have been hit hardest by the GST.

It was a budget that saw no priority in building a robust public education and public health system and no priority in reducing unemployment. It was a budget from a government that is all out of ideas and is resorting to cynical, vote buying policies before it disappears into the political wilderness. In contrast, this side of the House is a government in waiting—a government in waiting with a vision about where it wishes to lead this country, a government in waiting that will ensure that the most vulnerable sections of society are not left behind, a government in waiting that sees education, health, jobs and a fairer tax system as its priorities. National governments cannot pick and choose whom they wish to govern. They cannot select certain sections of society and favour them at the expense of others, yet this is exactly what this government has chosen to do through this budget. National governments must govern for all of us, and those opposite might do well to remember that statement. ‘For all of us’ might have been yet another throwaway line in an election campaign for the government, like so many others it has made, but for a Beazley Labor government it will not be.

We move on to education. When the Leader of the Opposition addressed the Sydney Institute last week, he outlined how this nation is investing less and less in its education system and he outlined what some of the consequences of this trend are. The Howard government’s
budget contains no measure that will address this situation. The only increased funding is to the wealthy category 1 schools. The Swan electorate has no category 1 schools. Therefore, not one student in the electorate will benefit from this budget. They will, however, benefit from the election of a Labor Beazley government. They will benefit from the $100 million more in capital funding to public schools and better teaching standards delivered by some of the 1,000 new teachers who will access scholarships to undergo training and the 10,000 existing teachers who will be able to access courses to build their skills.

A Labor government sees a reversal in the stagnation of the year 12 retention rates as a priority. Rebuilding the university education system that this government has plundered in its five years in office will be fundamental to this plan. Larger class sizes, increased fees and ballooning HECS debts are a dis incentive to students making important decisions about their future. Labor wants to help them with regard to making those decisions. Like the primary and secondary schools in Swan, Curtin University of Technology did not benefit one iota from the recent budget. Like its counterparts around Australia, Curtin University must generate more of its income from fee paying students because of reductions in public funding. The result of this trend is a focus on more popular courses, particularly in the business stream, and a focus away from the teaching and learning subjects that are fundamental to a well-educated knowledge nation.

As class sizes grow, fewer books are available in libraries, less is invested in teacher training and the overall quality of tertiary education declines, all thanks to the Howard government’s reduction in investment in education. Students graduating are then hit with the Howard government’s double whammy: they have enormous HECS debts and, on 1 June 2001, their HECS debts went up another 5.3 per cent thanks to the inflationary effects of the GST. Fewer students are undertaking research degrees in science, engineering and technology, meaning fewer students are working on the development of new products and processes in these fields. Those who do make a start in these sectors find that the government’s reduction in R&D investment means they must look overseas for opportunities to pursue their endeavours. The Howard government has no vision to address this brain drain. In fact, it does not even acknowledge its existence. In contrast, Labor sees it as a fundamental part of its education vision.

With all the advertising this government is presently targeting at Australia’s seniors, one might be forgiven for thinking that the recent budget actually contains some benefits for them. But it does not. Unlike the Howard government, Labor is not about cynical vote-buying through hollow promises. Its measures for seniors have some substance. Unlike the $300 payment to age pensioners, when Labor’s measures are put under scrutiny they will not suffer from analysis of the fine detail. Three hundred dollars sounded great for older Australians, except that it was $700 short of what they were promised last year. It also sounded great to other pension recipients until they found out that, if they were disability support pensioners, mature age allowees, Newstart allowees, carer payment recipients or wife pensioners, they were among the 350,000 people who the Howard-Costello double act had decided did not need GST compensation.

The broken promises on GST compensation join the list of kicks in the guts to older Australians by this government. For seniors in aged care, Labor prioritises fundamental reforms to raise the standards provided. But this cannot be done with a minister who has disappeared into thin air and is too afraid to show her face because she knows that her appalling failures in overseeing this industry will be shown up. It will be achieved through identifying aged care as a priority and implementing strategies which form a long-term vision. Labor will repair the
As with aged care, Labor has prioritised repairing the damage done in health by this government, with a vision to implement innovative strategies aimed at improving public health. Labor would commit $90 million to a comprehensive strategy to improve the prevention, detection and treatment of cancer through a new national approach. In relation to Medicare, under the Howard government, the residents in Swan have had to travel to Cannington to stand in ever-increasing queues at the Medicare office. Labor says, ‘This is not good enough.’ More Medicare offices are a priority. I believe that areas such as Belmont and Victoria Park, where the shopping precincts have undergone significant expansion, should be supported by this important government infrastructure. Labor continues to believe fundamentally in the importance of Medicare and measures to ensure its continuing improvement. The Medicare after hours program would provide Australians with access to medical advice out of hours, reducing waiting times to consult a doctor at night and on weekends.

The Swan electorate is home to Perth airport, which is an important gateway for tourism and business for the whole of Western Australia. Unfortunately, the residents of nearby areas such as Queens Park bear a heavy burden from this important facility. They live under the flight paths of the present runways and the children suffer in their primary schools from intolerable noise. Unlike residents in similar situations in Sydney and, I believe, in Adelaide, the government is providing no funding to install double glazing and other noise amelioration programs in the houses and schools. It is not practical to relocate Perth airport, but I believe it is both practical and a priority to provide these residents with at least the same relief as is provided in other parts of Australia.

I also believe that we should not compromise the safety of all air travellers using Perth airport, and of residents living under the flight paths, by relocating air traffic control operations to Melbourne—a plan this government is proceeding with. For the high cost and minimal savings, there is no justification in placing the safety of so many people in jeopardy. It should be a priority to spend this money on noise amelioration measures.

Small businesses and microbusinesses are the backbone of Western Australia’s economy and they are an integral part of the Swan electorate. Thanks to the Howard government, every one of these businesses has now been appointed a tax collector, without even being consulted. Every one of these businesses has had complex compliance procedures forced upon them. For Labor, the priority would be to reduce as much of this burden as possible so that the businesses are freed up to get on with what they do best—running and growing their businesses and generating employment opportunities for other Australians. Labor would allow businesses to submit an annual return instead of a quarterly one, and this is a measure that has been warmly received by small businesses in the electorate.

The measures outlined today reinforce two fundamental differences between the tired government sitting across the chamber and the government in waiting on this side. Firstly, Labor has a vision about what it wants to achieve in government. It is a vision based upon important priorities for creating the sort of society that Australians want and identify with. Secondly, it is based on priorities that will ensure that a Beazley Labor government governs for all of us, so that all of us in society and not just the privileged few benefit from the prosperity of this nation.

Mr BARTLETT (Macquarie) (8.55 p.m.)—This budget does three main things. Firstly, it continues this government’s record of sound, responsible economic management—management that is careful, sensible and sustainable. Secondly, it provides incentives for people to become self-sufficient, an approach that this government has taken over its five years, in
sharp contrast to that of the former government. Thirdly, it addresses areas of need. Let me
tackle each area in sequence. This budget is a responsible budget and is part of this govern-
ment’s proud record of responsible economic management. This budget is the coalition’s fifth
surplus budget in a row. This government is living within its means. It is delivering essential
services and is doing so within the capacity to pay. Compare and contrast this with the former
government, a government that ran five deficits in a row in its last five years, averaging $14
billion—that is, $14,000 million, a year. The former Labor government, outrageously, lived
beyond its means and mortgaged the future of our children and grandchildren to pay for its
profligacy and irresponsible spending.

Not only is the coalition government living within its means but it is repaying the massive
debt built up by Labor. Already this government has repaid $50,000 million of Labor’s debt.
By the end of this year it will have repaid $60 billion of government debt. As everyone in this
country knows, in its last five years alone, the Labor government ran up Commonwealth debt
from $27 billion to $97 billion, an increase of $70 billion—an outrageous legacy of debt
heaped onto the shoulders of the next generation. This government, by its careful manage-
ment, has already managed to repay $50 billion of that debt. The other point that needs to be
made about debt is that not only did Labor run up $50 billion of debt by spending more than it
raised in revenue but it sold off everything that was not nailed down and still managed to in-
crease debt by $70 billion.

The third thing is that by repaying this $50 billion of debt—$60 billion by the end of this
year—this government will be saving taxpayers that considerable annual drain on taxpayer
revenue that goes in interest payments to service debt. When we came into office in 1996, $8
billion a year—that is, $8,000 million a year—of taxpayers’ hard earned money was spent just
washing down the drain to pay interest payments on the debt that the Labor government had
so irresponsibly racked up in its last five years. That annual interest payment has already been
reduced from $8 billion to $4 billion. Now, because of this government’s sound management,
we are saving $4 billion a year of taxpayers’ money. Instead of being wasted on interest pay-
ments, that saving is now able to be spent on schools, roads, infrastructure, health, defence
and family assistance, on essential things that this country needs—not the legacy of debt but
the legacy of sound, responsible management over five years of this government.

