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

MINISTERIAL ARRANGEMENTS
Mr HOWARD (Bennelong—Prime Minister) (2.00 p.m.)—I inform the House that the Minister for Finance and Administration will be absent from question time for the remainder of this week. He is attending the 2001 Pacific Island Forum economic ministers meeting in the Cook Islands. The Treasurer will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE
Howard Government: Advertising Expenditure
Mr BEAZLEY (2.01 p.m.)—My question is to the Prime Minister. Prime Minister, do you recall promising in 1995, ‘We’ll run all of our advertisements past the Auditor-General and they’ll need to satisfy the guidelines’? Prime Minister, which of the half-million dollars in government advertising which blitzed TVs on Sunday night were run past the Auditor-General?

Mr HOWARD—I can inform the Leader of the Opposition that the government’s advertising campaigns since it came to power have been carried out in accordance with the guidelines you laid down when you were in government.

Economy: Studies
Mr FORREST (2.02 p.m.)—My question is addressed to the Prime Minister. Is the Prime Minister aware of recent studies investigating whether Australia is a new economy? Prime Minister, what do these studies mean for Australia?

Mr HOWARD—Can I say in response to the honourable gentleman’s question that I am aware of these studies. I am aware of them because an event last week provoked me to revisit the writings, material and research on the subject of where Australia sits in relation to knowledge and intellectual capital and whether or not it is an old or a new economy.

A constant refrain of the Labor Party was repeated last Thursday when the Leader of the Opposition addressed the Sydney Institute. I have to say that, for a speech that was given a huge build-up, none has unravelled quite so rapidly as has the speech that the Leader of the Opposition delivered last Thursday. This was going to be an absolute knockout blow in the debate on education! Not only did he fail to tell the Australian public what he would do if he were in government but, worse than that, he got all his facts wrong—he got just about every last fact completely wrong. Of course, the claims made by the Leader of the Opposition were based on some material put together for Labor’s think tank, the Chifley Research Centre, by Simon Marginson and others, and the Leader of the Opposition had, amongst other things, this to say—and it is very telling:

It shows that Australia is failing to make the grade in those crucial areas that will determine our success as a nation in the 21st century.

That is what the Leader of the Opposition said last Thursday. That sits in very, very strange contrast to the findings not of the Chifley Research Centre or even of the Menzies Research Centre but to the findings of none other than the International Monetary Fund.

Ms Kernot—Oh!

Mr HOWARD—’Oh!’ the member says. We in the Labor Party don’t worry about the International Monetary Fund; we don’t worry about the OECD either! I inform the House that in April of this year the International Monetary Fund released a report titled ‘Is Australia a New Economy?’ According to an analysis by somebody who is not really identified with my side of politics—indeed, the former economic adviser to my predecessor, Dr John Edwards—this IMF report:

... comes to the startling conclusion that Australia has been investing in information and communications technology more rapidly than any other country, including the United States. They are the words of Dr John Edwards, the former economic adviser to Prime Minister Paul Keating, and they completely demolish the false argument being advanced by the
Leader of the Opposition. In an analysis that he prepared under the heading ‘Australia as an ITC World Leader’, he came to these conclusions in relation to the IMF report:

ITC investment in Australia has grown at double-digit rates since the middle of the 1980s, so rapidly that investment in hardware and software accounted for over 20 per cent of total non-building investment last year compared to six per cent in 1986. Looking at total spending on ITC as a share of GDP shows that Australia was second only to New Zealand and well above the United States and all other OECD countries.

This is not the performance of a nation that is falling behind. This is the performance of a nation that is leading the world. This is the performance of a nation that ought to be proud of its intellectual capital. The Leader of the Opposition failed to talk down the Australian economy; he now wants to talk down our intellectual capacity. I suggest that he should turn his attention to today’s Sydney Morning Herald. There is an article in the IT supplement. It is not a bad read, I’ve got to tell you, Mr Speaker. It is written by somebody by the name of Graeme Philipson, who isn’t always noted in this supplement for saying favourable things about the government. He says this, amongst other things:

But we don’t do so badly when we compare ourselves with other places. When it comes to IT, Australia is a very clever place indeed, it would seem.

So, by any measure Australia is a large and advanced user of IT.

He talks about the great example of Queensland’s Mincom:

... which has become the world’s largest supplier of software to the mining and railway industries.

He goes on to say:

Figures from market researcher GartnerGroup show that Australia’s IT services industry is nearly as large as that of South-East Asia, India and China combined. This is where most of the truly innovative—dare we say, clever—action is.

He goes on to conclude this:

IT is a truly global industry, and Australia is a major player. It is time we stopped pretending otherwise.

I think those words should echo through the meeting rooms of the Australian Labor Party to drive home to them the fact that there is no profit in talking down Australia, there is no profit in talking down the Australian economy and there is no profit in talking down Australia’s intellectual achievements. The Leader of the Opposition has nominated knowledge and education, and investment in them, as very important issues in the Australian national debate. My advice to the Leader of the Opposition is: before you foray any further into this area, get your facts right.

Howard Government: Advertising Expenditure

Mr BEAZLEY (2.10 p.m.)—My question is to the Prime Minister. Do you recall promising in 1995:

We will ask the Auditor-General to establish a set of guidelines, and we will run all of our advertisements past the Auditor-General and they will need to satisfy those guidelines.

Did the Auditor-General propose a set of guidelines on government advertising in 1998? Did the Joint Parliamentary Committee of Public Accounts unanimously endorse amended Auditor-General’s guidelines last year? Prime Minister, why haven’t you kept your promise and implemented these advertising guidelines?

Mr HOWARD—I remind the Leader of the Opposition that all of the material that he refers to has been carried out strictly in accordance with the guidelines that were laid down by his government. On top of that, I would remind him that they are guidelines, I understand, that were reissued early in 1995, and they spoke of the need to keep people fully informed. They spoke of the obligation that rested upon government departments to make certain that programs they had introduced were widely understood in the Australian community. It has been part of the opposition’s questioning on this issue of government advertising to imply, for example, that there is absolutely no justification for spending any money in drawing people’s attention to the existence of the $300 bonus to people of pensionable age. The argument is advanced by the Labor Party that every-
body who is entitled to that will have the money automatically paid to them. That is the basis of the Labor Party’s claim. That claim is untrue. About 30,000 people, it has been calculated, are entitled to receive this benefit. They are people of pensionable age who are outside the social security or taxation systems, and, unless a campaign is conducted by the government to draw the attention of these people to the benefit that is available, then those people are going to miss out.

Mr Cox—I have a point of order on relevance, Mr Speaker. This question was about the Auditor-General’s guidelines, not about the government’s guidelines or indeed—

Mr SPEAKER—The member for Kingston will resume his seat. The Prime Minister’s reply is entirely within the standing orders, and I recognise him.

Mr HOWARD—I simply make the point that there are 30,000 Australians of pensionable age who will not have the $300 automatically paid to them because they are outside the social security system and the taxation system. The only way you are going to reach those people is to draw their attention to their entitlement, because there is no existing payment connection between them and the government at the present time. Apparently, as far as the Leader of the Opposition is concerned, he doesn’t care about those 30,000 people.

I might also add that the Leader of the Opposition has been flinging around a figure of $20 million a month. I am advised by the Minister for Defence that that includes $3 million a month in relation to defence advertising. Apparently the Leader of the Opposition wants us to stop trying to increase recruitment to the Australian Defence Force.

Australian Public Service: Centenary

Mr NAI RN (2.13 p.m.)—My question is addressed to the Prime Minister. Has the Prime Minister’s attention been drawn to the fact that this week sees the centenary of the Australian Public Service?

Mr HOWARD—It does not surprise me that the member for Eden-Monaro, who magnificently represents in this parliament many people who are employed by the Australian Public Service—

Opposition members interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition! The Prime Minister has the call. The member for Brisbane will consult standing order 55.

Mr HOWARD—It is the case, as the member for Eden-Monaro alludes to in his question, that this week we are celebrating 100 years of the establishment of the Australian Public Service. I know that I speak on behalf of all members of the parliament in putting on record in this place the appreciation of the Australian people, through the government, for the contribution that has been made by the men and women of the Australian Public Service over the last 100 years. I think Australia has had an extremely professional and committed Public Service of great integrity. It is a Public Service that has faithfully served governments of different political persuasions over the last 100 years. I will have the opportunity later today at a gathering to say a few words about the role of the Public Service now and into the future and also to more directly express to the men and women of the Australian Public Service our very great appreciation for the contribution that they have made.

The Public Service now of course is very different from what it was 100 years ago. Like all other parts of society, it has changed significantly over that 100-year period. I am very pleased to have led a government that through the passage in 1999 of a modernised Public Service Act has significantly reflected the changed economic, bureaucratic and social circumstances in which the Australian Public Service operates. The interrelationship of the Public Service to government and the role of private office staff of course have undergone a very significant change in the 27 years that I have been a member of this place. But one constant, I believe, has been the commitment of the men and women of the Australian Public Service to give high quality advice, to give it fearlessly and to give it with the best interests of Australia at
heart. I thank them for that contribution and I wish them well in the years ahead.

Howard Government: Advertising Expenditure

Mr CREAN (2.16 p.m.)—My question is to the Prime Minister. Do you recall promising in 1995 that no government you led would go to a pre-election taxpayer funded advertising spending spree? Prime Minister, with your government now spending what you today admitted is an abnormal amount of money on advertising, with another $120 million to come—more than McDonald’s, Coca-Cola, KFC or Toyota—why haven’t you kept the promise that you made five years ago?

Mr HOWARD—I will say a couple of things. It is true that, because of a number of initiatives of the government, in 1998, 1999 and 2000 there were abnormally large amounts of money spent on advertising. I have not sought in any way to disguise that. That is because we have actually done something in the years that we have been in government. Of course, if you do not do anything you have nothing to advertise. If Labor should ever stumble into office they will not be troubled by this problem, but I happen to lead a government that had the courage to introduce taxation reform that this country has needed for 25 years and I happen to lead a government that advertised in an entirely proper way the details of that tax plan in 1998. That exercise was in fact run past—to use that expression—the Auditor-General and he gave it a tick.

Interest Rates: Levels

Mr BARTLETT (2.18 p.m.)—My question is addressed to the Treasurer. Would the Treasurer advise the House of the benefits of low interest rates for Australian families and businesses? Are there any threats to the current low interest rate environment?

Mr COSTELLO—I thank the honourable member for Macquarie for his question. Low interest rates benefit Australian families. When this government was elected the home mortgage rate was 10½ per cent; today it is 6.8 per cent. For an Australian family on an average mortgage of $100,000 that is a saving of $300 a month. Australian families today are saving $300 a month compared with the rates they were paying the last time the Labor Party was in office. Let me take it further. The last time the Labor Party held the Melbourne seat of Aston, home mortgage interest rates were 17 per cent. The last time the Labor Party held the seat of Aston, a family on an average mortgage was paying $850 a month extra in interest on the average mortgage, and that is after-tax money. If you were on the top marginal income tax rate, you would have to have been earning $1,700 a month before tax to be in the same position as you currently are.

I am asked whether there are any threats to low interest rates. The main threat to low interest rates sits opposite at this table. The person who presided over interest rates of 17 per cent back in 1990 and back in 1996—

Mr Crean—Play the man.

Mr COSTELLO—No, this is not playing the man; this is stating facts. Unfortunately, facts undermine your man. That is his major problem. The last time he was in office he had interest rates at 10½ per cent. There was a seminar here in Parliament House on 6 June with Chris Murphy from Econtech.

Mr Crean interjecting

Mr COSTELLO—Chris Murphy, who was retained by the Labor Treasurer of Tasmania to model for the Labor government in Tasmania and who was retained by Dr David Crean as his preferred modeller—yes, that Chris Murphy.

Mr Crean interjecting—

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

Mr COSTELLO—He was doing a seminar here on 6 June and he was asked a question about roll-back—whether he had done any modelling on roll-back. He said this: ‘If roll-back amounted to $4 billion’—and I cannot imagine—

Mr Crean—The $4 billion tax credits of Tony Abbott.

Mr SPEAKER—The Deputy Leader of the Opposition is warned.
Mr Crean interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition will excuse himself from the House under the provisions of standing order 304A.

The member for Hotham then left the chamber.

Mr McMullan—On a point of order, Mr Speaker: we do not challenge your right to exercise 304A in the way you choose, but we genuinely request that you apply it in an even-handed manner.

Mr SPEAKER—The Manager of Opposition Business runs the very real risk of reflecting on the chair. As any independent observer would have noted, I had in fact been very tolerant of the Deputy Leader of the Opposition. However, having warned him, he then retorted to the chair, which, as you know, under any standard is unacceptable.

Mr McMullan—I make it clear that I did not intend to reflect on the chair—

Mr SPEAKER—I thank the Manager of Opposition Business.

Mr McMullan—but I do intend to make it clear that we thought you were also very tolerant of a lot of other people.

Mr SPEAKER—The Manager of Opposition Business may be sure that the standing orders will be applied even-handedly, as they always are by all occupiers of the chair.

Mr COSTELLO—I was coming to some modelling which has been done by Chris Murphy from Econtech. He was asked a question about whether he had modelled roll-back. He had modelled $4 billion—and we cannot imagine that the roll-back would be only $4 billion, not after five years of opposing GST—and the effect it would have. This is what he said:

If roll-back amounted to $4 billion of stimulus, it would put the budget well into deficit, it would add up to 100 basis points to interest rates and would send the current account deficit back up.

Now, $4 billion of roll-back equals one per cent on your mortgage. The people of Aston ought to know this: if roll-back is $4 billion, that is another $80 a month; if roll-back is $8 billion, that is $160 a month, and start counting from then. Roll-back is a policy to roll up home mortgage interest rates. The Labor Party did it before; they will do it again. When you hear ‘roll-back’, it means home mortgage interest rates go up and every family in Australia would be penalised under a policy of roll-back. No wonder the Leader of the Opposition will not come clean on it. No wonder he will not tell the people of Australia what he has in mind for them. It all ends in the same place—higher interest rates and more pressure on the families of Australia.

Illegal Immigration: Port Hedland Detention Centre

Dr THEOPHANOUS (2.25 p.m.)—My question is to the Minister for Immigration and Multicultural Affairs. I refer the minister to the following comment on the World Today program of last Friday in relation to the Port Hedland detention centre:

In an ensuing melee with ACM and DIMA staff, a metal baton was seized by a group of detainees. It has been hidden ever since as proof, the detainees say, of continuing ill-treatment at the centre. Well, only two weeks ago the Minister for Immigration, Philip Ruddock, dismissed the hidden baton story during an interview on The World Today. It appears that the Minister’s response was somewhat premature. The baton does exist. Yesterday it was handed to Dr Theophanous during a contact visit at Port Hedland.

Minister, given that the head of ACM has taken control of this baton and confirmed that it was used on 11 May, and given also that you now have several statements, including one signed by 116 detainees from Port Hedland which I have supplied to you, will you now concede that you have been misled as to the full story in relation to these events and will you now immediately initiate an investigation by the Human Rights and Equal Opportunity Commission into the claims of the detainees?

Mr RUDDOCK—I thank the honourable member for Calwell for the question. I checked the transcript after that interview on the World Today and the transcript will reveal that I did no such thing. There was no assertion in that program that I rebutted by
saying, ‘No baton existed.’ What I have indicated is that there are used, from time to time, batons which conform with the type used by state police forces, which are aluminium coated, I believe, by a form of plastic or rubber. I have made the point that detention officers are not armed. When it was suggested—but it was not in that program, I might say—that there was some form of baton that was not standard issue, I was interested to see whether or not that could be sustained. From what I gather, the item that was produced to you was standard issue.

Let me deal with the question of what happened at Port Hedland. I facilitated your visit. You met with some detainees and they made certain allegations to you. I have said in relation to any allegations that are made concerning events that have occurred in detention centres that, if there are substantive issues, they should be the subject of full and complete investigation by the authorities who have the competence to deal with allegations—that is, to test them. I have indicated that I would ask HREOC to undertake such an inquiry in relation to the matters that you raise.

I caution you not to accept at face value statements that have been made by people who have an interest in undermining the system of mandatory detention. The fact is that in relation to the particular events that took place on that day, the police, when allegations of assault were raised, had the opportunity to see the videotapes of what was occurring at that time. There was clearly no evidence upon which any charges of assault could be brought. A representative of the detainee population was authorised to see the same video and confirmed that view. It is a fact that some people shouted out at the time that a minor was being assaulted. That was untrue. Some people may have heard that shout, but the statement has been tested and was found to be untrue.