Many other key indicators give evidence of this government’s sound and sensible approach
to management. When we came into office, home loan interest rates were 10.5 per cent; they
are now 6.8 per cent. The average mortgage holder with a mortgage of $100,000, as everyone
knows, is saving over $300 a month because we have reduced the pressure on interest rates.
We have reduced the pressure on interest rates because the government is not in the market
borrowing massive amounts of money—$14 or $15 billion a year—and putting upward pres-
sure on rates. That is the benefit of living within one’s means.

Over Labor’s 13 years, home loan interest rates averaged 12.8 per cent. They are now 6.8
per cent—six full percentage points below what they were on average over the 13 years of
Labor. This is a massive benefit for home buyers and a massive benefit for businesses bor-
rowing money or running overdrafts. This is one of the benefits of responsible management.

Look at unemployment figures: when we came into office, 8.6 per cent of Australians were
unemployed; now 6.8 per cent are unemployed. Over 800,000 jobs—most of them full-time
jobs—have been created under the government because of our strong approach to managing
the country. Over Labor’s 13 years, unemployment averaged 8.7 per cent, peaking at 11.2 per
cent in a deliberately created and heartless recession. The government are responsibly man-
aging the country and, in doing so, are not just correcting the bottom line but providing real,
tangible benefits for the average working Australian.
This budget is based on a forecast growth rate of 3¼ per cent—further evidence of the proceeds of good management. We have a world that is going into recession. Most Asian economies are going backwards and the US economy is in a very shaky position, yet the Australian economy looks like it will grow at over three per cent in the next financial year. It does not happen by accident; it happens because the government provides the parameters, provides a sound framework and provides a confident environment in which Australians can invest, expand, produce and employ.

Further, the outlook is for inflation to fall to the 2¼ per cent forecast for the next year. If you want to look at other indicators, look at our trade performance. We have an improving balance of payments outlook. In fact, we have an outlook that has the current account deficit at less than three per cent of GDP—a figure rarely achieved over the past 20 years. It is 2.8 per cent of GDP at the moment. Look at Labor’s record. Several times under Labor the current account deficit reached over six per cent of GDP, but the government have got it down to three per cent of GDP. Why? Because we have encouraged exports. Why? Because we have reduced $3½ billion worth of taxes for our exporters. Why? Because we have provided low interest rates to stimulate business investment. Why? Because we have had the Australian government out there forming strong deals with other countries and marketing our exports.

This government is a government which delivers benefits for Australian consumers, benefits for Australian families, benefits for Australian businesses and benefits for Australian retirees because of its strong management of this country. Just look at the contrast. Quickly contrast the record under Labor with the record under this government. Under Labor, there were massive budget deficits, averaging $14 billion a year for Labor’s last five years in government. Under this government, for the last five years there have been budget surpluses. Under Labor, there was exploding debt—$70 billion of debt notched up in its last five years. Under this government, we have already had the repayment of $50 billion of debt. Under Labor, there was high unemployment. Under this government, there is falling unemployment. Under Labor, there were crippling high interest rates. Under this government, there are low interest rates. Under Labor, there were high, uncontrolled current account deficits. Under this government, there are low, controlled current account deficits. Under Labor, there were high and growing taxes. Under this government, there are tax cuts.

There are cuts in income tax. Last year we had $12 billion of cuts in income tax. Last year we had a two per cent cut in company taxes—from 36 per cent to 34 per cent—and in just two weeks time there will be a cut of another four per cent from the corporate tax rate. We had removal of the wholesale sales tax last year and we will have removal of financial institutions duty from 1 July this year. This government’s record is one of which we can be proud and one which has really set up the future for our children and our grandchildren.

Look at the alternative. Labor has already indicated the foolishness, impossibility, contradiction and hypocrisy of its approach. Labor is claiming on the one hand that it wants to roll back the GST, yet it is saying that it also wants to increase spending. We have had a number of speakers in here tonight already saying, ‘We want to increase spending on this. The government hasn’t spent enough on that. We want more money to go into something else.’ How in the world is Labor going to increase spending on everything that it can think of and yet roll back the GST and promise not to go into deficit without raising taxes?

Mr Wilkie—We cut back your extravagance.

Mr BARTLETT—The future is clear under Labor. Labor wants to raise taxes. The member opposite wants to talk about cutting back our extravagance. I would ask the member for Swan: which government programs would you cut? Would you cut the $1 billion that we have allocated for the Natural Heritage Trust that is doing so much good for our environment?
Would you cut the allocation of $23 billion extra for defence spending over the next 10 years?
Would you cut the $900 million increase in funding for health? That would come to less than
0.1 per cent of total government funding.

What you are suggesting is an absolute farce, and you know it is a farce. You want to in-
crease spending. Which taxes would you raise? That is the bottom line. Would you double
capital gains tax again? This government cut capital gains tax by half. Labor members oppo-
site, would you double capital gains tax again? Would you raise income tax again? Would you
raise the company tax rate from 30 per cent back to 36 per cent? Would you introduce a death
duty? Would you raise GST? Would you re-introduce wholesale sales tax? Several of those
things would have to happen if you were to continue with your policy. Labor has no future. It
has been caught out with empty rhetoric, promises of grand spending and roll-back, with no
way in the world to fund any of those promises.

This budget does a couple of other key things. Besides continuing this government’s pro-
gram of responsible management, it provides incentives in key areas to encourage, assist, mo-
tivate and reward people who look after themselves—firstly, by assisting people to get back
into work. It is not about removing the welfare safety net; it is about encouraging and assist-
ing self-sufficiency. We know in this country that the only way to get people off welfare is to
give them incentives and assistance to stand on their own two feet. The McClure report made
it clear that the best thing we can do to assist people on welfare is to help them get into em-
ployment. This budget does this. It continues the commitment to mutual obligation—the
commitment that we have already seen in the very successful Work for the Dole program.

This government is about active welfare, not passive welfare, not the debilitating passive
approach of the Labor Party which further entrenched dependence. This government’s ap-
proach is about providing incentives and assistance for people to stand on their own two feet.
This package allocates $1.7 billion over the next few years for Australians working together.
There are a number of programs that I will not go into in detail which include: the Working
Credit initiative, Jobsearch training and Work for the Dole, expanding places in literacy and
numercy training to remove those barriers that prevent young people getting into work, and
more Work for the Dole projects, which Labor is opposed to. Labor fought us every inch of
the way when we tried to introduce Work for the Dole, yet that scheme is working effectively
in getting young people in particular off the unemployment queues, out of long-term unem-
ployment and into work.

Mr Wilkie—No, it is not.

Mr BARTLETT—It might not be in the Swan electorate. Perhaps the member for Swan is
not supporting his Work for the Dole projects. In my electorate, it is very effectively getting
people off the dole and into work. One of my electorate’s Work for the Dole schemes has a
board up called the ‘victory board’. On this board they list the names of people who were
formerly on unemployment benefits who have gone on to full-time training or into employ-
ment. They are up to their fourth or fifth board with people actually getting jobs. Work for the
Dole, which Labor opposes, gives parents assistance and encouragement to get ready to return
to work as their children grow up. There are some 7,000 new disability employment assis-
tance programs and a number of other programs to train people with disabilities to prepare for
work, to provide assistance and rehabilitation programs and to give those people opportunities
to get back into the work force.

I do not have time to go through the details of the many very beneficial programs here in
the third main area of the budget, which comprises targeted—and I have got to say in contrast
to Labor—and affordable programs that will address key areas of need. The first is to reward
retirees who have made an effort, worked and paid taxes all their lives and have put aside
money to invest wisely for their own retirement. There are a number of benefits here. This government for the last five years has been working to assist self-funded retirees.

We raised the tax-free threshold some four years ago for low income self-funded retirees. This budget goes a step further: self-funded retirees receiving up to $20,000 will receive the full pensioner rebate that pensioners receive and effectively pay no tax. This phases out up to $37,840 for singles and some $58,000 for couples. Further, as well as raising the tax-free threshold, the seniors health card now becomes available for self-funded retirees: for singles up to $50,000 and couples up to $80,000—something the Labor Party never thought of doing—and there is the exemption of the superannuation assets for over-55s.

A couple of weeks ago I was out doorknocking, as one is wont to do in a marginal seat. I was speaking to one gentleman about some of the benefits in this budget and, totally unsolicited, this self-funded retiree said to me, ‘You know, Labor never did anything for self-funded retirees.’ Labor never did anything for self-funded retirees because Labor’s approach is not to encourage self-sufficiency; Labor’s approach is to encourage dependency. This government is about rewarding, encouraging and assisting those people who want to make an effort and want to stand on their own two feet.

There are many other benefits in this budget: the $300 tax free for people on full or part aged pensions; the benefits for veterans of a $25,000 tax-free non-assessable grant to POWs of Japan; the repat Pharmaceutical Benefits Scheme benefits for people who served in the British Commonwealth allied forces and who have been in Australia for over 10 years; and the granting of the war widows pension to those war widows who married before 1984.

Another very important benefit is the increase in defence spending and the strong commitment that this government has to rebuilding our defence capabilities, so badly ignored by Labor during their 13 years in office. This budget contains the first step in implementing the government’s strategy outlined in the defence white paper, $500 million extra this year. A 10-year increase will see an extra $28 billion spent on defence. I firmly believe that one of the key responsibilities of any government is to ensure the security of its citizens. This government is committed to ensuring the security of its citizens by substantial ongoing commitment to increasing defence spending, with real increases of three per cent per annum over the next 10 years. This government is serious about this obligation. Other aspects of this program include an increase of nearly $600 million over the next five years for customs and quarantine.

I could mention the increased spending for education, increased spending for health and increased spending for the environment. I just want to make a final couple of points about education. This budget delivers an extra $238 million for schools over the next four years on top of the increased funding allocated under the states grants bill earlier this year. This includes programs for literacy, numeracy, online curriculum, science, maths, technology, enterprise career education and the Jobs Pathway program.

Eighty-seven per cent of these increases will go to public schools. Public schools by the end of this year will have received increases of 42 per cent in direct funding under this government. This year, public schools in New South Wales will receive from the federal government an extra 5.3 per cent increase in direct funding, yet the New South Wales government, which has prime responsibility for state schools, is only going to increase funding for its state schools by a paltry, miserable 2.3 per cent. The federal government is doing far more for public schools in New South Wales and, indeed, across the country than the state governments are doing, and certainly more than the Carr-Aquilina government is doing. Over the last four years in New South Wales the state government’s funding for public schools has fallen from 26 per cent of its budget to under 23 per cent. It is failing its public school students miserably.
This federal government is trying to pick up the pieces while the state government is letting the team down.

Increased money for vocational education and training means a record $7.6 billion over the next four years. There is an extra $230 million for ANTA and extra funding for apprenticeships totalling up to $2 billion over the next four years. When Labor left office apprenticeships in this country were at a 30-year low. This government has worked hard to rebuild apprenticeships and traineeships in this country, reaching a record level this year. This budget delivers. It delivers responsible management. It continues to reward and assist those people who want to try to stand on their own two feet, and it delivers assistance and affordable funding to areas of need. (Time expired).

Mr QUICK (Franklin) (9.15 p.m.)—I, like all those on this side, welcome the opportunity to place on the record some of my thoughts on this 2000-01 budget. Unfortunately, like those opposite, our time has been limited to 10 minutes. I think there are 33 speakers on my side yet to speak on this budget, and it is rather difficult to examine the impact of such a budget in such a brief time frame.

Given the propagandising of those opposite, the Howard government would have you believe that they govern for all Australians, whether they live in the sprawling conurbations of our five cities or in the large rural centres or in the small towns, ever decreasing in population, that dot our states and territories. Each of us in this place represents a unique slice of Australian life. Many electorates in the cities I guess could be overlayed and there would be little difference between any of them. But my electorate is unique in Tasmanian terms. It is different from the four other seats in that it has a real mix of inner capital city, broadacre public housing tracts in the city outskirts, a series of large middle-class dormitory suburbs and a number of quite small rural towns stretching out to the southern most extremities of this nation.

The Howard government selectively chose to seduce sections of the Australian community with a real grab bag of budget delicacies principally to try to woo disenchanted voters back to the fold in the lead-up to the next federal election some time later this year. The Treasurer’s incessant diatribe in the House, matched frequently by the Prime Minister, would have you believe that the changes to the tax system have resulted in untold benefits to everyone in Australia, irrespective of where they might live. This government has obviously decided to target various sectors in the community and in this budget I think it has failed miserably to achieve that. It has failed in that expectations were raised and then dashed because the fine print was not explained to the population. Independent retirees and the so-called benefits that were supposedly to flow to them are one example of this explanation that was not made. How many electorate offices throughout this country received phone calls, letters and emails from frustrated and annoyed independent retirees who failed to understand why this Liberal government was excluding them from the pre-poll bag of goodies?

When questioned about the gaps in the budget promises, the standard line was, ‘Well, you can’t expect to have everyone receive the benefit. It really was meant only for those of real pension age.’ The use of ‘pensioner’ rather than ‘aged pensioner’ in budget discussions and post-budget media saw a build-up in expectation that was ultimately dashed for so many in our electorates across Australia. I, like all of us, have taken calls from those on disability pensions and those receiving a carers pension who initially embraced the thought of receiving the $300 bonus payment. But there were the cynics and sceptics who vividly remembered the promise of the $1,000 payment and who were bitterly disappointed when they did not receive anything like that sum.
The budget health money to encourage nurses and GPs into our rural towns is a part of the budget that I do applaud. But I can assure you that my country towns, after five years under this government, still desperately wait for the medical and dental services enjoyed by those in the large cities in this country. Bulk-billing doctors are now a dying breed and once again this health minister has not offered realistic remuneration for those GPs who toil in their suburban and rural practices. It is little wonder that we are seeing the insidious corporatisation of our medical practices and a decline in the standard of medical services.

Veterans taken prisoner by the Japanese were finally recognised by the Australian parliament for the horrendous experiences they endured, and I will place on the public record the embarrassment that I faced when our government did little for these POWs. I congratulate the government for this payment but I wonder why they did not recompense in some way all the other POWs, for instance those incarcerated in Europe as a result of bombing raids or those captured in the Crete and Greek campaigns. There are 54 such survivors in Tasmania—men in their mid- to late-80s who endured inhumane conditions for 3½ years in Germany. There are probably just as many war widows of their mates. Jack Sheppard, 88, and Jack Doddridge, 83, spent 3½ years as prisoners of the Germans and received no POW bonus. I spoke to them both at the recent 60th anniversary of the battle of Crete on 26 May, budget week. Like true Aussie diggers who have been tested in all conditions, they accepted this government’s indifference to their hardship and suffering. They figure that their reply would be best served by voting against this focus group, poll driven government later this year.

What really irked and annoyed so many in my electorate were the words of the Prime Minister that he would govern for all Australians. The constant cry from those opposite is of our 13-year term in office and the debt we left them. Supposedly they are the keepers of the sacred financial urn and profligacy is unknown to them. What hypocrisy! I do not get to watch all that much TV, Madam Deputy Speaker, but I can assure you that when I do during some moments of brief respite from this seven-day-a-week, God-knows-how-many-hours-a-day job, the paid commercials of this government defy belief. Tens of millions of dollars are being wasted informing people of benefits they already enjoy—wasted money that could be channelled into more early intervention, family oriented schemes to name one thing that I really want to see funded by this and all other governments.

I do not have the time and probably do not have the patience to get angry and upset over this government’s pathetic resolve to address the aged care issue. This is an issue that is facing an aging population in my electorate, as Tasmania has the largest proportion of ageing people anywhere in Australia. I will leave this issue to another place when time constraints are not so restrictive.

As a former teacher in the state system for over 20 years, education and the impact on it by this budget really worry me. I do applaud Labor’s stated resolve to remove funding from the category 1 schools and to redirect it across the needy government sector to halt the decline in what was once a shining jewel in our education system. I do not dislike men on the opposite side of politics, but I can assure the House that I cannot abide the attitude and the focus of the minister, David Kemp. I look forward to the day when education will resume its pre-eminence in this place under a Beazley led government.

This is the sixth Howard budget and hopefully its last. I look forward to sitting on the other side of the House later this year and watching as Simon Crean unveils a budget that ensures that all Australians benefit and that does not, as this budget does, attempt to seduce narrow sectional groups in key marginal seats whilst so many Australian families wonder what they did to be so excluded by this mean, somewhat sneaky and I believe, honestly, out of touch Howard government.
Mr SECKER (Barker) (9.24 p.m.)—This year’s Howard-Costello budget rates as the best I have seen for 30 years. It is responsible and pro-growth while delivering tangible benefits to all Australians and in particular to small business, pensioners and self-funded retirees. Older Australians, for example, will feel the benefit of the $300 payment we have promised to those on age pensions and to self-funded retirees of age pension age. In fact, that has already been delivered, with the money being paid direct to their bank accounts on pension day. The flow-on effect of that on the economy will be immediate.