I would simply ask members to keep a sense of proportion about these matters. The detention centres are open for organisations like the Ombudsman, for others like HREOC and the UNHCR and for members of parliament to be able to visit and for a wide range of community representatives to be able to visit if they have had an invitation from detainees. The reason that we do not simply have a visitors day at detention centres is very clear. If people are making substantial claims for refugee status, there are substantial issues about their identity and the protection of their identity that need to be addressed. You would know from some of the comments that detainees themselves have made that, when their identities are exposed in the Australian media and there is a possibility that family members that are left behind might be identified, they are concerned when those matters are produced in that way. I simply caution people to protect people’s privacy and to recognise that there are some people who are found not to be refugees who are being held for removal and who believe that, if they behave inappropriately, if they put us under duress, they will obtain different outcomes. I simply affirm what I have said before: I will not compromise in relation to the integrity of the system that ensures the protection of refugees but also ensures that those who are not refugees are available for removal.

DISTINGUISHED VISITORS

Mr SPEAKER—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from Canada led by the Hon. Dan Hays, the Speaker of the Senate in the Canadian parliament, and other members of his delegation. To you, sir, and to Mr Faruk Khan, who is here representing the National Assembly of Bangladesh, I extend a very warm welcome on behalf of all of the parliamentarians in this Australian federal parliament.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

New Tax System: Compliance

Mrs DRAPER (2.32 p.m.)—My question is addressed to the Treasurer. Would the Treasurer advise the House how the new tax system is assisting the Australian Taxation Office to identify those businesses that previously operated outside the tax system?
Mr COSTELLO—I thank the honourable member for Makin for her question. The introduction of the new tax system has put the tax office in a position to ensure much stricter compliance in relation to income tax obligations. Whereas the amount of revenue which has been raised from GST is almost right on what was budgeted originally, there is now strong evidence that income tax and company tax collections have been higher as a result of increased compliance through the GST system. If you take an example, a barrister is required to charge GST on a fee they render to a solicitor and a solicitor is entitled to get an input tax credit in respect of that GST, but only if they have a tax invoice, which requires an Australian business number. In other words, they only want to deal with people that have Australian business numbers. For people who have not been inside the tax system and do not have Australian business numbers, the introduction of the GST system has put them in a lot of difficulty. Those people, if they want to do business-to-business transactions, have been required to come inside the tax system and to get Australian business numbers. The government originally estimated that the number of Australian business numbers that would be issued was 2.1 million. The total number that has now been registered is 3.5 million—significantly in advance of what the government itself estimated.

The system of tax invoices also gives the tax office the opportunity to trace those invoices down the supply chain, because, if the tax invoice is registered with the number of the business, the tax office has the ability to go and visit that business and to trace down the chain whether or not that business is complying with obligations. On our side of the parliament, we believe in lower company tax and lower income tax, but we believe that the lower rates of both income tax and company tax which we have put in place should be paid by all Australians—that Australians should pay their fair share, and no more, and that, if all Australians are paying their fair share, other Australians will not have to pull the weight for those who in the past have been cheating their obligations.

Let us make this entirely clear. The biggest advance in cracking down on the black economy in this country was the introduction of the GST and ABN system. The political party that opposed the biggest crackdown on the black economy and tax cheating in this country was the Australian Labor Party. Let us make no bones about it. The Australian Labor Party was prepared to oppose a system which has given a much greater capacity to ensure that people who formerly evaded their responsibilities were brought into the tax system. Today, all Australians have had the benefit of income tax cuts—for average earners, now a marginal income tax rate of 30 per cent right up to $50,000; for companies a reduction in the company tax rate to 30 per cent. As all Australians pay their fair share, all Australians benefit from a fairer tax system.

Fiscal Policy

Mr BEAZLEY (2.36 p.m.)—My question is to the Treasurer and follows an answer that he gave previously when he falsely accused the Labor Party of intending a $4 billion deterioration—

Mr SPEAKER—The Leader of the Opposition will come to his question, as he is aware, or resume his seat.

Mr BEAZLEY—The Treasurer will recollect his accusation that there would be a $4 billion deterioration or fiscal loosening in Labor Party proposals—unnamed. Has his attention been drawn to a post-budget presentation for KPMG by Professor Ian Harper, using Chris Murphy’s Econtech modelling? Are you aware that this analysis shows a $4 billion fiscal loosening in your last budget? Given your previous answer, doesn’t this mean you have created the very circumstances you falsely accuse Labor of? The electors of Aston, according to your analysis—

Mr SPEAKER—The Leader of the Opposition will come to his question.

Mr BEAZLEY—are now facing a one per cent rise in interest rates.

Mr Andrews—Mr Speaker, I raise a point of order under standing order 144. The con-
tribution from the Leader of the Opposition was entirely full of argument and ought to be ruled out of order.

Mr SPEAKER—The member for Menzies makes a valid point. The Leader of the Opposition’s question did contain argument and, for that reason, I interrupted him on several occasions. I will allow the question to stand but indicate to him that the question contained more argument than ought to be tolerated.

Mr COSTELLO—I do not know where the Leader of the Opposition gets an imminent interest rate rise from, because during this year interest rates have been falling. In fact, he took great delight in saying that they were falling because of the GST. Do you remember that? He was out complaining all through the course of this year that interest rates were falling, and that that was because of the GST—

Ms Macklin interjecting—

Mr SPEAKER—The member for Jagajaga!

Mr COSTELLO—notwithstanding the fact that he was out complaining all through 1999 that interest rates were rising, and that that was all because of the GST. Mr Speaker, the fact of the matter—and you can correct me if I am wrong—is that the home mortgage interest rate today is 6.8 per cent. When the Labor Party left office it was 10½ per cent and when the Labor Party last held the electorate of Aston back in March 1990—

Ms Macklin interjecting—

Mr SPEAKER—The member for Jagajaga!

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Ms Macklin interjecting—

Mr SPEAKER—The member for Jagajaga!

Mr COSTELLO—it was 17 per cent. These are facts. They may be embarrassing facts, but they are facts. The fact of the matter also is that, if you are to roll back the revenue by only $4 billion, you are going to put interest rates up. The Leader of the Opposition could come in here and say, ‘We will roll back the GST and we will make up every lost dollar with a rise in income tax.’ He could say that, but he refuses to do so. He could come in here and say, ‘We will roll back the GST. We will make up every dollar that is lost by reintroducing the indexation of the petrol excise.’ You have to listen very carefully, as I do, because not yet have I heard one senior person in the opposition give an unequivocal commitment never to reintroduce the indexation of the petrol excise. When you ask them the question, ‘Will you give a guarantee that there will be—

Opposition members interjecting—

Mr COSTELLO—The member for Melbourne just had a very sly smile. I saw it. Oh, Mr Speaker, you have to watch their faces.

Mr SPEAKER—The Treasurer!

Mr COSTELLO—I say: watch their faces; don’t read their lips; listen very carefully. We are yet to have an unequivocal commitment from the Labor Party that they would not bring back the indexation of excise. If elected to office, let us remember this: it was the Labor Party that introduced the indexation of excise and we have never heard a commitment to do away with it.

Ms Macklin interjecting—

Mr SPEAKER—The member for Jagajaga is warned.

Mr COSTELLO—Let us go back to the budget—the budget which is in surplus for the fifth consecutive time in this country. Our Canadian friends will be interested in this country. There have been five consecutive budget surpluses. It is the first time since the 1960s that that has occurred in this country. The two biggest items in relation to the budget were an increase in defence expenditure, $23 billion over 10 years—if the Labor Party were against that, tell us now—and the cut in petrol excise and the abolition of indexation. When I hear them complain about the fact that the budget reduced revenue and the budget spent money, they are presumably complaining of one or the other, and I would like to know which one the Labor Party would reduce. We keep hearing that they are committed to defence expenditure, but, oh, the silence whenever they are asked about the indexation of petrol excise. Oh, the silence. Oh, would we like that silence to be filled in? You bet your life we would!
Mr Beazley—Mr Speaker, I seek leave to table Professor Harper’s analysis of the $4 billion worth of fiscal deterioration by Costello.

Leave granted.

Illegal Immigration: Detention Centres

Mr HAASE (2.43 p.m.)—My question is addressed to the Minister for Immigration and Multicultural Affairs and Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs. Can the minister inform the House whether the government has considered alternatives to the policy of mandatory detention of unauthorised arrivals? What steps have been taken recently to improve facilities within immigration reception and processing centres?

Mr RUDDOCK—I thank the honourable member for Kalgoorlie for the question. The honourable member for Kalgoorlie, of course, represents a part of Australia where the impact of irregular arrivals is significant, and he is very much aware that in the past three years we have seen something in the order of 9,000 people arrive in Australia clandestinely. He is very much aware that, amongst that population, you have a variety of people in a variety of circumstances, some of whom will make asylum claims and may be found to be refugees, and a number of whom will be found to have no such entitlement, to be seeking immigration outcomes and to have come to Australia in the expectation that they might be able to obtain such an outcome. Most of these people have engaged organised criminals to facilitate their travel, have been free enough to travel and have the money to engage people for that task—people who are very quick to follow what is happening in Australia. They are aware of processing times and of the procedures that are followed and they inform people of the nature of claims that they should make when they come to Australia. The tapes that are used and are given back in good faith to detainees about the immigration interviews that take place are being hawked around parts of Asia, to brief people on what they might expect when they come to Australia.

The fact is that people do have expectations that, if they come unlawfully, they will be able in many cases to achieve migration outcomes. It is one of the reasons, as I said earlier, that some people try to put us under duress to get outcomes that they are not entitled to. The system of mandatory detention in Australia was introduced by the former Labor government in 1992 and implemented in 1994, at a time when there was an alternative model in place, and that model envisaged that you would be able to process people’s applications in particular time frames. To process people’s applications in particular time frames requires their cooperation. If you put down a time frame and expect that people’s applications have to be processed in that time and that you will not—let me repeat, will not—be able to stop the release of people when that time has expired, those people will sit out the time and wait until it elapses. The former government was being sued by people who were found to have been detained in excess of the time frame that was outlined in the legislation, and was being sued for false imprisonment, with damages against the Australian public.

The alternative model of fixing times was implemented and failed, and the former government changed it because it found that it would not work. It was well aware of the fact that people might not cooperate in relation to their processing and so it said that the clock would stop at the time when people failed to cooperate. But even that did not stop the manipulation of the system. The fact is that, if you were to put time limits on the consideration of applications, it would have an impact, and this impact would be that people would come in the expectation that they could achieve migration outcomes and that they would merely have to sit it out.

I am very conscious of the time that it takes to deal with people in detention. We process most applications, 80 per cent in fact, within 15 weeks. They get an answer within that time. But the reason that some people are held for far longer periods of time is that there is a range of other opportunities available to them to test whether decisions are lawful. Those matters are outside my
hands and outside the hands of any government, because they rest with the courts. People are very often in detention for long periods of time because the system is such that, if people want to use it, they can exploit it.

It is important to recognise that I have looked at alternative models and at other suggestions that have been made. I have found that every time an alternative is put up it involves release of people who have no lawful entitlement to release. That is what it involves. I have not heard any suggestion for handling these matters other than that you put people on planes and send them back and have no regard to asylum claims. I have said in relation to women and children, for instance, that I am prepared to look at an alternative detention model, and that is being developed right now for implementation, and we will see whether or not such a system might work. The reason we have mandatory detention is to ensure that people are available for processing and available for removal from Australia if they have no lawful basis to be in the country.

The one country that I am aware of where this issue is quite frequently highlighted is Sweden. Look at what happens there, to assess what would happen in Australia if you were going to adopt an alternative model; that is, simply releasing people when they arrive. They have no idea about the people’s health profile, they have no idea whether they pose a risk to security and they have no idea whether people are those who have committed human rights abuses. They need and have in place a system of universal identification so that they can know where people are. In other words, those who argue that you should release people have to be prepared to look at some form of universal identifier to know where people are, because there is no guarantee they are going to turn up later for processing or for removal. If you look at the numbers of people in Sweden, for instance, who are making claims, with about half our population they have significantly higher numbers of onshore claims than we have. The total cost to Sweden is over $1 billion.

So alternative models do produce very different outcomes. They produce larger numbers of people coming in the expectation of migration decisions favourable to them or of being able to remain in the country regardless of whether they have a legal basis to be here. It would increase the cost very significantly. It would undermine the integrity of your migration program but, more importantly—and let me conclude on this basis—the impact is that such an approach undermines your capacity to help those people who have far greater need. I am going to continue to press the argument that, if you have a moral view of these matters, you would be concerned about those people who are languishing in refugee camps with no prospect of going home: unsafe where they are, in need of an urgent resettlement outcome, and in some of the most deplorable circumstances in the world—and I compare those circumstances with the circumstances of those who are able to travel freely and have the money to engage people smugglers. I have to tell you that, if you are looking for refugees in need, I know where you will find them—and you do not find them coming to Australia unlawfully by boat.

Howard Government: Advertising Expenditure

Ms MACKLIN (2.52 p.m.)—My question is to the Prime Minister. Prime Minister, will you confirm that the $15 million contract for the current private health insurance advertising was given to Whybin TBWA and Partners, the firm that produced the notorious ‘Unchain my heart’ GST commercials? Wasn’t this contract awarded without being put to competitive tender, even though it exceeds the allowable amount for issuing a new tender to a firm—

Mr SPEAKER—The member for Jagajuga is entering into an area of argument.

Ms MACKLIN—purely on the basis that they had previously done work for the department? Can you confirm that this decision was taken by the Ministerial Committee on Government Communications, which bypasses the department’s normal tender proc-
esses? Did Minister Wooldridge participate in this decision and approve it?

Dr WOOLDRIDGE—I thank the honourable member for her question. She is correct: it did go through the MCGC process, as they all do. Off the top of my head, I recall that we had an existing contract, which was why it was offered to Whybin. But if there is anything incorrect in that I will get back to her. My understanding is that the guidelines are as they were set down under the Labor Party.

Education: Schools Funding

Mrs DE-ANNE KELLY (2.53 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Would the minister advise the House of any new threats to the certainty of funding for schools? How would proposed changes to funding arrangements impact on schools and parents?

Dr KEMP—I thank the honourable member for Dawson for her question. Yes, I am aware of new threats to the certainty of funding for schools. The Leader of the Opposition is not content with putting out a hit list of schools whose 100,000 parents are going to lose up to $2,000 to $3,000 per student. Labor is now attacking schools at the other end of the spectrum, such as the Murray Bridge Christian School in South Australia, new Steiner and Montessori schools, a number of Catholic parish schools and even the Nyikina Mangala Aboriginal Community School in the Kimberley.

These are new schools. These schools are being established because parents judge that a particular need of families and of students is to have a new choice of school. The Labor Party is now attacking funding to new schools. The Leader of the Opposition is quite content that the Labor Party’s education spokesman, Senator Carr, can run riot in the Senate and that he is now taking action which will make it almost impossible for the government to meet its funding commitments to these new schools. The Labor Party is quite up front that it does not like new schools. That is one of its capitulations to the Australian Education Union. The Australian Education Union forced it last time to introduce a policy discriminating against new schools and now we find exactly the same attitudes being expressed by the Labor Party in the Senate and by its current education spokesman, Senator Carr. This is not the only thing that the Labor Party—

Mr Lee—Mr Speaker, I rise on a point of order. The Notice Paper contains the legislation that the minister is referring to and I think he is anticipating debate.

Mr SPEAKER—I will accept the member for the Dobell’s comment that in fact the Notice Paper contains it. I will listen to the minister’s reply to ensure that he does not anticipate debate.

Mr Lee—Further to the point of order, Mr Speaker: the minister is referring to a Senate committee investigating this very legislation. He is anticipating debate.

Mr SPEAKER—I have indicated to the member to Dobell that I will listen to the minister’s reply.

Dr KEMP—This is not the only threat to school funding which the Labor Party is putting forward over and above its hit list. Last week the member for Dobell said that the Labor Party was going to rewrite the whole non-government schools funding formula; that it was going to change the formula. There is only one reason to change the formula, and that is to take funding away from schools which are getting funding under the government’s SES funding system. The Labor Party intends to reduce school funding to a wide range of schools beyond the hit list. So it is not just the 100,000 parents that are going to be hit by the Leader of the Opposition’s hit list; none of the two million parents who currently send their children to non-government schools can have any certainty whatsoever that their funding will not be reduced by Labor. The Leader of the Opposition calls this reprioritisation. He has to get money from somewhere—from higher taxes or cuts or reprioritising funding—to fund his policies. One of the areas from where he is clearly going to take money is the two million parents who send their children to non-government schools.
Mr Lee interjecting—

Mr SPEAKER—The member for Dobell!

Mr Lee interjecting—

Mr SPEAKER—The member for Dobell!

Dr KEMP—Two million Australian parents are now under threat from the Labor Party that the support they get for their children will now be reduced.

Mr Lee interjecting—

Mr SPEAKER—The member for Dobell is warned!

Dr KEMP—The Leader of the Opposition was caught out last week trying to mislead the Australian public about this government’s commitments to education. Labor cannot be trusted on education. It is this government which is going to defend funding justice for all Australian parents.