As well as this we have the increase in the effective tax-free threshold for people of age pension age to $20,000 for singles and $32,000 for couples, and not only that—it is backdated to the beginning of the present financial year, which will mean another windfall at the time of their next income tax return. This will mean a saving of up to $4,000 for couples each year from now on. The increase in the income thresholds for the Commonwealth seniors health care card, along with the extension of the telephone allowance and other concessions, will also be of tremendous assistance to many older Australians. This will mean over 3,000 more people in my electorate of Barker will be eligible for the seniors health care card.

Small business benefit too. They will feel the immediate benefit of the full input tax credits for motor vehicles, which took effect from midnight on budget night. This move will slash business costs by over $600 million and boost motor vehicle sales. For example, on a vehicle for business purposes costing $35,000 last month, that would have meant a saving of $3,200. That is on top of the saving of $3,500 when we reduced the wholesale sales tax. We got rid of the 22 per cent wholesale sales tax and replaced it with a 10 per cent GST. On a truck rig—which is very important in my electorate, because I think I could argue that in Mount Gambier we have more trucks per head of population than anywhere else in Australia—that would have cost $330,000 last month, the tax saving would amount to $30,000. This will be important for the whole motor industry in the electorate and particularly to the transport hub of the south-east. Of course, with our ongoing measures as part of the new tax system, truckies are effectively now paying only about 70c a litre for their diesel and, of course, their batteries are cheaper, their spare parts are cheaper and their tyres are cheaper because we have removed Labor’s 22 per cent wholesale sales tax.

As well as this, the company tax rate, as we promised, will further drop from 34 to 30 per cent and both businesses and individuals will benefit from our promised scrapping of financial institutions duty. Rural and regional Australia will benefit from a $593 million boost—that is nearly $600 million—to strengthen the quarantine protection against diseases such as foot-and-mouth disease and other exotic pests and diseases that could otherwise threaten our livestock and agricultural industries and our clean green image.

Other initiatives of importance to rural and regional Australia include a $147 million boost for telecommunications and Internet services, $104 million for rural doctors to employ practice nurses, over 1,800 more places in regional universities, $850 million extra for roads in rural and regional Australia—and I will get to how they affect my electorate a little bit later—and 100 rural nursing scholarships of $10,000 per annum. That is a very important measure. We have heard a lot about the shortage of doctors in rural areas, but I know many of those people who represent country areas also realise the problems with the shortage of nurses and the need to encourage nurses to come back to country areas and to practise in and provide a service to our local communities.

The previous speaker mentioned the prisoners of war, and I thank him for his comments there. I think it is one of the most decent things that any government could do. While no amount of money will ever wipe out the horror that these people suffered, all Australian Defence Force prisoners of war of the Japanese, civilian internees and detainees of the Japanese,
or their surviving spouses—and that is a very important measure as well—are to receive a one-off payment of $25,000. Most, if not all, will have received this payment in their bank account already. I know of at least 13 surviving prisoners of war within my electorate and I feel sure that they will appreciate this assistance.

These extra benefits can be delivered in this budget only because of the financial and fiscal responsibility of the Howard coalition government. We will still have an underlying cash surplus of $1.5 billion in the 2001-02 year and this will be the fifth surplus in a row delivered by this government. This is the longest run of cash surpluses in 30 years. By the end of this year, this government will have repaid around $60 million of the net debt left to us by the former Labor government in their last five years. The Labor government, in five years, increased our debt from $16 billion to $96 billion. They increased it by $80 billion. I think it is very interesting that it took us the best part of 16 years to accumulate $16 billion in net debt, and the Labor Party repeated that 90-year accumulation year after year for five years to take it up to $96 billion. As a result of the Howard government’s actions, we now have $4 billion less in interest payments. That accounts for about $11 million a day—more that we can spend on things like education, hospitals, roads and so on. It is money for jam; it is money that we get for nothing.

The current account deficit is at its lowest for the decade. Inflation is expected to be just two per cent, and unemployment will remain at a low seven per cent nationally—and even less in the electorate of Barker, where many areas have less than one per cent unemployment because things are booming in my area. I feel honoured to represent such a forward looking and progressive community.

This budget not only is financially responsible but also delivers some of the most generous concessions for older Australians that this country has seen. As I said, there is $300 immediately for pensioners, and the tax-free threshold for singles of pensionable age goes up to $20,000, compared with the $5,400 which was their tax-free threshold when we first came into government nearly five years ago. There are 3,000 more people in Barker, as I said, who are eligible for the health care card. There is $86.8 million allocated over four years for the restoration of war widows pensions. War widows who lost their pension as a result of remarriage before 28 May 1984 will have their pension restored. As I said, the company tax rate will further drop from 34 to 30 per cent. That is a result of what we can do with the new tax system. It was 36 per cent under Labor; we reduced it to 34 per cent last year and, as promised, we have reduced it to 30 per cent this year.

The financial institutions duty has been scrapped, and there are all the other things I mentioned before. There is $5 million for restructuring rural and urban fringe aged care homes. Total aged and community care funding has increased to $5.4 billion, an increase of 77 per cent since the coalition came to government. It was $2.5 billion when we came to government, plus the extra for the care packages, and we have increased it in five years by 77 per cent. That is a huge amount in anyone’s terms.

There is $17.4 million to extend rural financial counselling services. I know these services well. I have three of these counselling services in my electorate servicing the south-east and the Mallee and the Fleurieu Peninsula. They do a great job in helping farmers get over some of their financial pressures. Things are going very well agriculturally with the record lamb prices. Wool prices have been for about 10 years the best they have been. Beef prices, record highs, and pork is doing very well—there is a great outlook for the pork industry. The wine industry, which is so important to my area of Barker, is doing very well. There is also $700 million over seven years for the National Action Plan for Salinity and Water Quality, to be matched by the states. Priority regions will include the lower Murray in the south-east, which I have the privilege to represent.
The ABC is to receive $71.2 million of additional funding over four years, which is what it asked for, I might add. Thankfully, most of that will be spent in rural areas, where it is most needed. There is the abolition of the small boat and light plane radio licence fee. Government schools will get an estimated $238 million, or 87 per cent, of the funding for specific school initiatives in this year’s budget. As we heard in question time today, the Education Union have been spreading lies about funding from the government. In real terms, we have increased funding for education by 17 per cent over the five years since we came into government. That is 17 per cent more than the previous Labor government spent. In real terms, it is actually 26 per cent. In actual terms, taking inflation into account, we have increased education funding by 17 per cent.

There is an extra $1 billion over five years to extend the Natural Heritage Trust. That takes us to spending of $3 billion on the Natural Heritage Trust in about 10 years. This is the greatest environmental program that any government has ever delivered for this country, and I see the benefits all over my electorate. Many areas have benefited from that funding in very important environmental actions. There is $275 million in 2001-02 as part of those Natural Heritage Trust projects. There is $83.8 million for Bushcare, $69.7 million for the National Landcare Program, $35 million for the Murray-Darling 2001 program and $24.4 million for Coasts and Clean Seas. All this is money that was certainly not spent under the previous government, and it is on top of the national salinity plan, where we hope to spend $1.4 billion over seven years. We are actually talking about close to $5 billion in spending on the environment since we have been in government, including what we are promising for the future.

There is $212.5 million to maintain the Bureau of Meteorology world-class weather forecasting operations and services. That is very important to the farmers in my area. There is no doubt we will have a far more reliable service, and it is important that we keep up with the latest technology. There is $60 million for volunteer activities in the next three years. I am pleased to be wearing the volunteers badge as part of the International Year of Volunteers. I think volunteers are some of the most important people in this country because of what they do for us at no cost. They get pleasure out of it as well. There is $572 million for the South Australian public hospital system through the Australian Health Care Agreement, and there is $82 million for community sport over four years. There is of course $103.2 million allocated to South Australia for federally funded road projects in the year 2001-02, which is an increase of 18 per cent over last year’s figures.

The Roads to Recovery program is very important to rural areas. It is not the waste of time or the boondoggle that the Leader of the Opposition was in the media suggesting that it might be. I have long championed the high priority this government is giving to the repair and maintenance of roads in rural and regional Australia. In my electorate of Barker, all council areas will benefit from increased funding, and I would like to detail what each council will receive. In fact, they are receiving about 118 per cent above what they were already receiving. The figures that I give are actual increases on what they were already getting. The Alexandrina Council, for example, will be receiving $308,000 next year and $1.234 million over the four-year program. The Coorong District Council will be receiving $440,000 extra and $1.762 million over four years. The Grant District Council will be receiving $227,000 next year and $909,000 over four years. The Kangaroo Island District Council will be receiving $248,000 over the next year and $991,000 over four years.

The Karoonda East Murray District Council will be receiving $205,000 next year—$819,000 over four years. The Lacepede District Council—which is now as of a few weeks ago called the Kingston District Council—will receive $160,000 next year, and that is $642,000 over four years. The Mid Murray District Council will be receiving $426,000 next year—$1.706 million over four years. The Mount Gambier City Council will be receiving $235,000 extra next year—$939,000 over the next four years. The Murray Bridge Rural City
next year—$939,000 over the next four years. The Murray Bridge Rural City will be receiving $259,000 next year—$1,036 million over four years. The Naracoorte-Lucindale Council will be receiving $346,000 next year—$1.386 million over four years. The Robe District Council will be receiving $74,000. This is a smaller council, and yet they will be receiving nearly $300,000 extra over the next four years.

The Southern Mallee District Council will be receiving $252,000 next year—$1.007 million over four years. The Tatiara District Council—the one I actually reside in—will be receiving $365,000 next year—$1.460 million over the next four years. The City of Victor Harbor Council will be receiving $130,000 next year—$521,000 over four years. The Wattle Range Council will be receiving $375,000 extra next year—$1½ million extra over four years. The Yankalilla District Council—another smaller council—will be receiving $88,000 next year—$350,000 over four years. There is unallocated funding in South Australia which amounts to $3.75 million extra next year and $15 million over four years. You can see how effectively and how much money is being spent on maintaining and building new roads in the electorate that I have the privilege to represent. That is as a result of decisions by this government.

Aged care has also done very well. There is an extra $203,900 that has been allocated to improve aged care and carer support services for Victor Harbor, Yankalilla and Goolwa, Kangaroo Island, Murray Bridge, Coorong and Mallee regions. Local projects that are receiving increased funding include $65,000 to the South Coast Carer Support Project, which will establish a structure where carers can achieve access to support by linking carers with other carers and improve access to information and advocacy. There is $17,500 for the purchase and operating costs associated with a second vehicle to meet increasing demand for transport services to medical and other local services in the Yankalilla District Council. There is $60,000 for the Moving Further in the Right Direction project. There is $22,000 extra for the Country Dementia/Railway Cottage Program in Yankalilla. There is $24,400 for ‘Break Away’ camps and $15,000 to increase the hours of the Goolwa Heritage Club. There is $35,000 for the day care and home help program there. There is $95,500 for the Southern Fleurieu Health Service to extend the Aboriginal Aged Care Program, $60,000 for the Hills Mallee Southern Regional Health Service, $46,000 to the Carers Association of South Australia, $29,000 for the Coorong District Council for its Community Links Program, $10,000 for the Mid Murray Community Support Service, and $4,500 for the Southern Mallee District Council. HACC services allow frail aged people and young people with disabilities to remain in their own homes with the support of their family for as long as they wish. We have 45 extra places in outside school hours care and a lot of really good things for the electorate of Barker. (Time expired)

Ms BURKE (Chisholm) (9.44 p.m.)—The 2001-02 budget must go down as one of the more unique budgets produced by a federal government. Not only does it blatantly attempt to buy the votes of a section of the community in a botched attempt which has already failed miserably but, worse still, the budget is a document that will be judged harshly for what it fails to do. On budget night, the Treasurer announced with great glee that this budget was in surplus to the tune of $1.5 billion. This is despite the fact that the budget surplus has been downgraded almost as many times as the government has done backflips. In fact, the budget surplus for this financial year is a far cry from the $14.5 billion surplus predicted by the government for the financial year in the 1998-99 budget.

In addition to the disappearing surplus, this budget proves the following things. The much trumpeted personal income tax cuts have been grabbed back. The GST has had a disastrous
impact upon our employment outlook. Since the introduction of the GST, there has been a rise in the unemployment rate of 0.8 per cent—an increase of 84,300 unemployed. In addition, the budget has confirmed that Australians are now being forced to live beyond their means because of the GST and we have seen soaring levels of household and credit card debt.

I turn to some of the specifics in the budget: firstly, the $300 one-off bonus payment. This budget measure is perhaps the most transparent of all the election bribes. It applies only to people receiving income support who are above the age pension level. The government estimates 2.2 million people will get the bonus. There are so many ironies associated with these paltry $300 bribes that it is hard to know where to start. Firstly, why will the government not pay the $1,000 the Prime Minister promised all Australians over 60? The budget could have afforded it and it would have gone some way to mending the damage done to pensioners since the introduction of the GST. Members will remember that around 40 per cent of people aged over 60 years of age did not receive any of the age savings bonus. Worse still, many older people had to suffer the humiliation of receiving a cheque for just $1.

Secondly, a total of 83,750 Australians aged over 55 will miss out on the $300 altogether. This group includes the following people aged between 55 and pension age: disability support pensioners, receivers of mature aged allowance and Newstart allowance, care payment recipients and wife pensioners. In addition, hundreds of thousands of people on low incomes aged under 55 who struggle to make ends meet as a result of the GST will also receive no compensation.

Immediately after the budget, my office was inundated by calls from angry people surviving on pensions who did not receive the $300. I had one woman tell me that she felt as though people on disability pensions do not exist in the mind of this government. Disability pensioners have been shifted off the unemployment ranks to improve the government’s official unemployment rate, yet they receive no comfort. More often than not they are parents trying to manage their disability and raise a family. It was therefore a great shock to them that they were overlooked for this bonus. They, too, have bills to meet. It is impossible for them to draw any conclusion other than that this government does not see them as a block of votes it can buy.

The Treasurer described the $300 bonus as a payment which the budget can afford and which our older Australians deserve. Is the Treasurer saying that other pensioners do not deserve it? One of the most poignant stories I heard was from one of the carers in my electorate, Andrew Chryssafis, of Burwood, who cares full time for his frail elderly mother. He quit work 12 months ago to become her full-time carer. He is outraged that this government is discriminating against people in his position. He believes the government has totally misled pensioners. He firmly believed that the Treasurer’s announcement meant that all pensioners would receive the $300 bonus. He even rang Centrelink the day after the budget announcement and they advised him that he would get the $300 as he was on a full pension. Through the government’s advertising, Andrew has learnt that he is not getting this payment. Maybe the government is informing people—informing those who will not automatically get the payment. Andrew is dismayed by the discriminatory nature of the payment, by the government’s misleading information and the lack of recognition that all pensioners, not just the aged, are being hurt by the GST.

My final comment on this one-off bribe is that it failed to do what it set out to do. Older people were not fooled. They see what the government has been trying to do. They see the bonus for the tawdry political trick that it is, and the government is foolish to believe that it has received any turnaround in support by including this cynical measure in the budget.
The other group in the age bracket targeted by this government is that of self-funded retirees. The budget includes the extension of the Commonwealth seniors health card and the telephone allowance to some self-funded retirees. While these extensions are welcome, up to 120,000 self-funded retirees will miss out and those self-funded retirees aged over 55 up to pension age get nothing from the budget—no additional tax break, no concession cards and no telephone allowance. This group accounts for one in four self-funded retirees.

The centrepiece of the government’s attempt to buy self-funded retirees has been the increase in the effective tax-free threshold for pensions and self-funded retirees of age pension age. However, it appears that only one in four self-funded retirees will actually benefit. So why do so few self-funded retirees benefit? It is a result of the age restriction income test. Most self-funded retirees will not receive any additional benefit from the budget line measure. Self-funded retirees under age pension age are automatically ineligible for the low income aged persons rebate and Medicare levy threshold increase. Therefore they get no benefit from this measure. Retirees over age pension age either receive no additional benefit because their income is too low, or receive no additional benefit because their income is too high. Consequently, there are many very unhappy self-funded retirees who feel they have been misled by the fine print of the government’s announcement.

As I said in my opening remarks, the budget should also be condemned for what it fails to provide. Two of the most notable areas of neglect are the delay in implementation of the government’s new job program that does not actually start until September 2002, and the lack of spending on public education, TAFE and VET programs to equip our country with the skills we need to move forward.

I would like to discuss tonight the government’s complete inability to tackle the aged care crisis. I cannot understand how the federal government could have framed a budget that was supposed to be full of goodies for older people yet neglected something as fundamental as aged care. This budget produced a $71 million cut from the aged care subsidies, which comes on top of a $90 million cut in 1999. The only additional money announced was $13.8 million for standards monitoring and complaints resolution, which is an ineffective attempt to tackle the symptoms of declining care standards, and a $2 million aged care communication, or spin doctoring, strategy. Yet there was not one single extra bed in this budget and this is despite the fact that as at 30 June 2000 there was a national shortage of 10,500 aged care beds. The most critical shortage of beds is in my home state of Victoria, where we currently have a shortage of in excess of 5,000 beds. As a result, waiting times for aged care in Victoria continue to grow. In 1997-98 just five per cent of Victorians assessed as needing nursing home care had to wait more than three months to find a bed; by 2000 that had blown out to 20 per cent. It is intolerable that one in five Victorians needing nursing home care are forced to wait more than three months for a bed. This puts immense pressures on families and on the Victorian public hospital system.