Howard Government: Advertising Expenditure

Mr SWAN (2.59 a.m.)—My question without notice is directed to the Prime Minister. Prime Minister, will you confirm that your Minister for Family and Community Services has written directly to older Australians about the $300 payment without actually telling them that age limits apply? Will you also confirm that many of these letters have been sent wrongly to some mature age allowance recipients under age pension age, including this one to Mr John Gill of Bendigo? Prime Minister, how much of taxpayers’ money has been wasted in the process? Prime Minister, is your excuse for spending over $4 million advertising these changes that your minister cannot get a simple mail-out correct?

Mr HOWARD—I will investigate what has been said by the member for Lilley. I am quite certain, though, that the minister to whom he refers, who I think is doing an absolutely remarkable job in her portfolio—

Mr Reith—First class. Run through the ministry!

Mr HOWARD—Indeed, like all of my ministers. I would have thought, without having looked at the letter, that the minister probably would have been observing the following injunction. And I think it is quite a sound injunction and perhaps, with the patience of the House—it will not take long—I should read it out:

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. The government therefore expects all departments, agencies and authorities to carry out their public information programs based on the principles which guide all of the government’s relations with the community: fairness and equity.

I do not think anybody in this House would argue with that; that seems a very sound principle. It goes on:

All departments are required to conduct their public information programs at a level appropriate to their impact on the community, particularly where they concern the individual’s benefits, rights and obligations.

That is a full statement of the February 1995 MCGC guideline that was issued by the previous government. I am quite certain that the minister has been acting in the spirit of that guideline, which has been adopted and followed by this government.

We are very proud of the changes that were introduced in the last budget to help older Australians. They are changes that have been widely welcomed in the community, but to have the full benefit of those changes people have got to know they exist. As I indicated yesterday and again on radio this morning, when we extended the Commonwealth seniors card, despite all of the publicity that was given at the time, we discovered that something in the order of more than 200,000 older Australians—according to the department advice—who were entitled to get that card had not applied for it. I would have thought that the member for Lilley and the Leader of the Opposition and all of those other warm-hearted characters on the other side would be interested in older Australians getting their full entitlement.

Mr Swan interjecting—

Mr SPEAKER—The member for Lilley!
Mr Howard—I cannot understand how on earth the member for Lilley can attack the government for wanting to tell pension age Australians what their entitlements are. I find that an absolutely extraordinary proposition. I can only say again that this government makes no apology for telling people what their entitlements are. The member for Lilley talks about looting the Treasury. He sounds as though he has been to a meeting of the board of directors of Centenary House.

Mr Swan—Mr Speaker, I seek leave to table the letter from Senator Vanstone to Mr Gill.

Leave granted.

Economy: Agricultural Exports

Mrs Gash (3.03 p.m.)—My question is directed to the Minister for Agriculture, Fisheries and Forestry. Would the minister inform the House how responsible economic management by this federal government, especially in interest rates and the Australian dollar, is vital for farm businesses to be successful?

Mr Truss—I thank the member for Gilmore. She makes the very obvious point that good economic management, good government policy, does improve the lot of farmers and small business men around Australia. If you want any further evidence of that, the Australian Bureau of Agricultural and Resource Economics today delivered forecasts for agricultural exports for the year ahead. The good news is that agricultural exports are forecast to rise by $2.1 billion in 2001-02 to almost $30 billion. That represents a 50 per cent increase on the figures that were achieved when we came to office; and those exports are good news for the farm sector that spreads across the board. The forecasts suggest that there will be increases in exports for wheat, barley, rice, beef, veal, live cattle, sugar, wine and a whole range of other products. There will also be increases in the prices received on the export market, up something like 20 per cent over the last two years.

Those sorts of statistics are delivering positive outcomes also at the local level. There have been significant reductions, according to the last reports, on the level of farm debt. There has been a tripling of the amount of money in farm management deposits over the last two years—again, a clear demonstration of the success of this government’s policies in that regard. Of course, the number of people employed in agriculture has also benefited, up from 114,000 to 124,000 under this government—more people employed in agriculture.

Of course, none of that could have happened under Labor. It simply could not have happened under policies of high inflation, increasing debt, 22 per cent-plus interest rates, an antiquated tax system—those were the sorts of policies that Labor delivered and that farmers had to endure. It is quite clear that, had Labor continued in office, the same sort of incompetence would have continued. Some opposite like to ask us to believe that, if they were to be returned again, somehow or other it would all change, that Labor would be better economic managers next time. Well, not too many farmers are likely to believe that, with a shadow minister who is asleep at the wheel and who could not care less about agriculture, with no interest in it whatsoever. Just look at Labor’s web site on agricultural policy: it is in a coma; it has not moved for ages. In fact, the last thing I noticed on the web site was their policy on dairying—

Mr Zahra interjecting—

Mr Truss—Yes, on dairying—the honourable member interjects—and the key item on Labor’s dairy policy was that they are going to establish a task force under the shadow minister. And I think some of us actually saw this task force—one or two of them being dragged around the countryside to pretend to take some interest in it. But the interesting thing about the web site—and this is the web site today, I might add—is that this task force will report back by the end of April 2001. It strikes me that we may have gone a bit beyond the end of April. In fact, two months have passed and still no sign of the task force report! So this is Labor’s agricultural policy: a task force report on dairying two months out of date, not a single thing
in sight. And that is the kind of approach we can expect of course from Labor in government.

It is interesting to note that Prime Minister Blair abolished the agricultural portfolio altogether when Labour came back into office in the latest UK election. That is a pretty clear signal. I think the Leader of the Opposition is pretty keen on the policies of Prime Minister Blair. Is that the sort of treatment that farmers can expect under a Labor government—the portfolio going altogether? They will not notice—the shadow minister is asleep anyhow—but certainly farmers need a positive, aggressive government that will deliver the good economic policies that can deliver spectacular export results like those that have been announced today.

**Howard Government: Advertising Expenditure**

Mr EDWARDS (3.09 p.m.)—My question is addressed to the Prime Minister. Prime Minister, are you aware that your Minister for Veterans’ Affairs wrote letters to numerous veterans and their partners, including this one to Mrs June Usher, advising them of their eligibility for the $300 pensioner bonus? Are you also aware that a short time later the department wrote to these pensioners—including again this letter to Mrs Usher—advising them that the minister’s letter was wrong and that the $300 was not in fact payable because they were under the age threshold? Prime Minister, do you support this approach of having the minister deliver the good news and the department the bad? Prime Minister, is this why you need to spend over $4 million advertising these changes—because your ministers cannot get a simple mail-out right?

Mr Howard—The answer to the honourable member of Cowan is yes to the first question and yes to the second question. There was a regrettable error. It was drawn to my attention. Self-evidently, the minister could not personally get in touch with each of the people involved. It was a mistake.

**Opposition members interjecting—**

Mr HOWARD—Mistakes are made in large organisations and, for the benefit of those who interject from the other side, I would challenge anybody who has been associated with any government in any administration of any political persuasion to assert that there has never been a clerical error of this kind made. I am sorry it happened. Apologies have been tendered to the people involved, and I am quite certain that every effort will be made to ensure that it does not happen again. As for the last part of the question, the arguments that I have advanced in relation to the need to advertise remain valid; and, with the greatest of respect, I think there is no connection between the two things whatsoever.

Mr Edwards—Mr Speaker, I seek leave to table two letters. The first is a letter from the minister advising Mrs Usher that she would receive the $300. The second is a letter from the department advising her that she would not.

Leave granted.

**Household Savings**

Mrs MAY (3.11 p.m.)—My question is addressed to the Minister for Financial Services and Regulation. Would the minister inform the House of policy initiatives that will help increase the savings of Australians? Is the minister aware of any alternative policies relating to savings?

Mr HOCKEY—Thank you to the member for McPherson for her question. The member for McPherson asked me what can the government do to increase savings. In fact, the very best thing the government can do is give to every Australian income tax cuts, and we have done that in bucketloads. Today 80 per cent of Australians pay 30 cents in the dollar or less in income tax and that helps to deliver more money into the pockets of everyday Australians.

The second thing we are doing is that we are delivering in full, on 1 July, the abolition of financial institutions duty. That is saving $1.2 billion a year in Australia and helps to provide incentives for savings. That averages $63 for every man, woman and child in Australia, including—even though FID is not applied in Queensland—Queenslanders. Not all of those savings are immediately obvious...
to consumers of course, because a whole lot of the FID payments are buried in business, so we think consumers need to be fully aware that they are getting this major incentive for savings.

I have been asked about what other policies are around when it comes to savings, and I must say that, when it comes to compulsory savings, the Australian Labor Party seems to be a little bit confused. On 7 April the member for Hotham—and I am only sorry that he is not here—

Government member—We’re not.

Mr HOCKEY—He is in the sin-bin or he is in the blood bin. In a report in the Weekend Australian on 7 April, the member for Hotham was quoted as saying on compulsory savings and the super levy:

I believe it has to be taken above 9 per cent. The level, timing and mechanism are for our review of superannuation to determine.

I will table that article, Mr Speaker. Then the following day, on 8 April, in order to clarify his position, the member for Hotham put out a media release and he said:

Labor has no plans to increase employer contributions to 15 per cent, as was made clear in a series of media interviews in recent weeks.

So he is saying, ‘We’re not going to 15 per cent.’ I table that, Mr Speaker. I thought Christmas comes only once a year but in fact it comes twice, thanks to the truth-teller from the Senate, Senator Conroy. We should call him Senator Simon Conroy instead of Stephen Conroy. In an Australian Financial Review seminar on 7 June—I am happy to table this; there is a very extensive commentary here—Senator Conroy said:

Now Simon made some references to that recently in the newspaper—

talking about compulsory super—

and he talked about the need to increase the level. I mean, that is the first stage of the debate. Is nine per cent enough? Does anyone really believe that nine per cent is enough to retire on for everybody?

He goes on to say:

Personally, I’ve always been in the 15 per cent camp. I think we need to have about 15 per cent in people’s retirement incomes ongoing so that they have a sustainable retirement, and that gives us the sort of money to narrow the gap and to avoid having to borrow offshore. So the national savings retirement debate is critical. I can only say to all of you who have an interest in it, when Simon went out there a couple of weeks ago and said we needed to spark the debate and that we needed to talk about increasing from nine per cent, he was pilloried in the papers and unfortunately there weren’t many people out there defending the debate that nine per cent is not enough.

Here we have the shadow minister for financial services talking about 15 per cent and we have the member for Hotham talking about nine per cent—there is a six per cent gap. Who is paying? Where is the money coming from? Who is paying? It is a shame that the member for Hotham cannot clarify it.

The member for Wills was speaking at the National Press Club today. Everyone was expecting an answer, expecting the member for Wills to explain whether it was nine per cent or 15 per cent. None of the journalists asked the question, and we ask the question today. What is the percentage? Is it nine per cent or is it 15 per cent? And, if it is 15 per cent, who is going to pay? Where is the money coming from? The Labor Party has to explain to the Australian people how it is going to pay for its policies. If it is going to pay with the employers contributions, then it should explain that that is going to be paid by employers. At the end of the day small business is going to pay; at the end of the day every Australian is going to pay, because the Labor Party cannot fund its policies.

Howard Government: Advertising Expenditure

Ms ROXON (3.17 p.m.)—My question is to the Prime Minister. Prime Minister, isn’t it true that since 1999 the government has spent $27 million on advertising to promote the private health insurance industry but only $2.5 million a year on antismoking advertisements in the same period? Why are you now spending a further $15 million on promoting ‘no gap’ insurance products when
such spending should be the responsibility of the private health insurance industry? Isn’t this a massive six times the national tobacco campaign annual advertising budget?

Mr SPEAKER—The member for Gellibrand will come to her final question.

Ms ROXON—Prime Minister, why is reducing the 19,000 deaths a year from smoking six times less important than promoting the private health insurance industry?

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

Dr WOOLDRIDGE—I thank the honourable member for her question. It is quite incorrect to equate importance with the size of the trophy. I do understand that some of the public health community look at it in that way; I would much rather look at results. Last week I announced that 20.3 per cent of Australian adults over 18 years of age were smokers who smoked once a week or more. The daily smoking figure was 15.6 per cent. This is the best result of any country in the Western world.

Ms Roxon—What are the results of private health insurance advertising in my electorate?

Mr SPEAKER—The member for Gellibrand has asked her question; the minister will be heard in silence.

Dr WOOLDRIDGE—Smoking has gone down from 23.7 per cent since we started in 1997. No other Western country, as far as we can find out, has had comparable good results. The fact is that we have had an extraordinary result with smoking, one that was never achieved under Labor—in fact, we had stalled at 23.7 per cent for a number of years. We have achieved this for a variety of reasons, not just from spending money on campaigns. We have changed the calculation of excise from per stick to weight based. We have increased the excise. We have had a national tobacco strategy with the states. We have had the full phase-out of all tobacco advertising—the first time anywhere in the world that this has been negotiated—in international motor sport, and a very successful campaign. We have gone down about 0.85 per cent a year. So I would completely reject the notion that we do not take smoking seriously.

Mr McMullan—Six times as much on private health insurance.

Dr WOOLDRIDGE—the track record is that we have done better in this than any previous government. To simply equate it to dollars spent, as the honourable member for Fraser has done, shows he does not understand the area.

On the issue of health insurance, it is entirely appropriate for the government to advise the public when there has been legislative change that affects the climate in which the private sector operates. To say that just the private sector should do this ignores the fact that we have legislative change that changes the issue on gaps. It is important that the public understand that the situation that existed under Labor, when gaps were a problem, does not exist today. We are very proud of what we have done on gaps. We have worked hard to fix the problem. It was something that Labor was never able to fix, and we are entirely entitled to tell the public that the problem that existed under Labor does not exist now.

Workplace Relations: Registered Organisations

Mr CHARLES (3.20 p.m.)—My question is to the Minister for Employment, Workplace Relations and Small Business. Minister, could you inform the House whether there are organisations registered under the Workplace Relations Act which have an undue influence on Australian workplace relations policy? Minister, can you provide examples of that influence and advise whether the government has plans to address this situation?

Mr ABBOTT—I thank the member for La Trobe for his excellent question and for his very long-term interest in these important subjects. I am happy to inform the member for La Trobe that no registered organisation whatsoever has any institutional sway over government policy. The only sway that any registered organisations have over this government is provided by the cogency and the
logic of their arguments—that is all. By contrast, the notorious 60-40 rule means that, 100 years after Federation, the Australian Labor Party is still nothing more than the political wing of the union movement.

The opposition’s youth wages policy is dictated by the shop assistants union, which has the largest bloc vote inside the Labor Party, which last year donated $730,000 to the Labor Party, which has no fewer than three senior officials as caucus members—Senators Hogg, Bishop and Collins. The opposition’s right of entry policy, as we learned yesterday, is dictated by the Metal Workers Union, which has the second largest bloc vote inside the Labor Party, which last year gave $680,000 to the Labor Party and which shoehorned George Campbell into the Senate as easily as its members managed to crowbar their way into a couple of Melbourne businesses last week.

The New South Wales government’s workers compensation policy—let us be confident—will ultimately be dictated by the CFMEU, which last year gave $400,000 to the Labor Party and is now trying a little bit of gentle persuasion by blocking the state parliament in Macquarie Street. Decent Labor members and decent unionists know that the union bloc vote is nothing but a racket and a rip-off. Brett Evans of the Evatt Foundation said recently—and I am quoting from his book The Life and Soul of the Party:

Before he knew it—and he is referring to Gary Gray, and this is a matter involving no confidence in a pre-selected Labor member of parliament—a fleet of mini buses had arrived from BHP with 310 unionists on board. The state secretary of the South Australian ALP had come to town as Labor’s sheriff to activate a little used clause in the rule book giving affiliated union members rights in the sub-branch equal to those of party members.

There is no democracy inside the Australian Labor Party. The member for Melbourne knows it, the member for Fremantle knows it; the only person who does not know it is the Leader of the Opposition, who is very happy to talk about governing the country but cannot govern his own party. Tony Blair knew that the union bloc vote was a racket and a rip-off. Kim Blur is no Tony Blair. The ultimate lesson of all of this is: if you are not allowed to govern your own party you should never be allowed to govern the country.

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

PRIVILEGE

Mr Speaker—Yesterday the honourable member for Reid raised as a matter of privilege the alleged unauthorised disclosure of details of a report of the Joint Standing Committee on Electoral Matters. I have examined the material he tabled and I advise the House that, in accordance with the practice of the House concerning issues of unauthorised disclosure from committees, the matter should be considered in the first instance by the joint committee itself. The committee’s consideration should include the issue of whether there was any unauthorised disclosure and if there was, first, the source and, second, the question of whether substantial interference with the committee’s work, with the committee system or with the House resulted or was likely to result. The committee should inform the House of the results of its deliberations. If it concludes that substantial interference has occurred, it should explain why it has reached that conclusion.

PERSONAL EXPLANATIONS

Mr BEAZLEY (Brand—Leader of the Opposition) (3.26 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr BEAZLEY—Yes, I do.

Mr Speaker—The Leader of the Opposition may proceed.

Mr BEAZLEY—I was misrepresented by the Treasurer in question time. In the course of his remarks he stated that neither I nor the Labor Party nor our web site had ever said anything at any point in time about whether
or not we would endorse, support or advocate a reintroduction of indexation of petrol excise. I do not know what particular website he was searching—

Mr SPEAKER—The Leader of the Opposition must come to the point at which he has been misrepresented.

Mr BEAZLEY—I have a recollection of saying on numerous occasions we would not. Just for the Treasurer’s edification, I am citing here from an ALP policy announcement on petrol from Simon Crean, shadow Treasurer, Labor Party website, which went on on 4 March 2001, where a reporter challenged the Labor Party to guarantee a Labor government would not reintroduce automatic indexation of petrol prices.

Mr SPEAKER—The Leader of the Opposition must come succinctly to where he has been misrepresented.

Mr BEAZLEY—It said:
Crean: And again on Thursday we said we would not.

Dr WOOLDRIDGE—Honestly! Inane babble coming across the table. Really!

Mr SPEAKER—The minister is not assisting the chair.

Mr BEAZLEY—Really? Oh, gee!

Mr SPEAKER—I remind the Leader of the Opposition of my earlier comments. The minister has the call.

Dr WOOLDRIDGE—This was on the basis that Whybin’s had run the Lifetime Health Cover campaign, they had done it very successfully and it was intended to continue the branding, the umbrella, from one campaign to another. I am also advised that the process was entirely proper and entirely in accordance with guidelines. Secondly, the point is that somehow $15 million is over the limit. Of course, Whybin’s only gets a fraction of this. The $15 million is the television advertising.

Mrs Crosio interjecting—

Mr SPEAKER—The member for Prospect is warned!

Dr WOOLDRIDGE—Thirdly, I was asked whether I took part in this meeting. It happened in MCGC out of session. I did not attend or take part in that meeting.

PERSONAL EXPLANATIONS

Mr LEE (Dobell) (3.29 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr LEE—I do.

Mr SPEAKER—The member for Dobell may proceed.

Mr LEE—During question time the Minister for Education, Training and Youth Affairs claimed that I had said last week that
Labor threatened to reduce private school funding for two million parents. In fact I have stated many times that Labor’s policy is that, apart from the 58 category 1 schools, no school will have its funding altered in the current quadrennium—that is, until 2005, or two elections away.

Mr BILLSON (Dunkley) (3.29 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr BILLSON—Horrendously so, Mr Speaker.

Mr SPEAKER—The member for Dunkley may proceed.

Mr BILLSON—In the other house the underwhelming shadow minister for the environment, Senator Bolkus—

Mr SPEAKER—The member for Dunkley will come to the point at which he was misrepresented or resume his seat.

Mr BILLSON—has accused me of making some statements at a conference in Launceston on the 8th of this month regarding the government’s endeavours to move forward the Kyoto protocol. Senator Bolkus argued that I had said there was some secret plan that had been hatched between the Australian government and the United States. This is blatantly wrong and the statement and communique issued at the conclusion of the conference prove that Senator Bolkus is misleading the Senate.

Mr STEPHEN SMITH (Perth) (3.30 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr STEPHEN SMITH—I do, Mr Speaker, in two separate respects.

Mr SPEAKER—The member for Perth may proceed.

Mr STEPHEN SMITH—Firstly, today the Minister for Communications, Information Technology and the Arts, Senator Alston, in a media statement of today’s date said that I was deliberately misleading the Australian community, that I was deliberately ignoring the law and that I was lying. These outrageous assertions are untrue. There is no basis for any of these suggestions. Secondly, Minister Alston said in the same press release:

Mr Smith has told today’s Financial Review that:

“A fully privatised Telstra would be under no obligation to subsidise consumers.”

I told the Australian Financial Review no such thing. I can only assume the Australian Financial Review reported in error part of my doorstop yesterday, where I said:

And so the point that Senator Alston is making—that Telstra should not be required to do uneconomic things—I assume can only mean that Senator Alston no longer believes that Telstra ought to provide Universal Service Obligations and Customer Service Guarantee obligations.

Mr SPEAKER—The member for Perth will indicate where he has been misrepresented.

Mr STEPHEN SMITH—Unlike Minister Alston, I do not accuse the Australian Financial Review journalist of fabrication. I can only assume it was an error. The misrepresentations made by Senator Alston are entirely untrue and without foundation.

Mr HOLLIS (Throsby) (3.32 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr HOLLIS—I do.

Mr SPEAKER—The member for Throsby may proceed.

Mr HOLLIS—The Minister for Immigration and Multicultural Affairs, in his overreaction to the report of visits to immigration detention centres of the Human Rights Subcommittee, of which I am the deputy chairman, is reported in today’s edition of the Canberra Times and other newspapers as saying that ‘those involved had spent too much time swanning around human rights meetings in Geneva to cast aside emotion and make rational decisions about detention options’. The committee never left Australia.
The only swanning around in Geneva has been carried out by the minister.

Mr SPEAKER—The member for Throsby cannot indicate where the committee has been misrepresented.

QUESTIONS TO MR SPEAKER

Questions on Notice

Dr THEOPHANOUS (3.33 p.m.)—Mr Speaker, under standing order No. 150, I ask that you write to the Minister for Health and Aged Care and ask for reasons for the delay in answering question No. 2529 on 5 April 2001 on Aboriginal health.

Mr SPEAKER—I will follow up the matter raised by the member for Calwell as the standing orders provide.

Questions on Notice

Mr GIBBONS (3.33 p.m.)—Mr Speaker, I ask under standing order No. 150 that you write to the Minister for Health and Aged Care asking for the reasons for the delay in answering question No. 2516, which appeared on the Notice Paper on 5 April in my name.

Mr SPEAKER—I will follow up the matter raised by the member for Bendigo as the standing orders provide.

Questions on Notice

Ms ROXON (3.34 p.m.)—Mr Speaker, I also ask that under standing order No. 150 you write to the Minister for Health and Aged Care and ask for reasons for the delay in answering my question No. 2473 filed on 27 March 2001.

Mr SPEAKER—I will follow up the matter raised by the member for Gellibrand as the standing orders provide.

Questions on Notice

Mr O'CONNOR (3.34 p.m.)—Mr Speaker, under standing order No. 150, I ask that you write to the Minister for Health and Aged Care and ask for the reasons for the delay in answering question No. 2443 on 8 March 2001.

Mr SPEAKER—I will follow up the matter raised by the member for Corio as the standing orders provide.

Questions on Notice

Dr LAWRENCE (3.34 p.m.)—Mr Speaker, under standing order No. 150, I also ask that you write to the Minister for Health and Aged Care to ask for reasons as to the delay in answering the following questions: No. 2375 of 27 February 2001, No. 2169 of 27 November 2000 and No. 1702 of 27 June 2000.

Mr SPEAKER—I will follow up the matter raised by the member for Fremantle as the standing orders provide.

Questions on Notice

Mr SIDEBOTTOM (3.35 p.m.)—Mr Speaker, under standing order No. 150, I ask that you write to the Minister for Health and Aged Care and ask for reasons as to the delay in answering question No. 2391 on 1 March 2001 in my name.

Mr SPEAKER—I will follow up the matter as the standing orders provide.

Questions on Notice

Ms HALL (3.35 p.m.)—Mr Speaker, under standing order No. 150, I ask that you write to the Minister for Health and Aged Care and ask for reasons as to the delay in answering question No. 2428 which I put on the Notice Paper on 6 March this year.

Mr SPEAKER—I will follow up, as the standing orders provide, an answer to the question.

Questions on Notice

Mr DANBY (3.36 p.m.)—Mr Speaker, under standing order No. 150, I also ask you to write to the Minister for Health and Aged Care and ask for the reasons for the delay in answering question No. 2351 of 7 February this year.

Mr SPEAKER—I will follow up the matter raised by the member for Victoria Ports. I would indicate that it is not an obligation on the chair to seek reasons, simply to seek an answer.

Questions on Notice

Mr LEO McLEAY (3.36 p.m.)—Mr Speaker, under standing order 150, I ask that you write to the Minister for Health and
Aged Care, who does not seem to answer his letters—

Mr SPEAKER—If the Chief Opposition Whip wants grace from the chair, he will come straight to the matter he has raised.

Mr LEO McLEAY—and ask for the reasons as to the delay in answering question No. 2343 of 7 February 2001.

Mr SPEAKER—I will follow up the matter the Chief Opposition Whip has raised, as the standing orders provide.

Questions on Notice
Mrs IRWIN (3.37 p.m.)—Mr Speaker, under standing order 150, I ask that you write again to the Minister for Health and Aged Care and ask for reasons as to the delay in answering question No. 2198 that was on the Notice Paper of 30 November 2000 regarding Liverpool Hospital.

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

Questions on Notice
Ms BURKE (3.38 p.m.)—Mr Speaker, I too rise under standing order 150 to ask that you write to the Minister for Health and Aged Care and seek reasons for the delay in answering question No. 2191 which I lodged on the Notice Paper on 29 November last year.

Mr SPEAKER—I will follow up the matter raised by the member for Chisholm, as the standing orders provide.

Questions on Notice
Mr KERR (3.38 p.m.)—Mr Speaker, under standing order 150, I ask you to write to the Minister for Health and Aged Care to ask for reasons as to the delay in answering question No. 2152 placed on the Notice Paper on 27 November last year.

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

Questions on Notice
Mr MURPHY (3.38 p.m.)—Mr Speaker, on 7 December 2000, questions 2253, 2252 and 2229 to the Minister for Health and Aged Care appeared on the Notice Paper in my name; on 6 December, questions 2222 and 2221 to the Minister for Health and Aged Care appeared on the Notice Paper in my name; on 28 November, question No. 2179 to the Minister for Health and Aged Care appeared on the Notice Paper in my name; and on 1 November, question No. 2110 to the Minister for Health and Aged Care appeared on the Notice Paper in my name. I would be grateful if you would expedite an answer from the indolent Minister for Health and Aged Care.

Mr SPEAKER—I will follow up the matter raised by the member for Lowe, as the standing orders provide.

Questions on Notice
Ms HOARE (3.39 p.m.)—Mr Speaker, under standing order 150, I ask that you write to the Minister for Health and Aged Care seeking answers to the following questions placed on the Notice Paper in my name: question No. 2452 on 26 March 2001, question No. 2015 on 4 October 2000 and question No. 1979 on 3 October 2000.

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

Questions on Notice
Mr LATHAM (3.40 p.m.)—Mr Speaker, under standing order 150, I ask that you write to the Minister for Health and Aged Care seeking answers to the following questions placed on the Notice Paper in my name: questions Nos 2238 and 2237 on 7 December 2000, question No. 2205 on 4 December 2000, question No. 2137 on 7 December 2000, question No. 2116 on 2 November 2000, question No. 2096 on 31 October 2000, question No. 2062 on 12 October 2000 and question No. 1906 on 31 August 2000.

Questions on Notice
Mr O'KEEFE (3.40 p.m.)—Mr Speaker, under standing order 150, I inform you that on 19 June last year I placed on the Notice Paper question No. 1635 to the Minister for Health and Aged Care. At the moment that question remains unanswered and I wondered if you could write to the minister to seek the reasons why that is so.
Mr SPEAKER—I will follow that matter up.

Questions on Notice

Mr McCLELLAND (3.41 p.m.)—Mr Speaker, I similarly rise under standing order 150 and ask that you write to the Minister for Health and Aged Care and ask him for reasons as to the delay in answering the following questions: No. 2170 asked on 27 November 2000, Nos 1476 and 1473 asked on 9 May 2000 and No. 1041 asked on 22 November 1999.

Questions on Notice

Ms MACKLIN (3.42 p.m.)—Mr Speaker, under standing order 150, I also ask that you write to the Minister for Health and Aged Care and ask for reasons as to the delay in answering questions 461 and 460 asked on 8 March 1999 and question No. 404 asked on 10 February 1999, all of which remain unanswered.

Mr SPEAKER—I will follow up the matter raised by the member for Jagajaga as the standing orders provide.

Questions on Notice

Mr WILKIE (3.42 p.m.)—Mr Speaker, I have a question of you. In light of the fact that there are some 42 unanswered questions on the Notice Paper to the Minister for Health and Aged Care, some of which date back over two to 2½ years, what action can be taken to protect the integrity of the parliament by ensuring ministers respond to questions on notice in a reasonable period of time? As I said previously, given that some of these questions are some two to 2½ years old, I believe this matter brings the House into disrepute and requires urgent attention.

Mr SPEAKER—In response to the member for Swan, who is a relatively new member, I would point out that, prior to the insertion of standing order 150, the opportunity to follow these matters up did not exist. If the House is unhappy with the present structure of the standing orders, there are facilities before the House to address that matter.

Questions on Notice

Ms ELLIS (3.44 p.m.)—Mr Speaker, under standing order 150, I would be very grateful if you could please assist in getting a response to question No. 2495 from 2 April this year, put on the Notice Paper and addressed to the Minister for Health and Aged Care, and question No. 1600 to the Minister for Health and Aged Care that went on the Notice Paper on 5 June last year. I have brought this up with you before and I still do not have a reply to those questions.

Mr SPEAKER—I will follow the matter up.

AUDITOR-GENERAL’S REPORTS

Reports Nos 49 to 52 of 2000-01

Mr SPEAKER—I present the Auditor-General’s audit reports Nos 49 to 52 of 2000-01 entitled No. 49—Performance audit—Information technology in the Health Insurance Commission—Health Insurance Commission; No. 50—Performance audit—The National Cervical Screening Program—Department of Health and Aged Care; No. 51—Performance audit—Australian Defence Force health services follow-up audit—Department of Defence, and No. 52—Assurance and control assessment audit—Payment of accounts.

Ordered that the reports be printed.

PAPERS

Mr REITH (Flinders—Leader of the House) (3.45 p.m.)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

Electoral System: Integrity

Mr SPEAKER—I have received letters from the honourable member for Perth and the honourable member for Sturt proposing that definite matters of public importance be submitted to the House for discussion today. As required by standing order 107, I have selected the matter which in my opinion is the most urgent and important—that is, that proposed by the honourable member for Sturt, namely—
Mr Melham—There has been a reconciliation between Howard and Pyne.

Mr SPEAKER—I warn the member for Banks—the chair is on his feet. The member has been here long enough to know better than that. The proposed matter reads:

The need to restore the Australian people’s faith in the integrity of the electoral roll including the introduction of identification on enrolling to vote.

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

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

Mr PYNE (Sturt) (3.46 p.m.)—It is fascinating to see standing order 150 get such a work-out today. I do not think it has ever had such a work-out, but it is typical of the intimidatory tactics that the Labor Party employs in this place. They are the same tactics that were exposed throughout the electoral matters inquiry; the same intimidatory tactics that Senator Faulkner brought to bear on poor Karen Ehrmann in our public hearing in Brisbane, which so comprehensively back-fired; the same intimidatory tactics that have led to the establishment of a former ALP staff support group for those people who were involved in electoral fraud and who were thrown to the wolves by the Labor Party; the same intimidatory tactics that Nigel Freemarijuana had to put up with after the Ryan by-election. But it will not intimidate us, because we will get to the truth.

MPs on this side of the House have long held suspicions about manipulation of the electoral roll. The electoral matters committee inquiry over the last nine months is part of the evidence of manipulation of the roll that has built up over a number of years. You can add to that the Shepherdson inquiry report handed down this year; the cases involving Karen Ehrmann, Shane Foster and Andy Kehoe; the evidence before our committee of Karen Ehrmann, Lee Bermingham, Brian Courrice and the Scotts, and in fact a former member of this House—a former ALP member—who felt the need to expose the corruption of the ALP; the investigative reporting in the media; and the 445 cases that have been referred to the AFP by the AEC over five years. That is a tremendous number of cases.

As a consequence of all these things, the faith of the Australian people in the integrity of the electoral roll has been severely shaken. It has all been as a consequence of ALP activities. People like Jim Elder, Mike Kaiser, Grant Musgrove, Tony Mooney, David Barbagallo, Andy Kehoe, Shane Foster and Karen Ehrmann all have one thing in common—they are all members of the Australian Labor Party. All have been found guilty of electoral fraud, have been forced to resign from their parliaments because of suspicions of electoral fraud, have received suspended sentences or have been referred to the DPP under suspicion of electoral fraud. Even now the ALP refuse to face the reality and to cooperate in reform. As usual, they flick the switch to personal vilification, to attacks on me as the chairman, on the coalition, on the witnesses that appeared and on the former ALP people who have dared to stand up to the Labor movement. Like the Bourbons of France, they arrogantly and contemptuously dismiss the findings of this report and dismiss the barefaced reality that stares them in the face; they refuse to face up to it.