In my electorate of Chisholm there is a brand-new facility in Ashwood where 60 beds lie idle while older people wait in hospitals desperate for a nursing home bed. The Cabrini nursing home has fallen victim to the government’s tardiness in providing the bed licences the facility needs to start caring for residents. The minister dodges the issue by counting in her bed figures aged care beds which have been allocated but are not built or operating. These are the phantom beds. They exist only in the imagination of Minister Bishop. Just to further illustrate the point, in the 1999 round Minister Bishop allocated 140 beds to an aged care provider in the Mornington Peninsula. Two years down the track the provider has yet to commence building this facility, so for two years there are 140 beds sitting idle, yet I have 60 brand-new beds in Cabrini without licences waiting for people. What sort of crazy system do we have
where 140 bed licences are handed out for beds not even built whilst we have 60 brand-new beds at Cabrini that lie empty?

Not only has the government failed to provide any extra bed in this budget, hence putting pressure on the public health system, it has failed to provide any funds for public hospitals. All members in this chamber will be aware that our public hospitals are suffering under enormous strain. I do note that the budget includes a pale imitation of Labor’s medical after-hours policy. The government has also come to its senses and done a backflip on its earlier decision to include higher prices for essential items like syringes and glucose tests for diabetics. Unfortunately, people suffering from high cholesterol have no such reprieve and will have to endure high costs for cholesterol-reducing medicines. Kim Beazley’s budget reply provided a stark contrast with the cynical and misplaced priorities of the government.

So Labor’s responsible approach to undoing the damage caused by this uncaring government is there for all to see. We have announced over 70 policies and the voters have a genuine choice in the upcoming federal election between the substantial ALP policies and the flimsy coalition bribes on offer.

Mr WAKELIN (Grey) (9.53 p.m.)—It is quite an interesting time as we lead up to the next election and it is time for reflection as we look at the Appropriation Bill (No. 1) 2001-2002 second reading. It is always interesting to compare, having spent a little time in opposition, the luxury of not having to be responsible with the good fortune of being in government and spending two terms, I think for the good of the country, making considerable progress and, of course, tidying up Labor’s pretty messy scene that was left behind.

The key to Labor’s approach to gaining office and storming the Treasury benches—as they would have us believe they will at the end of the year—really lies in their view that you can almost abolish taxation. Their view is that you can attack the GST and keep it, that you can have people believe they can be dependent on government and that, after running up the debt of this country to almost $100 billion, they could run surplus budgets and maintain low interest rate policies. We are all supposed to forget those good old Labor days of 17 per cent interest rates, 11 per cent unemployment, 30 per cent youth unemployment and New Work Opportunities with $180,000 per job outcome, $100 billion debt and so on. It is very interesting to recall that, even in the tax increases of the 1993 budget that Mr John Dawkins brought down, there was not one cent of compensation for pensioners—not one cent of compensation for those lower income people who drove vehicles that required leaded fuel. They suffered not only a significant increase in excise but also double the increase of those who could afford unleaded fuel driven vehicles. We have a pretty interesting comparison.

Let us have a look at Kim Beazley on the GST. On 2 August last year the Leader of the Opposition claimed the GST was to blame for the interest rate rises. On 8 February this year the Leader of the Opposition claimed the GST was to blame for the interest rate cuts. On 3 February, just a few days before, the Leader of the Opposition decided he should claim the new tax system would overheat the economy. Then on 7 March this year the Leader of the Opposition said that a new tax system had mugged the economy and delivered a king-hit, slowing it down. We have this schizophrenic Leader of the Opposition. On the one hand, he says that the GST will not allow the sun to rise and, on the next, that it is probably shining because the GST is there. The Labor Party, of course, will keep this terrible tax if it attains the Treasury benches.

Let me go back to my theme about dependency and independence. Let me go back to hidden versus transparent. The problem the Labor Party has with the GST is that it is transparent. The old system was hidden and Labor could hide behind the increases. It slithered into office in 1993 with about 1,279 votes in something like eight seats. It attained the Treasury benches
and then raised taxes. The big difference between the coalition and the Labor Party is that we will tell you, before an election, what we are going to do and then we will go and do it. We will stand up to a fair bit of pressure to do what we think is in the best interests of the nation.

The Labor Party will get into office—as it did in 1993, with the barest of margins—by attacking positive progressive policies and running scare campaigns. The Labor Party will then immediately raise taxation levels, not deliver tax cuts that are promised, run up the debt, and then say, ‘Oh, isn’t it terrible that the international economy has gone bad again.’ I am going to continue to talk about dependency and independence. The Labor Party do not want to face up to how you run a decent economy.

Another little sleight of hand goes back a long time, back to the days of Bill Hayden and the issue of health expenditure and Medibank, as it was known. It became Medicare. Many Australians believe to this day that the Medicare levy pays for their health costs. The Labor Party would have you believe that it does. Let us have a look at what the Australian Taxation Office collects from the Medicare levy and what the actual costs are for health expenditure. This year the Medicare levy collects $4.9 billion and actual health expenditure will be $26.8 billion. In other words, the Medicare levy pays for 15 per cent of health costs. We see these crocodile tears from our political opponents about alleged cuts and lack of resources, yet the Howard government has spent greater resources on families, health, education, aged care, child care, roads, defence and welfare et cetera, as well as giving promised tax cuts—never has more been spent than on this whole range of social infrastructure.

I come back to it again: the Labor Party would have us believe that you can cut taxes, you can have bigger surpluses, you can change the GST, you can have roll-back and yet you can still deliver all these services without fundamentally changing the economy. Of course, most Australians know that that is an absolute nonsense.

Another area where I think Labor would not like to see too much transparency is in the area of Aboriginal welfare. One of the tragedies in this country is that we have not been able to deal with many of these issues as well as we should have and could have. Much of it comes back, I believe, to a dependency approach. There are some within the Aboriginal community now who are challenging that approach to welfare. I will give you just one very good example. It is quite remarkable to me how the whole system, once you get into this dependency welfare approach, does not give a fair result—I do not think that most Australians would judge that it was giving a fair result.

In the Pitjantjatjara lands something like 2,000 people are eligible to vote at each election. Of those 2,000 Aboriginal people, over 90 per cent have their ballot paper filled in by an AEC official. To add to that, that region has the lowest informal rate of voting in Australia. Of course, I should add very quickly that 90 per cent of those eligible votes go to the Labor Party. The question has to be asked: are those people casting a very genuine and sincere vote when 90 per cent of those ballot papers are filled in by the AEC officials and they just about all go to the Labor Party? There is a serious issue around dependency, around an honest assessment and an independent frame of mind which makes a free and democratic vote.

If we were to come to a lot of other issues, we could talk about telecommunications in regional Australia. At the 1998 election it was understood that Labor was very much interested in abolishing Networking the Nation. That is what I think is called ‘re prioritisation of policy and expenditure’. When Labor came into office in 1993, there was no customer service guarantee. There was very limited access to the Internet. In much of the land mass of Australia, there was no mobile phone service. Thanks to the Networking the Nation program, very significant parts of the regional population now have access to mobile phone services and to improving—not good enough yet, but improving—and Internet speeds. We have broader band tech-
technologies, much of it due to the capital available from the Regional Telecommunications Infrastructure Fund. We have that available for significantly increased infrastructure funding within regional Australia. That came from the partial sale of Telstra. It again comes back to the fundamental question: where were Labor going to find the money? I do not think they had any intention, if they had been in government, of providing the sorts of regional telecommunications services that are now available in regional Australia. It comes back to: where was the money coming from? The reality is that those services would not be there unless the coalition government had implemented policies which had allowed that to occur.

We come to matters of the environment. The environment has become increasingly important over at least the last 20 years. It has been very important to many Australians since Federation, but certainly as a community movement and as a reality in community life over the last 20 years it has become important that governments become involved. We now have the Natural Heritage Trust, and we had the Landcare movement, which was initiated in the Keating years and which was a very significant step forward for the National Farmers Federation and the Australian Conservation Foundation. But now we have an environmental policy which is based on real dollars—on billions of dollars worth of investment—to help improve the environment and to help to redress past serious degradation. Of course, we also have the issues to do with the Democrats, the Senate and all that which goes with our Australian Federation.

Whilst mentioning the Democrats, it is probably worth acknowledging that they have to give themselves a badge, they have to find a place in the sun, they have to attract the voters to justify their place in the Senate, so they have to signify that they are different. But, as we all know, what the Democrats never have to do is actually govern. So we have a situation where people who have the luxury in this country of having less than 10 per cent of the vote—probably six or eight per cent of the vote—in many ways have far beyond that sort of proportion of influence on the outcomes within this federal parliament. I would say to the Democrats: it is time for you to come down from the Senate and—as Janine Haines did some years ago and as Senator Natasha Stott Despoja could very much do—offer yourselves to try to form some kind of useful, strong group in the lower house. It is very important that those sorts of decisions are made by the Democrats, and then I think many more Australians would take them much more seriously. It is just not good enough to sit in the Senate and luxuriate in the fact that you have all the fun but none of the responsibility.