John Faulkner was at it again today. On the Derryn Hinch program he said:

It’s a real audacity for some trumped up Liberal Party, young Liberal backbencher—I assume that is me—from South Australia—

Opposition members interjecting—

Mr PYNE—I know, it is appalling. It cuts me to the quick. He continued:

… to start saying to a political party, that is, the Australian Labor Party, that is 110 years old, how it should organise itself. ... we’re entitled to organise our internal affairs as we decide ...

That is what Senator Faulkner says. He does not care about what the Australian people want. But I am not into personal vilification and I do not intend to get down in the gutter.
with the ALP members of this committee as they have over the last nine months. I do not want to detail the allegations that have swirled around the ALP in Victoria, South Australia, Queensland and New South Wales. I see the member for Port Adelaide here who has played a key role in exposing some of the corruption of the South Australian Labor Party on the *Sunday* program. I do not intend to go down the track of talking about why you would need to have an ALP former staffer support group or about the intimidation and fear that has stopped so many witnesses who have contacted me personally from appearing before our inquiry because of the retribution that they feared from the Labor Party and that formed the basis of the evidence of people like Karen Ehrmann, Lee Bermingham, Brian Courtice and the Scotts.

The culture of the ALP is quite different from our culture. We are actually interested in ideas. We are interested in change and reform. We do not want to go down the track of people like Peter Baldwin, Samir Bargshoon, Al Constantinidis, Nigel Freemarijuana and Karen Ehrmann—all these people who have felt the sharp edge of the Labor Party culture that we do not understand on this side of the House. That is one of the things that has allowed the ALP to get away with this for so long, because we on this side of the House cannot believe that people would be so prepared to defraud the system, to put people who do not exist on the roll, to vote for people who do not exist or to vote for other people on election day, as happened in Fisher in 1987. We cannot conceive of that, because we are an honest party and we do not believe that anything is fine as long as you win.

There is one simple solution for some of these problems, that is, introducing identification for enrolment. This is a very simple procedure. In fact, the laws are already there for it to occur and it just requires the states to cooperate. Isn’t it coincidental that it is the Labor state of Queensland that is leading the charge against this simple change to enrolment? We would ask that people present a driver’s licence, a birth certificate, a passport, even a letter signed by someone whom the enrollee knows saying that they are the person they claim to be and are living at the address at which they claim to live. It is hardly a punitive requirement. It is hardly carrying an ID card around in your pocket. All you have to do is come up with a letter which says, ‘I’m Christopher Pyne. I live at such and such an address and I should be on the roll. I have a friend who is on the list of prescribed witnesses to sign that,’ and you get on the roll. It is not onerous, it is not punitive, but the ALP is against it.

The ALP says that it will disenfranchise some people. It is pathetic and sad in the year 2001 that the ALP is so condescending to the Australian public and so patronising of groups like Aborigines and the disadvantaged. Fancy suggesting that Aborigines do not have access to identification in the year 2001. It is like going back to the old days with the great white chief coming over the waters to send the message to the poor Aboriginal communities. The reality is that Aboriginals are sophisticated voters. They vote in ATSIC, they vote in local land councils and they vote for state, territory and federal government elections. People who know Aboriginal communities, such as Senator Grant Tambling, make it very clear that Aboriginals are amongst the most sophisticated voters in our community. It is simply condescending to assume that they would not be able to access identification.

The ALP says that the disadvantaged in the community will not be able to enrol to vote and will be disenfranchised. The reality is that those people who are on some kind of benefit from the government almost always have a bank account. To be able to open a bank account, you need 100 points of identification. Who introduced the 100 points test? The Labor Party introduced the 100 points test to open a bank account. So they thought it was okay to require people to turn up with a Bankcard, a passport, a birth certificate, a driver’s licence, whatever, in order to get a bank account, but it is not okay to turn up with a letter saying that you are who you say you are and signed by a witness to get on the electoral roll to vote. The 100 points test,
which was punitive for many people and a much higher test for identification, was fine by them, but being allowed to vote without any identification at all is what is required by them.

It is easier to enrol to vote to change the government of this country than it is to take out a video from your local video store. We have heard that from coalition members for the last 12 months. It sums up for the average Australian how easy it is to be able to get on the electoral roll. Also, most of them know how easy it is, if they have identification, to take a video out from the local video store. They know that identification is just a normal part of life. Young people have identification to prove that they are under 18 so that they can get the discount for a film. You need identification to pick up tickets to catch a plane or to get onto a train. You need identification to open a bank account, to buy a drink at the pub and to take out a video from the local store. Identification is not a serious issue in Australian politics today and everyone understands that except, seemingly, the Labor Party. Even the Sydney Morning Herald thinks that it is an easy thing to do. The editorial in the Sydney Morning Herald today—which shocked the members of the coalition—says:

Labor should reconsider its rejection of some of the proposals that have been endorsed by the committee’s Coalition members. The recommendation that anyone applying for electoral enrolment must provide identification—such as a birth certificate, Australian passport or driving licence—to the Australian Electoral Commission seems perfectly reasonable.

... ... ...

The Opposition Leader, Mr Beazley, describes the idea as ‘another effort by the Liberal Party to advantage themselves’. This sounds far-fetched. These days, citizens are required to produce proof of identity for a whole range of social and commercial transactions. It is foolish of Labor to be seen to be opposing relatively modest reforms.

I could not have said it better myself. So who does oppose it? Not the Democrats, not the Liberal Party, not the National Party; the only party that opposes it is the Australian Labor Party—coincidentally, the same party that was the subject of the inquiry by Mr Shepherdson, the same party that has had some of its members jailed for fraud or who are on suspended sentences for fraud, the same party that had a deputy premier resign from parliament under suspicion of electoral offences, as well as Mike Kaiser and Grant Musgrove, and the same party where members have admitted to electoral fraud on the Stateline program in New South Wales. Also, an insider from the ALP outlined how the election was rorted in Fisher in 1987 and witnesses told us, as members of the committee, how the leadership of the ALP showed them how to do it and told them that they needed to have a set of floating voters they could move from one electorate to the other for the purposes of preselections.

The Australian Labor Party has missed the boat on this issue. They are intent on dragging us to the ground, along with the Australian Democrats, rather than allowing anyone to get to the finishing line to restore people’s faith in the integrity of the electoral roll. They would rather we were all losers than actually bring about the reform which they know will improve the system. The ALP is deeply mired in the past. They are obsessed with personalities and with heaping invective on individuals. It is a part of the ALP tradition of intimidation. They might be able to intimidate their own members—and they did stop witnesses from appearing before our inquiry—but they will not intimidate the coalition and they will not intimidate the Australian Democrats.

Throughout this inquiry, the ALP strategy has been one of obfuscation, delay, throwing up hurdles and discrediting the process. They are petrified of a light being shone on their activities. Like a thief in the night, they want to operate in the darkness of ignorance rather than allow the light of truth to be shone on their activities and to face up to the possibility that they may be rancid with electoral fraud. Even in the minority report, they just oppose. Where are their recommendations for change and reform? All they came up with was opposition, vilification and personal attacks on me and on other members of the coalition. Yesterday, Senator Murray was
forced to resume his seat in the Senate, in unprecedented scenes, as the Labor Party vilified him for supporting the coalition’s changes and reforms to the electoral process.

Why this overreaction from the Labor Party? It begs the question of what it is that the Labor Party have to hide. Who are the Labor Party trying to protect? That is the question that Labor members have to answer in this debate today. It is the question that Senator Faulkner has failed to answer. We have here in front of us a set of reasonable, fair reforms that are easy to comply with but will make a difference. Yet the ALP oppose them root and branch. The question has to be: why? Who are they protecting? The member for Werriwa will probably have some theories of his own. I see the member for Reid here. The member for Werriwa has made some choice remarks about the member for Reid and his brother the member for Batman and about their involvement in the Western Suburbs of Sydney. Perhaps he would like to share with us his concern about the Labor Party’s activity in the Western Suburbs. I hope the member for Reid is going to speak in this debate and set out what it is the Labor Party would do about the concerns that have been raised in our report rather than their continual opposition.

Finally, I would like to touch very briefly on the issue of influence by external forces on political parties in the Australian polity. It is clear from our inquiry that one of the major motivations for electoral fraud was the control of preselections within the Australian Labor Party by forces outside the Labor Party. They use the iniquitous 60-40 rule to maintain their stranglehold over the Australian Labor Party. In fact, the evidence that came before us from people like Brian Courtice was that this was part of a systematic campaign, across Queensland in particular, to rig preselections for the purposes of protecting their own factions. We have made the quite sensible suggestion that one vote, one value should be introduced into political parties. The Labor Party have demanded this in every state and federally around Australia. The only place they do not want it to operate is in their own party. It adds to the hypocrisy of the Labor Party, the hypocrisy over the 100 points test and over one vote, one value. They would rather have a flawed system in place than bring about good reform that will make a difference and restore people’s faith in the integrity of the electoral roll.

Mr McCLELLAND (Barton) (4.01 p.m.)—I am pleased that the member for Sturt got a jersey today. He really deserved that, because his opportunity to advance his career through the chairmanship of the Joint Standing Committee on Electoral Matters failed abysmally. You cannot analyse the conduct of the committee or its recommendations without having regard to those personal ambitions that manifested themselves so often and so disgracefully during the evidence gathering process—and indeed during this parliamentary contribution, when, despite the member for Sturt voicing his lack of interest in matters of personal vilification or in heaping invective, that personal vilification and invective was about 14 minutes worth of a 15-minute speech. Nowhere did we hear of the inconsistencies relating to the evidence of Nicholas Berman, a former staff member to Minister Jackie Kelly; nowhere did we hear about the inability of the committee to call Minister Kelly—on four occasions—to clarify and to seek reasons for starkly different accounts of Mr Berman’s enrolment at Ms Kelly’s home given by the minister in the House on the one hand and Mr Berman before the committee on the other. Nor did we have more than, I think, half an hour—

Miss Jackie Kelly—Mr Deputy Speaker, I raise a point of order. It is part of our standing orders that, if you are going to make a substantive motion against a member of this House, there is a proper procedure for doing it. I point out to the member opposite that I am actually on this side of the House supporting amendments to ensure that we see a 100-point system to enrol.

Mr DEPUTY SPEAKER (Mr Jenkins)—I will listen very carefully to the honourable member for Barton. I think he knows that, if he goes to make any accusations, he would need to do so by substantive
motion. I do not believe he has done so far.

Mr McCLELLAND—Thank you. Indeed, in raising the issue of the committee being hamstrung in its ability to pursue these matters, my criticism—attack, if you like—was on the chair of the committee, Mr Pyne, who so expressed his opposition to personal invective. But the committee’s evidence—if you read the majority report—goes nowhere near even sustaining these imputations that the member for Sturt just made in the House. The evidence gathering process itself was so flawed, so tainted and so incompetent under the chairmanship of the member for Sturt that it was impossible, quite frankly, for the committee to make any sensible findings of fact; in so far as there were any findings, they were attributed back to the Shepherdson inquiry. It was a completely incompetent inquiry and it was an inquiry that abused the processes of the parliament. In particular, it relied on very draconian powers to issue summonses and, by so doing, deprived citizens who had received these summonses of their liberty for the purpose of coming before a committee blatantly pursuing a political purpose.

As I said on the tabling of the committee report yesterday, we in this parliament, as representatives of the Australian people, have an obligation to call the executive to account. This committee was very much used as an instrument of the executive: firstly, in the appointment of the chair, with a political mission ahead of him; and, secondly, through the use of powers with the serious consequences of a citizen being in contempt of parliament if they did not adhere to the committee’s summons. Anyone who has an interest in due process would be fascinated by reading the way in which the committee, under the chairmanship of the member for Sturt, gathered evidence. The medieval Star Chamber had nothing on the way this committee behaved. It was really quite outrageous.

Let us talk about these reforms. Let us analyse these major reforms that have been recommended in the majority report. I should indicate that, as the member for Sturt is well aware, the Labor Party has not indicated its opposition to all recommendations; it has simply indicated its opposition to those that will impede the ability of Australian citizens to exercise their constitutional right to vote in elections. That is the reason that we have opposed some recommendations.

Let us look at this issue of enrolment identification. Firstly, the Westpac Banking Corporation has done a survey of the number of bank accounts that have been falsely opened by reliance on birth certificates. Indeed, the committee received evidence from William Chapman, Chief Manager, Operational Control of Westpac, that 13 per cent of birth certificates used as the first part of the 100-point scheme were fraudulent. That is in the context where birth certificates are frequently used to obtain other forms of identification, whether it is a credit card, a club membership or whatever. Thirteen per cent of Westpac’s accounts that relied on birth certificates had been fraudulently opened.

Where do we go from there? We received evidence from the Federal Police that, increasingly with electronic technology, forms of identification are open to abuse, and indeed the Attorney-General’s Department itself gave evidence. Paragraph 2.111 of the majority report acknowledges that the Attorney-General’s Department stated that a potential problem with requiring proof of identity documentation for enrolment is that ‘the reliability of documents that people produce is increasingly under threat’. We have experts telling us that the reliability of that documentation is, again, questionable. And then there is this glib line that more evidence is required of Australians to take out a video than to enrol to vote.

I ask this question: if the Australian Taxation Office had to rely on the records of video stores or the records of the Australian Electoral Commission to conduct a mail-out, whose records would they rely on? Of course they would rely on the records of the Australian Electoral Commission, because there is no requirement to swear the accuracy of documents, under threat of penalty, at a
video store, as there is under the electoral roll; nor are there subsequent procedures for verification. So to suggest that a video store’s address record has any resemblance to the accuracy of the Electoral Commission’s is just a fabrication. I think the member for Sturt said that there is a simple solution: require identification at the point of enrolment. It is not a simple solution at all; it is a flawed argument. Moreover, those irregularities that were identified by the Shepherdson inquiry involved transfer of enrolment, not the point of enrolment. In terms of the more dramatic issues and instances to which the member for Sturt referred, the proposition—recommendation 4, which he supports—would have had no effect in stopping that fraudulent activity from occurring.

We have analysed what benefits there would be. At best it would be a speed bump—a mere speed bump for someone who was intent on defrauding the electoral roll, to have to produce some form of identification at that point of enrolment. Let us look at the downside. How many video stores have members who have visited Halls Creek seen? I visited Groote Eylandt last year to investigate the mandatory sentencing issue and the effect it was having on that community and I have to say that I did not see one video store. I stand to be corrected, but I do not think it was really the pastime of young Aboriginals in that community to go and get a pizza and a video of a Friday night.

The records I have seen show that five out of the last 10 incarcerations under the mandatory sentencing laws of the Northern Territory have been for either stealing petrol or receiving petrol. I think the last one that I noted was for receiving, not stealing, $2 worth of petrol. That involved an 18-year-old—a person old enough to vote. Are we saying that these communities are facing such oppressive laws, but we are going to effectively disenfranchise them because they are not able to produce identification? As a member of the community, think of the last time you wanted to enrol your child in a sporting activity—the last time you were able to go to the top drawer and pull out their birth certificate. I can tell you that every time I have to go to the registry of births, deaths and marriages to get a new one. If you are living in rural and regional Australia, how easy will that be? If you do not have a car, let alone the money to go and apply for lessons to drive a car, how are you going to get photo identification? If you cannot afford your basic bus fare, how are you going to afford an overseas airline ticket to need a passport?

To suggest that these people who are facing very oppressive conditions, both social and economic, should be deprived of a vote because the chairman of this particular committee is on a political mission—namely, his own ambition—is really quite outrageous. That is why we oppose the recommendation. We have supported, however, electoral officers in polling places being provided with details of the address, sex and date of birth of voters. Surely that is a far more sensible check against someone enrolling their cat under false identification that would be so easy to fabricate.

The second issue relates to the cutting off of the rolls, which is a matter of great concern. Despite the claims of endorsement by the Australian Democrats, which I believe to be unfounded, the Australian Democrats must realise that it would result in the disenfranchising of some 80,000 young people enrolling to vote for the first time after an election is called—within the first seven days. About 200,000 people need to correct their re-enrolment to vote in the correct electorate. People may remember back to 1983 when Malcolm Fraser called a snap election and people were not able to correct their enrolment address or enrol for the first time. There was a hue and cry about that. In this case literally hundreds of thousands of Australians would be deprived of their constitutional vote.

In another area, in the context of industrial organisations, which we heard about in question time today, there are obligations under the industrial relations legislation for organisations to have procedures that ensure the greatest degree of democratic participation of members in the affairs of the union.
In that context, the Federal Court has time and again criticised rules, indeed struck down rules, that require a closing of the roll too far from the date of ballot because it is offensive to the principle of democratic inclusion. We have no hesitation, again, in opposing a recommendation that would result in the disenfranchisement of so many young Australians—and Australians who would tend to be more itinerant in the sense that they are required to move around by virtue of seeking employment and the like.

The third issue is that of the principle of one vote, one value. I would dearly love the member for Sturt to define what he means by the principle of one vote, one value. Would it set aside the procedures of the Liberal Party, whereby their preselections are so frequently determined on a collegiate basis, where there is a portion of local representation but the bulk of representation comes from head office? Where is the equality of representation there—one vote, one value?

Similarly, the executive of the Australian Democrats is made up of two members from each state, despite the fact that they have vastly differing memberships in each state. In the Australian Labor Party, would the principle of one vote, one value, according to the member for Sturt’s proposition, mean that we would be required to abolish the principle that we have, in order to encourage more women to enter the parliaments of Australia, of affirmative action? It is a complete and utter fabrication. It has no logic. He would be unable to explain it. It was a principle that was not even considered by the committee. It was something invented by the chairman so that he could get some media lines. But, again, in the chairman getting media lines for his personal ambition and promotion, he has dared to question the integrity of the electoral system, the Australian Electoral Commission, as indicated by the wording of this matter of public importance today. That is shameful. The conduct of this committee itself was shameful. The conduct of the chairman today is shameful. (Time expired)

Mr St Clair (New England) (4.16 p.m.)—The behaviour of the member for Barton is shameful. I would have, quite frankly, expected far more from him in particular. I certainly do not expect a great deal more from the member for Reid; I presume we will find that out later. Through this whole inquiry I have always wondered what the Labor Party are afraid of. Why are they afraid of electoral reform? Why are they afraid of changes to bring in a logical identification when you become enrolled to vote? I suppose that, as I go through their dissenting report, some of the reasons that they are afraid start to come out.

During the inquiry, the member for Fremantle had something to say, and I thought it was very salient because she was talking about external influences upon parties—and maybe why the Labor Party does not want to go through this reform process. The member for Fremantle said, amongst other things:

Unions...exercise disproportionate influence through the 60-40 rule and through their affiliated membership, many of whom have no direct connection to the party.

Mr Pyne—Who said that?

Mr St Clair—The member for Fremantle said that to the inquiry. It followed on from evidence that was given by Mr Berminster, who operated, as many would know, as an organiser for the Australian Workers Union in Queensland and who gave evidence before the inquiry and talked about the factions that actually run the Labor Party. He said amongst other things that, overall, the picture was one of:

... an organisation that has such vast influence over both federal and state politics yet it is unanswerable to anybody. It is not audited, it is not expected to account for itself publicly or indeed to the party.

I find that is part of this continual reaction to the report that was brought down on the 1996 election by the Joint Standing Committee on Electoral Matters. When that report was handed down, recommendation No. 3 was that the Electoral Act be amended to provide that an applicant for enrolment must produce at least one original of a documen-
tary proof of identity, where such information has not been provided previously. We have heard today from the member for Bar-
ton that it is difficult for some of those peo-
ple who feel a little disenfranchised or a little remote to be able to actually come up with proof of identity. So I had a look. The legis-
litation was brought into this place and was duly passed, as it should have been, and the regulations were also brought in to have ef-
fect and, as I understand it, the regulations are there—if it were not for the states, and we will talk about them in a moment. The legislation says amongst other things on the verification of identity that the identity of the person making a claim for enrolment must be verified by providing the Electoral Commiss-
ion with the original of at least one docu-
ment. I am sure that most Australians who are entitled to be enrolled to vote would have one of the documents—I hope so—men-
tioned in schedule 5, and would be able to show a person mentioned in schedule 4 a document mentioned in schedule 5. That means that, if you have one of those docu-
ments, you can get somebody else to verify it.

I was concerned that maybe there is not enough provision in the documentation and maybe we do not allow enough people to actually verify those documents. So I looked up the schedules and I looked at the docu-
ments first of all. I found listed such things as a drivers licence or learners licence. I do not live in a remote area—that is for sure—but I have got areas in my electorate that are a long way from a lot of major regional cities and regional towns. But I am sure that most of those people, as adults, would have their drivers licence or learner drivers licence—I hope they do; I hope they are not driving around without one—or a current Australian photographic student identification card. Fortunately again for the member for Paterson, who seems to sit over there protect-
ing his union mates, a current identifying card, showing the signature and the photo-
graph of a cardholder and issued by his or her employer, is listed.

Mr St CLAIR—A video card, maybe? Maybe that is the go. A current pension con-
cession card issued by the Department of Family and Community Services is listed, and a current proof of age issued by a state or territory. Why did they bring in a current proof of age card? It allows people who are 18 years of age, of voting age, to be able not only to access some of their own recreational activities but also to use it as a way of prov-
ing who they are and having some proof of identity when they come along to actually apply for enrolment.

In the regulations at schedule 4, there is a 2½-page list of persons who can attest to claims for enrolment. Not having enough people is a worry. We have to make sure that there are enough people in the community to do that, so there is a very comprehensive list that will account for a lot of those who may feel that they are disenfranchised. On the list are accountants, credit union officers, em-
ployees of community ethnic or remote re-
source centres who counsel or assist clients as part of the employees’ duties—that would help an enormous number of people who may feel that they are disadvantaged—and employees of women’s refuges or employees of a crisis or counselling service who counsel or assist victims of domestic violence, sexual assault or sexual abuse as part of their duties. The list also includes full-time or permanent part-time teachers—that is, any teacher.

Mr Pyne—It is a big group.

Mr St CLAIR—It is a very big group in-
deed and one that, again, is spread through the whole of the nation in both remote areas and not so remote areas. Also on the list are holders of a current liquor licence or their nominees—again, access to people who are able to sign and act as witnesses—members of Aboriginal or Torres Strait Islander com-

Government members interjecting—

muity councils or regional councils, mem-
bers of associated consulting engineers, po-
lice aids and registered nurses. The list is quite comprehensive. It repudiates what was said before about the need for some form of identification—people should have access to that—and about ensuring, which is important for identification, that there are adequate
types of people and professions who are able to verify identification.

The regulations are in from the Commonwealth’s perspective. They have been through the Senate. What we really need is for the states of Australia to implement their complementary regulations to enable all of this to happen so that we continue to have one roll, not two rolls. But what do we find? We find the Labor states are saying no.

Mr Hardgrave—What about Queensland?

Mr St Clair—They say no in Queensland. Isn’t that surprising? The Courier-Mail today has a great editorial. I am sure the Premier would be delighted with the recommendations here. After all, he is going to recommend a change within his own organisation, and I am sure he will go along with it.

The editorial states:

... As committee chair Chris Pyne pointed out, it is easier to enrol to vote than it is to obtain a video rental card.

This is in a paper not known for its genuine support of the conservative side. It also states:

... Nor would such a requirement disadvantage the poor, disadvantaged or Aborigines, all of whom might be expected to have, or easily obtain, identification. No one need be disenfranchised by the adoption of this recommendation.

It finished up by saying—and it has been said in here before—that Labor Party reform is being rejected. Hypocrisy, thy name is Labor.

Mr LAURIE FERGUSON (Reid) (4.26 p.m.)—In this House when the opposition raises the issues of unemployment and consumer and foreign debt in this country, the government constantly comes back with the refrain that we are talking this country down. I ask: why should we change major institutions and processes in this country on the basis of this Joint Standing Committee on Electoral Matters report? I want to start with the comments on the public record by the chairman of that committee and the degree of evidence that he is adducing to try to change a system which pioneered the secret ballot in this country, which is one of the first countries in the world to give women the vote and which by 1922 had introduced compulsory voting and compulsory registration. I ask: why should these major processes be altered? What is the evidence for this? In the Adelaide Advertiser last Saturday, the chairman said:

One of the things that we discovered in evidence is the impression is being given that there are a few isolated incidents of electoral offences and it’s not a very serious problem.

This chairman made a further comment on the Sunday program when interviewer Ross Coulthart put to him:

... After months of hearings, its chairman Chris Pyne admits the inquiry’s uncovered no hard evidence that elections have been swung with fraudulent votes ...

He did not deny it. He did not argue with it. He did not badger the reporter. He replied:

But quite frankly, it’s a very short hop skip and a jump ...

from a lack of evidence. What is the record that his inquiry were able to produce? They were able to produce AEC statistics that said that over a decade there had been 71 serious cases of electoral fraud in this country. There had been 71 cases in a period when 72 million votes were cast in five electoral processes. There was one case of serious electoral fraud for every 750,000 enrollees. This committee also had another very interesting statistic. It is slightly at variance with the AEC statistics. This figure is from the AFP. The AFP said that, from 1995 to 2001, 145 serious or complex cases were referred. Of those, 69 were judged worthy while for investigation by the AFP.

So we start off with a figure of 445 that were raised. We are down to a mere 69 that the AFP even thought should get investigated, let alone were proven. Another figure produced by those opposite—and for the sake of argument we will believe they are telling the truth—is that, when they do a post-out, five to seven per cent of the letters come back. Five to seven per cent is the Liberal Party’s figure of returned mail. Most people who have been in politics for a while understand that a significant part of the
electorate is not interested in getting mail from MPs, regardless of their political situation. People who have been around a long time in this country understand that people actually move house. As early as five years ago, the average Australian moved 14 times in their life. The situation is that we have a larger and larger movement in this country for employment and other purposes; and we had the member for Parramatta telling everyone in Australia to move 100 kilometres if they could not get work in the town where they lived. That is typical of what is going on. The other reason why this figure of five to seven per cent is totally unreliable is the reality, which the AEC put forward, that many members are operating with very old rolls in their offices. So we have 69 cases over a very long period of time, in a country where last year there were 2.46 million electoral enrolments. In that context, this chairman is complaining that 69 people had cases referred to the AFP.

Mr Pyne interjecting—

Mr DEPUTY SPEAKER (Mr Jenkins)—The member for Sturt!

Mr LAURIE FERGUSON—What is this all about? This is not some miraculous thought that has come into their heads; this is a long process to basically reduce people’s enrolment rights in this country, to discourage people, to make it difficult, to make sure that people do not cast votes. We recall that in the last parliament they had another angle: they essentially wanted to abolish compulsory voting. They thought that might reduce people’s participation in society. By the time this particular inquiry started, we had a very proud announcement from the Liberal Party. The same Liberal Party which had fought in the last parliament to get rid of compulsory voting came forward in their submission and said, ‘We now support compulsory voting.’ That was the situation they tried to engineer last time, and this is just simply a continuation of it. It is about one thing alone. We know the figures. We know the chairman’s comments that there has been very little evidence produced by the committee. Despite that, they are pushing ahead with this process because they essentially want to make sure that people are inconvenienced, that they are chopped off the rolls when these Liberal Party letters go out to their houses and there is returned mail. They want the AEC to chop them off the roll, to make it difficult for them to come back on and to make sure that people are pushed out of the system.

I was interested yesterday when the chairman had the audacity, the temerity, to start talking about the situation in Florida. I will quote a source far more reputable than the chairman of this committee; I will quote the Washington Post about the reality of what happened in Florida. You all know that there has been a lot of debate about the electoral machines there, about the way people crossed ballot papers and whether pieces of paper were valid ballot papers. But the real story of Florida is the vision of this chairman; it is what he is about. In December last year, in commenting about Florida, the Washington Post said this:

... as scrutiny of Florida’s deeply flawed electoral process intensifies, the focus is broadening, moving beyond the fate of votes counted (or miscounted or mislaid) to the fate of votes that were never cast. Black and other minority citizens on whom the Democrats were counting faced unusual obstacles in exercising their democratic rights.

Florida’s Republican secretary of state, Katherine Harris, backed by Mr Bush’s brother, Florida’s governor, Jeb Bush, launched a systematic purge of the electoral rolls earlier this year. The result was the exclusion of unknown thousands of voters on the erroneous grounds that they were convicted felons; because they had allegedly not voted in previous elections; because they had moved home; or because officials were told to impose stringent polling-day identity checks, while lacking the time to conduct them properly.

This is what this process is about: it is about going down the American road of disenfranchising large parts of the electorate—those people that they think are less likely to vote for them. We all know that surveys in every Western democratic country have shown an inclination of people on higher incomes, people with tertiary education, people who own their houses, to vote for conservative politics. This is about making sure that peo-
ple in minority groups, people who rent properties, people with lower educational accomplishments, are pushed out of the system.

Finally I turn to the self-righteous, sanctimonious performance of the chairman today when he started adducing all guilt, all blame, about electoral mispractice in this country to the Labor Party. In today’s Courier-Mail what is the headline? ‘Liberals ban voting by overseas ring-ins’. What a concession the Queensland Liberal Party is making: they are not going to let people overseas vote in their electorates any longer! I quote further:

The Queensland Liberal Party has banned foreigners voting in preselections. But new State President John Herron—he is the new broom, the new look, the younger look—could not rule out further branch-stacking under the party’s revamped constitution.

If the chairman over there wants to start talking about malpractice in this country, we find that half of Echuca in Victoria has moved to Unley in a faction fight with him. We all know that Eoin Cameron constantly told this House about the manipulations of Crichton-Browne. We all know of the efforts at the University of Tasmania to get rid of Senator Watson. We all know that, at the University of New South Wales, people, for a few free beers, were asked to join and vote against Andrew Thomson. That is the reality around this country of malpractice. And today, the very day that they say that they will not let people in Taiwan and Hong Kong vote in their preselection ballots, he has got the audacity to come here and accuse the Labor Party of electoral malpractice.

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

MATTERS REFERRED TO MAIN COMMITTEE

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

That the following bills be referred to the Main Committee for consideration:

- Passenger Movement Charge Amendment Bill 2001
- Social Security Legislation Amendment (Concession Cards) Bill 2001
- Finance and Administration Legislation Amendment (Application of Criminal Code) Bill (No. 1) 2001
- Trade Marks and Other Legislation Amendment Bill 2001
- Therapeutic Goods Amendment (Medical Devices) Bill 2001
- Therapeutic Goods (Charges) Amendment Bill 2001
- International Maritime Conventions Legislation Amendment Bill 2001
- Financial Sector (Collection of Data) Bill 2001
- Financial Sector (Collection of Data—Consequential and Transitional Provisions) Bill

COMMITTEES

Public Works Committee

Report

Mrs MOYLAN (Pearce) (4.37 p.m.)—On behalf of the Parliamentary Standing Committee on Public Works, I present the sixth report for 2001 of the committee relating to the proposed Commonwealth Law Courts, Adelaide, South Australia.

Ordered that the report be printed.

Mrs MOYLAN—by leave—This report entitled Proposed Commonwealth Law Courts, Adelaide relates to the construction of a purpose-built building to accommodate four federal courts: (1) the High Court; (2) the Federal Court; (3) the Family Court; and (4) the Federal Magistrates Service. Purpose-built Commonwealth law courts have already been completed in Hobart, Sydney and Parramatta, Perth, Brisbane and Melbourne. Adelaide is the only state capital without its own purpose built premises. The committee supports the proposed development in Adelaide and is of the view that the building is long overdue.

The need for the proposal arose from the deficiencies in the existing leased space. A lack of space in the existing accommodation has significantly limited the number of people that can attend court trials. In the absence of the new building, future growth of the
courts could only be met by leasing extra space at the Grenfell Centre, the current accommodation. This situation would lead to extra leased space on non-contiguous floors. The result not only would be inconvenient to court officials but would compromise the level of security that could be provided. The question of ensuring security is a major concern and was a fundamental consideration in the implementation of the Commonwealth courts program. The current security arrangements in Adelaide are inadequate and below the standard set in other Commonwealth law court buildings.

I would like to make a few comments about the cost of the project. On 8 February 2001, when the Parliamentary Secretary to the Minister for Finance and Administration referred this project in the House to the Public Works Committee for consideration and report, the cost was $73.7 million. A few days before the public hearing, on 27 April 2001, this figure was revised upwards and the project is currently estimated at $76.6 million. While the committee accepts that the nature of design and construction for such projects may require some cost variation, the committee expects that agencies proposing public works should ensure cost estimates meet the three criteria when a work is referred to the Public Works Committee. The criteria are that cost estimates be, firstly, detailed; secondly, accurate; and, thirdly, current.

During the inquiry, the committee was confronted with an issue that was of particular concern to the South Australian government and the Adelaide City Council. The issue related to the closure of a small public thoroughfare as part of the building site. The public access road was identified as Nelson Street. The committee views the question of access as one for resolution between the state and local governments. However, the committee urges the continuation of dialogue between all parties concerned in order that they may reach a satisfactory outcome.

The committee is strongly of the view that major Commonwealth buildings, such as the proposed Commonwealth Law Courts in Adelaide, should express our contemporary culture and form part of our national heritage. The proposed Commonwealth courts complex will be located in the Victoria Square conservation area in Adelaide, which is entered in the register of the National Estate. As such, the proposed complex should accord with its surroundings. To this end, the Australian Heritage Commission and Heritage South Australia made a number of suggestions aimed at ensuring that the heritage values of the Victoria Square conservation area are maintained. They relate to the design of the building, a more subdued treatment of the facade and ongoing consultation about the proposed materials and finishes to be used. The committee supports these suggestions and is pleased that the Department of Finance and Administration have already incorporated elements of these proposals in their revised design plans. The committee has recommended that the Department of Finance and Administration ensure ongoing consultation in relation to heritage and access matters is maintained with the Australian Heritage Commission and the Adelaide City Council.