In terms of my theme of dependency and transparency versus hidden agendas and lack of transparency, regional people are very independent people. In my own electorate, there is very much an emphasis on export income. A lot of that transparency is made available to us by the fact that we are exporters—the world market simply keeps us honest. Of course, the seasons do that pretty well, too. I am pleased to report some pretty good rains in most of the region at this time. Harsh seasons, good seasons, world markets and variable commodity prices keep us all pretty honest and make the whole thing very transparent, but the trouble with the Australian economy and the nature of our parliament is that we still do not have sufficient respect across the board for that reality. It is so important that we acknowledge that the independence that these people from regional Australia thrive on, that they value, is in conflict with too much dependence on welfare and a taxation system, particularly the excise system very much loved by Labor, that has damaged our economy over the last 20 years.

In concluding, I simply say that the media has an essential role in a democratic society. The time has come for all parties, all members and senators, to ask: is the media now too much a participant—it is a question that I suppose many of us ask ourselves—and not a simple reporter of events, and do we react to the media in a way which is not giving the best govern-
ment to this country? We have two very dominant media owners, and we have a situation where the editors in this country are very superficial and do not commit to long-term analysis of issues, political issues particularly, in a way which is in the best long-term national interest. We, as a parliament, are going to need to be much more mature than we have been in dealing with this media phenomenon.

I am told that, about 100 years ago, which of course was Federation, we had many people from the media in the parliament, even though the lower House had only half the number of members we have now. At the moment, we might have one or perhaps two amongst our ranks who could genuinely say they are from the media. That simply says to me that many of those people feel that they can probably help run the country more effectively from outside the parliament than from within. We really need to be a lot stronger if we are to be respected by our communities in taking the media on and not allowing ourselves to be manipulated quite as much as we have been in the past.

Mr SAWFORD (Port Adelaide) (10.13 p.m.)—The 2001 budget—so much money to spend, so little to show for it. That is how the 2001 budget ought to be summed up: no national purpose, no vision, no analysis, confused outcomes, no long-term investment, merely an incoherent synthesis of unconnected issues based only on reconnecting with a lost constituency. But, importantly, no connection with children or youth, no connection with families, no connection with working Australians, no connection with the unemployed or the underemployed, and no connection with people disabled or disadvantaged in any way.

As I stated at the outset, the budget was a case of so much money and so little to show for it, and debate has been halved. With this government, that would be case, wouldn’t it—to halve the scrutiny of the budget and the time to scrutinise it here in this and in the other chamber? This budget has pillaged the coffers and dealt out the spoils in a shameless attempt to buy votes at the upcoming poll. There is not the slightest hint that the national interest was even a consideration in its formulation or that its market eyes were even cast past the electoral hurdle five months hence.

Where is the money for the great and vital national building projects on which responsible governments focus? Where is the sense of national destiny which federal government budgets have the potential to portray? Where is the vision to secure our future in this region and the world? Sadly, very little can be remotely so categorised in this budget. Infrastructure needs are abandoned, public health will remain damaged and public education continues to be set up for failure. Public schools even failed to get one mention in the budget speech.

Those people in my electorate seeking assistance for aged care and nursing home accommodation have been offered nothing. Still others, seeking to re-enter or enter the work force, are offered nothing but an increase—a promise of increased unemployment. And what did the Prime Minister say to those with high cholesterol and those who were suffering the debilitating and life restricting ailment of diabetes? He told them to improve their diet instead of relying on medication. Then he predictably backflipped on his plan to hit diabetics with higher charges, but only in the face of community protest—just what he did with petrol and what he did with beer.

One of the most important responsibilities of every government is to progressively build the various sectors of this nation and to grow the nation, but what did this government do? In education, it rewarded the already privileged, it divided the education community and it made obvious its attack on public education. Stratifying and dividing education is a poor indicator of a strong democracy. In 1996-97 educational expenditure was 2.06 per cent of GDP, the only measurement that you can actually evaluate where expenditure in an area is going. In 2001-02 it will be 1.6 per cent—that is a 20 per cent cut. In health it reaffirmed its two-tiered
approach. Welfare beneficiaries again were operated upon by as much a policy of exclusion as anything.

In transport, the litany of inactivity continued. A major factor retarding economic growth is the growth of transport infrastructure resulting in the inefficient and costly movement of goods—but we do get a freeway through the seat of Aston, Mr Deputy Speaker, as you would be well aware. A responsible budget for this nation ought to be about nation building. One of the most important elements of that is the revival of the rail freight system, but what did the government do? It encouraged the further build-up of traffic on our roads by giving $600 million of taxpayers’ money to business to buy motor vehicles. That is, a large trucking rig will now be $30,000 cheaper, thanks to a cheque from the federal government. This $600 million is on top of the cost of abolition of the indexing of the petrol excise and the ongoing 27c per litre diesel fuel rebate. Since 1996, the federal government has spent $8 billion on roads and a mere $250 million on rail—most of that, fortunately, on the Alice to Darwin rail project, a project I support wholeheartedly. This year, just $26 million has been allocated for the development of our rail system, and that is an absolute disgrace.

I have argued many times in this chamber for a relative increase in government expenditure on rail transport, and I was pleased to see the excellent article by Kenneth Davidson in the Age on the same subject. He points out that there are a number of rail projects that for a modest investment of $500 million could shift two million tonnes of freight a year from road to rail and deliver benefits more than three times greater than the investment made. Where did the information come from? It came from none other than a study done for the transport minister, the National Party Leader and Deputy Prime Minister, by the Australian Rail Track Corporation.

To repeat the question posed in the article: where was the minister when cabinet cut sales tax on company cars and rigs by nine per cent? The ARTC report provided the government with the evidence that is needed to spend on rail reconstruction instead a good portion of the $600 million it handed to business with the sales tax cut. It is about time that a comprehensive study of the real cost to the economy of the lopsided history of public expenditure on transport in this country was undertaken. That study should take into account all the costs of road transport—the $10 billion plus subsidy that is given to road transport—including road trauma, road congestion, vehicle accidents, hospitalisation and the degradation of the urban environment, let alone the costs of insurance, freight and so on. That money is now headed into the pockets of the owners of interstate trucking companies and continues a familiar pattern under this government—the shifting of money and resources from public institutions to private pockets.

This government has blown a $12 billion surplus in one year. That is what the government has done. That is all the evidence you need to convict the government of economic opportunism and vandalism. Its record as the highest taxing government in this nation’s history is its legacy. It also has on its report card record high foreign debt, record high household debt and record high credit card debt. It is also the biggest spending government in this nation’s history, although that in itself is not a bad thing—my concern is just where that public money has gone.

The introduction of the GST saw the Australian people paying more tax than they have ever paid before. The government is just awash with money—so much to spend and so little to show for it. You would think that the government might direct some extra help to those sectors of the economy and to those in the community where help is desperately needed. For example, one group in need are the carers—a group that not many people in this parliament speak about—who dedicate years of their lives to the care in their own homes of aged and
disabled relatives. I recently put on record in this parliament the case of Slawka Gawlik who lives in my electorate in the suburb of Largs Bay. In a letter to me, she described the difficulties she faced caring for her aged mother at home and expressed her exasperation upon finding that the government’s aged care package failed her when she needed it most. Of course, there is nothing in this budget for Slawka and the thousands of others in a similar situation.

I also raised in this chamber a couple of months ago the situation facing another constituent of mine, Mr Robert Burzynski of Ottoway, and the despair he felt in trying to find nursing home accommodation for his ailing father. Robert had placed his father on waiting lists at 26 nursing homes, one telling him that they already had 200 on the waiting list. Another constituent from Seaton came to see me earlier in the year. He has had to move 60 kilometres to Hamley Bridge, a country town, in order to be near his father who needed nursing home accommodation—the only vacancy after 15 months of trying.

The minister’s own department admits that there is a massive shortage of 10,500 aged care beds across the country and predicts this will grow in 2002. Amazingly, not one extra aged care bed has been provided for. Further, $71 million has been cut from care subsidies. This is coming on top of the $90 million cut in 1999. As Jean Rosewell of the Aged Care and Housing Group said:

The Federal Government must realise the situation is at a desperate stage.