The committee has recommended that the proposed construction of the Commonwealth Law Courts complex in Adelaide proceed at a cost of $76.6 million. I thank all of those involved in producing this report, and I commend it to the House.
Australian Securities and Investments Commission Bill 2001
Corporations (Fees) Bill 2001
Corporations (Futures Organisations Levies) Bill 2001
Corporations (National Guarantee Fund Levies) Bill 2001
Corporations (Repeals, Consequentials and Transitionals) Bill 2001
Corporations (Securities Exchanges Levies) Bill 2001
Family Law Legislation Amendment (Superannuation) Bill 2000

GOVERNOR-GENERAL LEGISLATION AMENDMENT BILL 2001
Second Reading
Debate resumed from 6 June, on motion by Mr Reith:
That the bill be now read a second time.

Mr TANNER (Melbourne) (4.44 p.m.)—
The Governor-General Legislation Amendment Bill 2001 deals with the salary, taxation and superannuation arrangements for the Governor-General. In considering this bill, it is worth remembering the context of the Governor-General’s position. At present, under the Constitution Australia’s head of state is the Queen and her ‘heirs and successors in the sovereignty of the United Kingdom’. Anyone reading the Australian Constitution who is unfamiliar with the practical realities of Australian government would assume that the role of the Queen was central. In fact, the involvement of the British monarch in Australia’s affairs is now very limited. The Queen’s role as head of state is, in most respects, carried out by the Governor-General. Of the responsibilities the Queen retains, the most notable is her appointment of the Governor-General which, by convention, she makes on the advice of the Prime Minister.

The office of Governor-General has a range of powers and functions conferred on it by the Constitution, most notably the executive power of the Commonwealth. Convention, rather than constitutional text, dictates that the Governor-General act on the advice of his or her Australian ministers in the exercise of these powers, other than in the exceptional circumstances covered by the so-called reserve powers.

With the bill before us today, it is worth remembering the actual position of the Governor-General in our system of government. It is worth remembering that Peter Hollingworth will not be our head of state, contrary to the claims made by some supporting the no case in the republic referendum in November 1999. He will be the representative of the Queen of England and Australia, who is our head of state. This bill does not deal directly with the much bigger issues of our structure of government and who our head of state is, but it does acknowledge the need for the Queen’s representative to be better and more appropriately integrated into our society.

The Governor-General Legislation Amendment Bill 2001 has four main purposes. They are: first, to set the official salary of the next Governor-General, Archbishop Peter Hollingworth; second, to remove the income tax exemptions which currently apply to vice-regal representatives; third, to ensure that the superannuation surcharge on the retirement allowance payable to governors-general will apply in the same way that it applies to the rest of the community; and, fourth, to provide the governors-general and their widowed spouses with the option to commute part of their retirement pension to meet any surcharge assessments received after retirement or death. The opposition believe that the purposes of this bill are fair, and we support the bill.

The bill sets the Governor-General’s before-tax salary at $310,000 per annum. This figure has been calculated according to the convention that has applied since 1974 and takes into account the removal of the tax exemption. The convention is to calculate the after-tax equivalent of the Chief Justice’s salary at the time of the appointment of the Governor-General, project its future movement and then estimate the average after-tax salary for a notional term of appointment of five years. Of course, this last element is im-
portant, given that the Constitution precludes any change to the salary during the term of office of the Governor-General.

The tax-free salary calculated for Sir William Deane in 1996 was $135,000, which was reduced to $58,000 to take account of a pension he received as a former High Court judge. Mr Hayden’s salary was set at $95,000 in 1989 on the basis that his parliamentary pension was suspended during his term of appointment. The existing tax exemptions for the Governor-General date from the time when vice-regal representatives were invariably drawn from the United Kingdom. It is worth noting that even the Queen has paid income tax since 1993. The continuation of the tax exemption for the Governor-General is both anachronistic and inappropriate—somewhat like having a foreign citizen as our head of state. The right head of state for Australia should be one of us, embodying the things we stand for, representing us and advancing our interests abroad. The Australian head of state should be backing the Wallabies against the Lions this year and backing Steve Waugh’s team in the Ashes. It is fair to say that the Queen, as our current head of state, will at best have mixed feelings. An Australian head of state should never have mixed feelings about which country he or she supports. The opposition support the Governor-General Legislation Amendment Bill 2001, but we do look forward to a renewed debate on the republic and to presenting to the Australian parliament the necessary arrangements for an Australian head of state’s remuneration.

I should also take this opportunity to congratulate Archbishop Hollingworth on his appointment—an appointment that I commend—and also to make some comment on the controversy associated with the appointment and his role as an archbishop. On the assumption that he will cease to practise any duties associated with the Anglican Church upon assuming the role of Governor-General, I see no problem in a person of that background being appointed to the position of Governor-General. The clear need is to ensure that the position is available and open to all Australians on the basis of merit, irrespective of background. Provided that the incumbent in the position of Governor-General does not continue to function in any other role—does not continue to perform any duties in any other function that he or she may have previously had—then we should have no problem with somebody from a religious background, a military background, a parliamentary background or indeed any other background, in any walk of life in the community, occupying the position of Governor-General. Therefore, the concerns that have been raised with regard to the separation of church and state—an issue which I am probably as concerned about as most in this chamber—are not well founded in this case. Provided that our new Governor-General does in fact divest himself of all responsibilities within the Anglican Church—which I am sure has been done—then we should have no concerns about the circumstances of his appointment. As I said, I would like to take this opportunity to commend the appointment.

In conclusion, the opposition supports the legislation before the House. It clears up an anomaly that has existed for some time with regard to the salary of the Governor-General. It brings it into line with practice that now applies in England to the Queen in her role as Queen of England, and therefore it is appropriate. I commend the legislation to the House.
come tax arrangements for the office of Governor-General and for state governors appointed after 29 June 2001 by removing outdated income tax exemptions. Lastly, the bill will ensure that the superannuation surcharge provisions for the office of Governor-General are in line with community standards.

As was noted in the second reading speech, the taxable salary of $310,000 per annum proposed for Archbishop Hollingworth was set in line with past practice—that is, Archbishop Hollingworth’s official salary is expected to be moderately above the average salary of the Chief Justice of the High Court over his notional five-year term. The amendments to the Income Tax Assessment Act will update income tax arrangements for the Governor-General and the state governors by removing the exemption which currently applies to vice-regal salary and overseas income. The income tax exemption is a legacy of an earlier time and is overdue for updating.

Lastly, the Governor-General Legislation Amendment Bill will ensure that the superannuation surcharge provisions will apply to the next Governor-General in the same way that they apply to the rest of the community. The main effect of the amendments will be to cap liability at the 15 per cent maximum surcharge rate and deal with circumstances in which a notice of surcharge assessment is issued after a Governor-General leaves office. I commend the bill to the House.

Question resolved in the affirmative.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Leave granted for third reading to be moved forthwith.

Bill (on motion by Mrs Bronwyn Bishop) read a third time.
came from somebody else. It came from people who largely had very little to start with but were giving up part of what they had.

The second gift now from this government to some of its wealthy friends is to the television channels—the massive windfall they are receiving. Election years are good for TV and for media. They get some fairly large advertising campaigns. But this is the daddy of them all. In this six months there is going to be the most massive splurge on advertising we have ever seen by far.

So the government, in a sense, is buying favours for itself, and one can almost see that happening now. One can almost see now how the media are actually warming to this massive amount of money being thrown at them, and their comments about it are therefore very muted. We are not hearing the sense of outrage from the media that we were so often used to hearing in their examination of government spending. This part of the government’s spending is getting very little attention. Why not? Who is benefiting from it? The same people.

The money is being paid and the advertising bills are being run up with the TV channels, with the newspapers and the magazines. So for the member for Menzies to last night attempt to justify this expenditure is absolutely ridiculous. So many of the government members who used to put themselves forward as models of soberness, carefulness and caution are now amongst the most profligate parliamentarians we have ever seen, because they are defending the most excessive and most unjustified spending certainly in my 18 to 19 years of experience. But, of course, the hard part of all of this is that the people the money came from are still out there suffering.

These amendments are actually to simplify the payment processes for social security recipients who also have compensation in some form. Just to indicate the simplification process, I quote from the Parliamentary Library’s *Bills Digest* on this bill. On page 5 it states:

*The SSA currently prescribes two ‘preclusion periods’. The ‘old preclusion period’—for payments made before 20 March 1997—is determined by the ‘compensation part’ of the lump sum payment (the part attributable to lost earnings or lost capacity to earn) divided by average weekly earnings. In effect the period was the number of weeks which the compensation part of the lump sum payment could have been distributed as average weekly earnings. The ‘new preclusion period’—for payments made after 20 March 1997—is determined by the compensation part divided by an ‘income cut-out amount’. This amount is based on the maximum basic (single) rate and the pharmaceutical allowance, plus the income free area for a single person. Given the disparity between average weekly earnings and pension rates, this will always be less than average weekly earnings. Thus, a ‘new preclusion period’ would always be longer than an ‘old preclusion period’.*

Items 5 and 15 seek to replace these periods with a single preclusion period, based on the ‘new preclusion period’ but with a more generous ‘income cut-out amount’.

I am reading this because it is so important. This is simplification. If these amendments simplify and this is simplification, one wonders what would happen if it tried to make it complicated. The government has divided this whole system into small pockets all over the place. Where we used to move towards uniformity of systems, where across systems payments were the same and criteria were the same, we are now getting obfuscation to hide what it is doing. This is a pretence. It will call these things ‘reforms’—everything it does it calls a ‘reform’. Taking money off pensioners is a ‘reform’ and ripping off people who have a lifelong injury and cannot work any more is a ‘reform’. This is what this government has been about. It is running TV commercials now about its ‘reforms’.

The misuse of words and the dishonesty of what the government has done in these five years has not escaped the Australian public and is why it is in such bad odour.

Simplification for this procedure is overdue, but what is more overdue is a bit of fairness and a bit of justice for people who have lost their capacity to work for the rest of their lives. We are talking about the most disadvantaged people in our society who can
no longer work. People who we used to see as being equal are now being told that they will live as paupers, that they will live below the poverty level, for the rest of their lives. That is a very hard pill to swallow, particularly because it was actually retrospective. The amounts paid were often four and five years after the person had lost their job and they were living on borrowings and handouts and charity in the intervening period.

The other point that the member for Menzies made was about this ‘practical welfare’. I keep referring to the member for Menzies because he is the only government member speaking, who actually stood up to explain this stuff, but his explanation was more to do with justification for other matters in the very few minutes that he spoke. We in this country have heard this terminology of ‘practical reconciliation’, which means that the government says, ‘If we build a school, the Aboriginals haven’t got a problem; therefore we have actually got rid of the problem that they might have had.’ We know, the government know and the indigenous community know that that is not the way it works. That is not what was being talked about. The member for Menzies has used this new terminology of ‘practical welfare’ and that is what we are supposed to be dealing with here. This is ‘practical welfare’.

The difficulty that so many of us have is that we thought the welfare system was there to be understanding, supportive and to take into account individual circumstances as best it could. When we have government members sprouting a new philosophy and a new terminology in their so-called reforms which, in the process, in many cases make it harder for people to access and make it more complicated and more demanding, then it is a bit difficult to know where we are heading. The political bipartisanship that used to exist in this country for so much of our welfare system has long gone. It was destroyed, particularly in 1996, but again in 1997 with the changes that were brought in. We are seeing the same single-minded meanness, stubbornness and trickiness. This government are so fascinating: you have to read the fine print on every single thing that they do. For every single thing you have to check the fine print first. Do not accept the headlines, do not accept the broad message, but check the details, because as sure as eggs the sting in the tail is always going to be there.

That is the case today. We are watching the government now on a new diversionary tactic. It has nothing else to do, so it is attacking the unions. It is also attacking the electoral system and blackguarding innocent bystanders. What has happened in the last two days has been the most substantial and unjustified attack upon the Australian Electoral Commission that we have ever seen. This is the biggest attack we have seen on a statutory body. It went to a committee, put forward its views and had them totally rejected. The government is saying today that the Electoral Commission cannot run the roll properly, and that because the commission says the roll is okay, which it believes it is not, the commission therefore is a liar. That is what is happening across every sector. This legislation related to family and community services is no different.

We are now probably in a new dark age in terms of openness and transparency in government and accountability of ministers and departments in this country. We as parliamentarians know that when we approach a department now we will be told that they cannot talk to us. We are seeing departments being disbanded. We are seeing the best informed of our public servants disappearing—leaving because they cannot hack it anymore. It is because of these constant changes and constant complications. In this case, my concern is more to deal with the initial changes to this system related to people who have lost their capacity to earn a living by their own labours. This government has totally marginalised these people.

It is fascinating to see in this budget the reversal of part of the government’s policy on accessing where they force people to access their long-term savings, their superannuation and their rollovers before being able to access income support—in other words, before people get to a pensionable age they have all their super wiped out. In this budget
we have seen the government again doing a backflip and realising their mistake, but the damage that they have done in the meantime has been horrendous. In every electorate across the country there are dozens and dozens of people who will never recover from the kind of bludgeoning that they have received.

Look at the money going on those tax cuts, which are so biased, that came in on 1 July last year and of course this advertising campaign that we are watching now, which is such a massive waste of resources. We are so short of money in most of our programs that to watch it being squandered like we are watching happen tonight and every night is sickening—it is just sickening to watch the money pouring out. I have a case right now of a woman who the government has taken to the AAAT because she won an appeal at the Social Security Appeals Tribunal. The department has taken her to the AAAT—it is even funding her legal costs—for an $800 payment, when the SSAAT actually awarded her the full $1,000.

Ms Hall—How much will that cost?

Mr ALLAN MORRIS—It is going to cost taxpayers many thousands of dollars to beat this woman from Newcastle for $800. It is the same department, the same government, out there putting out ads about benefits for pensioners. It is so contradictory, so mean and so devious, and it means that people have to check every single thing. So my advice now to constituents when they see something in the paper about what is available is to first check it out.

I watched this situation this week with Telstra. We have been told for years that to vary the zoning cost will cost billions, but we are now being told that it is going to cost only $46 million. That means they cannot be doing what they say they are doing. My advice to all my constituents looking at trunk calls in those northern areas of Newcastle is to wait and check the bills first. Do not jump in, because there is a fair chance you will find that the fine print will mean that the benefit is not what it appears to be. That has been the same with every single thing this government has done. It is a government of smoke and mirrors and a government of deception but, most of all, it is a government that is mean and tricky. When the President of the Liberal Party called it that, he knew what he was talking about. I can assure you, from the people of Newcastle, there is a heartfelt, ‘Hear, hear!’ to Shane Stone’s description of this government and this Prime Minister and Treasurer as ‘mean and tricky’.

Ms HALL (Shortland) (5.09 p.m.)—I would like to reiterate the sentiments that have been put before the House today by the member for Newcastle. I, like him, thought that our system was about fairness, justice and a fair go for everybody. I, like him, have had my belief in the system shaken under this government, because every day I see people that are suffering at the hands of this government’s draconian legislation. The Family and Community Services Legislation (Simplification and Other Measures) Bill 2001 is not one of those pieces of legislation. For once, I am finding myself supporting the government’s legislation. In doing so, I am acknowledging that this legislation actually improves the situation for many Australians who have suffered injury and received compensation for that injury.

But all is not as it seems. This legislation does improve the situation, but there is a background to this. The government’s argument for simplification is that this legislation actually simplifies the procedures that are in place at the moment. But we only have to look at all the legislation that has passed through this House where the government has been arguing that it is simplifying legislation to see the reverse of this. As the member for Newcastle said, you need to look at the small print—you need to look at the implications of the simplification. The government has had a long history, since the time it came to power, of targeting those people who need assistance—those people in most need within our community. It has spent more time and effort on breaching people that need assistance, of trying to make them jump through hoops, than actually trying to help them in a meaningful way. I believe that we would not be looking at this legislation
now if it were not for the 1997 legislation that was introduced in this parliament.

As in the case of many pieces of legislation that have been introduced into this House, this legislation is a reaction to the GST. It is the government having to tidy up its work. The GST has caused so much hardship for so many people, and it has had the greatest impact on those people that are on fixed incomes. People that have been precluded from receiving social security payments fit into that category. They were assessed pre-GST and they now find themselves in a situation where the little money they have is being whittled away very quickly. This includes injured workers—people that have been injured in motor vehicle or sporting accidents—who, prior to their injury, actually were able to earn a significant income.