This budget is also a huge disappointment for Australian families. There is nothing in there to ease the burden that this high taxing government has placed on the family budget. It fails completely to connect with young people. Unemployment is back on the rise, underemployment is on the rise and the number of people outside of the labour market is on the rise. There is next to nothing in this budget to assist young people into meaningful training and work. The lack of jobs is a serious blight on our society. People in the government may rave on about Work for the Dole, but its success rate is appalling—one in six. This government refuses to acknowledge that we have a serious and endemic unemployment problem. Thomas Carlyle, a much wiser person than any of us here, once said that work is the grand cure of all the maladies and miseries that ever beset mankind. He is not far from the mark.

Depression is now the second major disease to heart disease—it has overtaken cancer—in Australia. It is the second biggest disease in our nation. It is a shame for all of us. For job seekers, especially those who have lost their jobs, often through no fault of their own, this budget offers nothing. I talked in the chamber at length last year about the special problems and special needs of the middle aged unemployed on the back of a report by the House of Representatives Standing Committee on Employment, Education and Workplace Relations on the issue. That report made various recommendations to the government to tackle the problem, but the lack of action in the budget indicates that the government has decided to ignore the problem.

‘Mean, tricky and out of touch’ was the quote attributed to the President of the Liberal Party as the way he described this government. This budget is a vindication of his perspicacity: so much to spend and so little to show for it. Too many modern corporations too often look for quick upsurges in quarterly earnings at the expense of long-term investment. It is not a great strategy and it predetermines one certainty—and that is failure. I remind the government of the past failures of the Pyramid Building Society, the state banks and the financial institutions of the mid-1980s. I remind the government of the current failures of HIH, One.Tel, Impulse, Franklins and so the list goes on, because that is what happens when you undercapitalise, you offer discount prices on goods and services and when the economy just takes a bit of a dive.
That is what will happen to this government that has failed to capitalise—it has undercapitalised education, it has undercapitalised health, it has undercapitalised transport and it has undercapitalised infrastructure. It offers discount prices on petrol, beer, company cars, transport rigs, some self-funded retirees but not others, some pensioners but not others, some POWs but not others and, of course, that lists goes on when the economy takes but a little dive as it is at the moment.

So much was needed from this government in this budget—an investment in the long term, an affirmation of national purpose, national vision, of including people not separating people, not dividing people. Basically, when you analyse all the papers, so little was given except a miserly, openly transparent bribe to a lost constituency. But this government could not even get that right.

Main Committee adjourned at 10.29 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Higher Education Contribution Scheme: Tax Treatment
(Question No. 1657)

Ms Jann McFarlane asked the Treasurer, upon notice, on 21 June 2000:

1. Do wage and salary earners with HECS debts who have elected to pay through the tax system have a component of this debt taken out each pay period which is paid to the Australian Tax Office (ATO) as extra income tax.

2. Does the ATO hold this contribution in the employers group tax account and during August each year, does it transfer the monies across to the HECS account in a single yearly transaction.

3. Does the ATO apply an indexation to the HECS debt at 1 June each year.

4. Does the indexation occur before the monies collected through the tax system in a financial year are deducted from the debt; if so, is interest charged on the sum already paid back through the tax system but not deducted from the debt.

5. Does the level of inflation determine the indexation rate.

6. Has Treasury undertaken modelling to examine the effect of inflationary pressures caused by the implementation of the GST on the cost of a range of student HECS repayments; if not, why not.

7. If so, what would (a) be the increase in the HECS indexation rate for each percentage increase in inflation and (b) this translate to in real cost per annum to the person repaying the HECS loan in the income brackets (i) below $22,346, (ii) $22,346 to $23,565, (iii) $23,566 to $25,393, (iv) $25,394 to $29,456, (v) $29,457 to $35,551, (vi) $35,552 to $37,420, (vii) $37,421 to $40,223 and (viii) $40,224 and above.

Mr Costello—The Assistant Treasurer has provided the following answer to the honourable member’s question:

1. Salary and wage earners with a HECS debt, whose annual income exceeds the HECS repayment threshold, must have additional amounts withheld from their payments under the Pay As You Go withholding system. This system works in much the same way as the supplementary instalment deductions for HECS under the Pay As You Earn system until 30 June 2000.

2. and (3) Yes. These arrangements were introduced by the previous Government on 1 July 1994.

4. Additional amounts withheld for HECS during the year are not taken into account when indexation is calculated. They are credited to the taxpayer’s HECS account when their income tax return is processed. These arrangements were introduced by the previous Government on 1 July 1994.

5. Yes.

6. and (7) The introduction of the New Tax System was accompanied by a range of measures designed to compensate for the impact of the goods and services tax, including tax cuts worth $12 billion per annum.

Aviation: Air Operators Certificates
(Question No. 2454)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 26 March 2001:

1. For each of the past 5 years, how many Air Operators Certificates have been issued to foreign air carriers to permit them to operate into and out of Australia, and of these how many have been re-issued.

2. How many approvals have been issued to foreign registered aircraft operating commercially within Australia, and of these how many are international freight operators.

3. For each of the past 5 years, how many foreign registered cargo carriers have been based at (a) Sydney, (b) Brisbane, (c) Melbourne, (d) Adelaide, (e) Perth, (f) Hobart, (g) Darwin and (h) Avalon Airports and in which countries are those aircraft registered.
(4) Are foreign registered aircraft and their operators regulated by the Civil Aviation Safety Authority (CASA); if so, how.

(5) Does CASA monitor the regulation of foreign registered aircraft by the regulator in the country of registration; if so, are those records publicly available.

(6) Can Australian companies own or operate foreign registered aircraft.

(7) Are Australian companies owning, leasing or operating foreign registered aircraft subject to regulation by CASA.

(8) Are Australian owned companies owning, leasing or operating foreign registered aircraft subject to Australian industrial and occupational health and safety laws; if not, why not.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) As at 10 April 2001, CASA records reveal that there are 68 operators who have foreign aircraft Air Operators Certificates (AOCs).

- 1996 – 6 initial issue AOCs, of which 4 have been re-issued and are current.
- 1997 – 7 initial issue AOCs, of which 4 have been re-issued and are current.
- 1998 – 6 initial issue AOCs, of which 2 have been re-issued and are current.
- 1999 – 6 initial issue AOCs, of which 4 have been re-issued and are current.
- 2000 – 6 initial issue AOCs, of which all are current.

(2) CASA advise that 80 approvals have been issued to foreign registered aircraft operating commercially within Australia, of which 5 are international freight operators.

(3) CASA records reveal the following operators have been based in Australia in the following areas for the past five year period –

- Brisbane – Pacific Air Express, operating a Solomon Islands registered aircraft,
- Brisbane – Air Sophia, operating a Bulgarian registered aircraft; and
- Darwin – Safair, operating a South African registered aircraft.

(4) No.

(5) No.

(6) Yes.

(7) Yes, if the aircraft are conducting civil air operations in Australian territory, or operating under an Australian Air Operators Certificate.

(8) Like all Australian registered companies operating in Australia, Australian airlines are subject to applicable Australian industrial and occupational health and safety legislation.

Goods and Services Tax: Surgical Shoes and Orthopaedic Footwear

(Question No. 2494)

Mr Murphy asked the Treasurer, upon notice, on 2 April 2000:

(1) Are surgical shoes and orthopaedic footwear subject to GST.

(2) Has the Australian Taxation Office made a ruling that GST must be applied to surgical and orthopaedic footwear as they are not described as medical appliances under the GST legislation.

(3) Will he change the legislation to allow surgical shoes and other orthopaedic footwear for people with disabilities to be exempt from the GST; if not, why not.

(4) Do patients who purchase Australian-made surgical shoes and products presently have GST applied but patients who purchase American-made surgical shoes and orthopaedic footwear do not have to apply the GST.

(5) Is applying the GST to Australian-made surgical shoes but not to American-made surgical shoes anti-competitive; if so, will he refer these anti-competitive aspects to the Australian Competition and Consumer Commission.

Mr Costello—The Assistant Treasurer has provided the following answer to the honourable member’s question:
To be GST-free, medical aids and appliances must satisfy three criteria. First they must be listed in Schedule 3 of the A New Tax System (Goods and Services Tax) Act 1999 (the Act) or in the Regulations to the Act, secondly they must be specifically designed for people with an illness or disability, and finally they must not be widely used by people without an illness or disability. Item 41 in Schedule 3 of the Act lists “surgical shoes, boots, braces and irons”. Surgical shoes and orthopaedic footwear are therefore GST-free where they satisfy these criteria.

The Australian Taxation Office has issued rulings indicating whether or not certain types of orthopaedic footwear are GST-free under Schedule 3.

No change is necessary because surgical shoes and orthopaedic footwear are not subject to GST provided they meet the criteria as outlined in the answer to question (1).

There is no distinction in the GST legislation between Australian made surgical shoes or orthopaedic footwear and similar products imported into Australia. The GST treatment is determined by the nature of the goods and not by where the goods are made.