But we know how this government works. We have seen its tricky approach—the way it promises people something and delivers something else. We only have to look at the savings bonus fiasco that took place last year where all those many thousands of older Australians were deceived into believing that they would receive $1,000. We only have to look at the latest payment of $300 to see the people that are missing out there. When we look at the expenditure this government is incurring now—the way it is spending taxpayers' money on advertising, on its re-election campaign—I am disgusted. On one hand it is out there making it difficult for people that need assistance through Centrelink—difficult for all those older Australians, injured workers and families battling from day to day to put bread on their table. On the other hand it is spending millions and millions of dollars on its re-election campaign—millions of millions of Australian taxpayers' dollars. To my way of thinking that is absolutely disgusting, and the government does stand condemned for that.

It is a mean-spirited government, because only a mean-spirited government would try and take from those people that need the most and create the divisions that this government has created within this society, with the have-nots and have-nots. Injured workers and people that have been injured in motor vehicle accidents and so on fit into that 'have-not' category. They are people that have been marginalised because of their injuries, and this government has further marginalised them.

It is an antiworker government, so I understand that anything they can do to actually make it harder for an injured worker fits into their philosophy. They are driven by their ideology. The haves—the Stan Howards and the Rodney Adlers of this world—just walk away. They are protected, they are looked after, while the poor old injured worker or person who has been injured in a motor vehicle accident suffers. As somebody who has actually worked for many years with Australians who have been injured while they were at work or in a motor vehicle accident or in some other way, I know the hardship associated with that injury. It is a lot more than just the loss of income. This government just focuses on trying to abrogate its responsibility to those people. When a person has an injury, it not only prevents them from working but it also leads to a loss of function. That goes throughout every area of their life. If you injure your back, that impacts on every aspect of your life. If you lose a leg, that impacts on every aspect of your life. The more serious the injury the greater the amount of compensation you will receive and the greater the amount of compensation you will receive for loss of income. The worse the injury the longer the period of preclusion will be. So you have not only lost your job but you have lost your life—you are not the person you were before—and you have to adjust to this new life. A lot of people cannot. It is a very hard thing to do. The financial assistance will only help so much.

In 1997 the Howard government changed the method of calculating a person's preclusion period. As I have already said, that is the period for which they are precluded from receiving any financial assistance from Centrelink. Prior to 1997 that preclusion period was worked out on average weekly earnings, which I think was a fair way to do it. A lot of people who were injured at work or in some
other way received more than average weekly earnings but a lot of people received under average weekly earnings. That was the middle ground and I think it was a very fair way to work it out. Post-1997 the preclusion period was worked out to be about equivalent to the single pension. We are calculating the loss of earnings—the amount of money that people would have earned if they had not injured themselves. In 1997 this government said, ‘You’re injured. Look, that’s equivalent to the single pension. We’ll calculate it along that line.’ As a consequence, that really drew out the preclusion period. That meant that this person—who had not only lost their job, not only lost their source of income, but to a large extent had lost their life—was now being put in a financially precarious position.

We always have to remember what the two aspects of compensation are: the aspect that relates to the loss of earning capacity—and that is what we are dealing with here—and the aspect that relates to the loss of quality of life, functionality, et cetera. There was legislation that this government was trying to introduce that wanted to take the whole amount into account when they were working out the preclusion period—not only looking at the loss of earning capacity but looking at the fact that this person would never enjoy the same quality of life that they had before. I do not know what happened to that legislation, but maybe the minister saw the error of his way. I think the minister should look very carefully at the changes that his government brought in in 1997 and the impact that they had on injured workers.

Since the GST was introduced I have had a number of people come to my office who have been precluded from receiving Centrelink payments. One of those people was expressing to me the unfairness of the situation, because of the fact that their preclusion period was worked out prior to the GST. I tended to agree with this person, so I wrote to the minister. Unfortunately the minister did not agree with me. But I must say that this legislation shows that, after some toing-and-froing, he has finally decided that maybe there is some truth in that matter and we really need to compensate those injured Australians a little more fully. This is the government’s roll-back—or should I say roll-over. It has become a pretty common thing in this place to see the government coming in here having to amend legislation so that it can ameliorate the problems and the pain that it has caused with the GST.

As I have said, there are some very good things in this legislation—things that I support. Calculating partners’ eligibility on 40 cents in the dollar as opposed to dollar for dollar is a good move and it will create some fairness. It is for these sorts of reasons that I am supporting this legislation. This government is always simplifying and streamlining, and along the way there are casualties. Some of those casualties are the staff who work in Centrelink offices. This government has cut a number of staff. Particularly in my area, the number of staff has gone down considerably. At the same time they are churning through changes to the legislation—changes that the staff are having to adjust to. It really is not good enough, because mistakes are made and who suffers? The people who rely on Centrelink for their payment. It is not the staff’s fault; it happens because of the pressure that is being put on them. Centrelink is understaffed and every day there is a change and they are having to adjust to problems that this government has created and then it legislates to make it fair.

This is a win at all costs government. As I have said on many occasions, we have a Prime Minister who will do whatever it takes to win and because of that we are finding that there are changes coming in with which the government is trying to develop a soft and fuzzy image. I hate to disillusion the government, but out there people do not trust you. They are not accepting that all of a sudden you have become a soft and caring government. People are still feeling the hurt of the GST and of all the changes that you have forced upon them. They are so sceptical about the direction in which you are going and about any promises you make. We only have to look at the government’s touted electoral reforms, which have been discussed here today in the matter of public importance
debate, to see what lengths this government will go to to win.

Mrs Bronwyn Bishop—Stop whining! You are a whinger.

Ms HALL—I support this legislation but, in doing so, I condemn the government for all the draconian measures it has foisted upon the Australian people, for the hurt and pain it has caused and for its mean-spiritedness towards all Australians and its tricky deeds in trying to trick the Australian people into believing that it is a caring, compassionate government. I noticed the Minister for Aged Care interjecting. Well, Minister, older Australians are not saying 'Thank you' to you.

Mr ANTHONY (Richmond—Minister for Community Services) (5.25 p.m.)—in reply—I am so glad I have the opportunity to speak, to save the House from any more whingeing and whining from the member for Shortland. Aside from her contribution, I would like to thank all members of the House for their contribution to this debate. The primary measure in the Family and Community Services Legislation (Simplification and Other Measures) Bill 2001 relates to compensation recovery. It repeals a part of the Social Security Act 1991—I am led to believe that it was actually ALP legislation—which deals with the circumstances of people who receive compensation payments. The simplification process will make the compensation recovery provisions shorter and easier to administer. The partner changes recognise moves in other areas of the social security system away from the concept of dependency based payments and towards entitlement for payments in an individual’s own right. This bill provides the same level of treatment for all partners of compensation recipients. Overall, compensation recipients and their partners will be better off, especially those with low income coming largely or solely from the compensation measures. In most cases there will be no charge to the couple’s income, even where the compensation recipient loses payment altogether.

Currently, if a person receives a compensation affected payment, there is a dollar for dollar reduction for the compensation recipient of the periodical compensation received. If this amount is reduced to zero, any excess compensation counts against the partner’s compensation affected payment dollar for dollar. In future, if a person’s partner’s periodical compensation has to be taken into account in working out the person’s income for social security purposes, it will be treated as ordinary income of that person. This dollar for dollar reduction for the compensation recipient recognises that the primary responsibility for assisting people suffering illness or injury rests with the compensation schemes and insurers and not with taxpayer funded social security programs.

The recovery of compensation income arrears and debits directly from the compensation payers or insurers means quicker recovery and removes the need for debt recovery action against compensation recipients. Direct recovery from the compensation payers or insurers is better for customers because there will be no ongoing deductions on the customer’s income support and will help to avoid the possibility of hardship.

Bill read a second time.

Message from the Governor-General recommending appropriation for the bill announced.

Third Reading
Leave granted for third reading to be moved forthwith.

Bill (on motion by Mr Anthony) read a third time.

COMMITTEES
Selection Committee
Report
Mr NEHL (Cowper) (5.29 p.m.)—I present the report of the Selection Committee relating to the consideration of committee and delegation reports and private members business on Monday, 25 June 2001. The items accorded priority for debate will be published in the Notice Paper for the next sitting.

The report read as follows—
Report relating to the consideration of committee and delegation reports and private Members’ business on Monday, 25 June 2001

Pursuant to standing order 331, the Selection Committee has determined the order of precedence and times to be allotted for consideration of committee and delegation reports and private Members’ business on Monday, 25 June 2001. The order of precedence and the allotments of time determined by the Committee are shown in the list.

COMMITTEE AND DELEGATION REPORTS

Presentation and statements
1 AUSTRALIAN PARLIAMENTARY DELEGATION TO THE 105TH INTER-PARLIAMENTARY CONFERENCE HAVANA, CUBA (1-7 APRIL 2001) AND BILATERAL VISIT TO MEXICO (8-15 APRIL 2001): Report of the Parliamentary Delegation to the 105th Inter-Parliamentary Conference Havana, Cuba (1-7 April 2001) and bilateral visit to Mexico (8-15 April 2001).
The Committee determined that statements on the report may be made — all statements to conclude by 12.40 p.m.
Speech time limits —
Each Member — 5 minutes.
[Proposed Members speaking = 2 x 5 mins]

The Committee determined that statements on the report may be made — all statements to conclude by 12.50 p.m.
Speech time limits —
Each Member — 5 minutes.
[Proposed Members speaking = 2 x 5 mins]

The Committee determined that statements on the report may be made — all statements to conclude by 1.05 p.m.
Speech time limits —
[Proposed Members speaking = 3 x 5 mins]

The Committee determined that statements on the report may be made — all statements to conclude by 1.30 p.m.
Speech time limits —
First Member speaking — 10 minutes.
Other Members — 5 minutes each.
[Proposed Members speaking = 1 x 10 mins, 3 x 5 mins]

PRIVATE MEMBERS’ BUSINESS

Order of precedence
Notices
1 Mr Albanese: To present a bill for an Act to remove discrimination against same sex couples in respect of superannuation benefits. (Superannuation (Entitlements of same sex couples) Bill 2001 — Notice given 6 June 2001.)
Presenter may speak for a period not exceeding 15 minutes — pursuant to sessional order 104A.

2 Mr Baird: To move — That this House:
(1) notes that 28 May 2001 was the 40th anniversary of the formation of Amnesty International;
(2) notes the large membership and total cross-party support for the Australian Parliamentary Group of Amnesty International;
(3) congratulates Amnesty International on its continuing vital work on behalf of political prisoners around the world; and
(4) notes with regret that the work of Amnesty International remains indispensable because of continuing worldwide human rights abuses, including torture and summary execution of political prisoners. (Notice given 24 May 2001.)
Time allotted — 30 minutes.
Speech time limits —
Mover of motion — 5 minutes.
First Opposition Member speaking — 5 minutes.
Other Members — 5 minutes each.
[Proposed Members speaking = 6 x 5 mins]

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

3 Ms Hoare: To move — That this House:
Tuesday, 19 June 2001

1. acknowledges that almost one third of all Australian workers are now working more than 50 hours per week;
2. notes that the French Government has recently legislated for a 35 hour week;
3. conduct a review of the operation of the French legislation, and its success or otherwise; and
4. consult widely with the community, the business sector and trade unions, to explore the appropriateness or otherwise of applying similar values to an Australian context. (Notice given 4 June 2001.)

Time allotted — remaining private Members’ business time.

Speech time limits —
Mover of motion — 10 minutes.
First Government Member speaking — 10 minutes.
Other Members — 5 minutes each.

[Proposed Members speaking = 2 x 10 mins, 2 x 5 mins]

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

TRADE PRACTICES AMENDMENT BILL (No. 1) 2000

Consideration of Senate Message

Message received from the Senate returning the bill and acquainting the House that the Senate has considered message No. 689 of the House, insists upon its amendments disagreed to by the House and desires the reconsideration of the bill by the House in respect of the amendments.

Ordered that the amendments be taken into consideration forthwith.

Senate’s amendments—
(1) Schedule 1, item 28, page 9 (line 21), after “Part IV”, insert “(other than section 45D or 45E)”.
(2) Schedule 1, item 28, page 10 (line 3), after “Part IV”, insert “(other than section 45D or 45E)”.

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (5.31 p.m.)—I move:
That the amendments insisted upon by the Senate be agreed to.

I know that the member for Hunter is very keen to jump out of the box on this one, but it is with great reluctance—extreme reluctance—that the government accepts the Senate amendments. It is only in the interests of ensuring that small businesses benefit from the many other helpful provisions in the Trade Practices Amendment Bill (No. 1) 2000 that we have agreed to accept the Senate amendments.

Secondary boycotts can adversely affect both small and large businesses. The power to undertake representative actions has the potential to benefit small businesses which may not have the time, resources or legal expertise to engage in legal proceedings. The ACCC is often better placed to initiate proceedings on behalf of such small businesses. The representative actions amendment as proposed by this government is about helping Australia’s small businesses. Such an amendment was a unanimous recommendation of the Baird committee report. All states and territories support the bill. It is only the shadow minister for workplace relations and small business, the foreman for the union movement and the Labor Party, who is prepared to do over small businesses, with the assistance of the member for Hunter. If we ever wanted any evidence of that, let us just have a look at a speech in the second reading debate on this bill. In this speech in the second reading debate, the Labor Party supported the representative actions parts of the bill in the House. On 9 November 2000 at 1.22 p.m., the shadow minister for small business cowering on the opposition side of the table here—said:

This is a sensible amendment and both the Reid committee and the Joint Select Committee on the Retailing Sector unanimously recommended it.

His mate the member for Swan, Kim Wilkie, on 9 November 2000, at 5.08 p.m., barely four hours later, said that this is an important bill and that ‘small businesses are crying out for fairer competition laws’. On 27 November, though absent from this chamber now, the shadow minister for defence, the member for Cunningham, said at 9.45 p.m.:

... that is great; Labor certainly supported that ...
Only a few hours later, on 28 November, we had the member for Wills, who is the shadow assistant Treasurer—again cowering from this debate today—saying:

Let me also indicate that ... these changes are very modest and that more action is needed in this area generally.

So he was saying, ‘The ACCC protection for small business in fact does not go far enough. We want it to go further.’ Then in came the union organiser, the shadow minister for industrial relations, the member for Brisbane. He came into this place and said:

... the Labor Party do not believe that the secondary boycott provisions should be dealt with under trade practices law ...

He said:

... it is our intention to move amendments to carve out the secondary boycott provisions from this bill so that it is clear that the wider, more extensive powers that the bill affords the ACCC are not used as a backdoor method by the government in its ongoing ideological campaign in the industrial relations community.

The member for Brisbane wants to protect his mates in the union movement. He does over all his colleagues—the member for Hunter, the member for Wills, the member for Cunningham and the member for Swan. All of them are done over by the union organiser on the frontbench of the Labor Party, who comes in and says, ‘We’ll do over small businesses; we don’t care about small businesses; we’re just going to protect our mates in the union movement.’ If you ever wanted any evidence that it goes right to the heart and soul of the Labor Party, you need look no further than the Leader of the Opposition’s statement to 6PR radio station on 7 July 2000, when he said:

... we have never pretended to be a small business party, the Labor Party, we have never pretended that.

Damn right. The Labor Party has never pretended to be a party for small business. This bill has a number of amendments to the Trade Practices Act which are going to help Australia’s small businesses. I will be saying a bit more a little later about how important it is that the key parts of this bill continue to go through this parliament so that they can help small business immediately. Never let it be forgotten that, if you wanted any evidence of the Labor Party doing over small business, here it is in this bill. (Time expired)

Mr FITZGIBBON (Hunter) (5.36 p.m.)—That was hardly a gracious backdown, but a welcome one still. Last time we had this issue before the House of Representatives, we spent two hours debating the Senate message. We had two hours from the Minister for Financial Services and Regulation, who we have just heard from, who told us then that the inclusion of sections 45D and 45E in the Trade Practices Amendment Bill (No. 1) 2000 were absolutely essential to the effectiveness of the recommendations of the Reid committee and the Joint Select Committee on the Retailing Sector. But, of course, it never was. If the minister was to take the time to review the Hansard of the deliberations of both of those committees, he would find absolutely that at no time did either of those committees, or any member sitting on them, ever turn their mind to sections 45D and 45E of the Trade Practices Act. The fact is that extending the ACCC’s power to take representative actions on behalf of small firms to sections 45D and 45E was not required to give effect to the recommendations of both of those committees.

I remind you, Mr Deputy Speaker, that the most important recommendation out of both Reid and the joint select committee, that is, the extension of the power to take representative actions under sections 46 and 47—in other words, misuse of market power—now dates back to 1997. I am pleased to see the Minister for Small Business is in the chamber tonight. He was here for a little while during the last debate, but it all got a bit too difficult and he left us early. I am pleased to see that he is about to make a contribution. The small business community has been awaiting this all-important new initiative since 1997. The New South Wales government will be very pleased because since 1998 the Minister for Small Business in New South Wales, Sandra Nori, has had amendments to her retail leases legislation before the Governor, ready to be proclaimed, but has been waiting for a simple savings provi-
sion to be inserted into the Trade Practices Act to protect her new legislation from threat of challenge under section 109 of the Constitution. That is a simple one-line amendment that should have been put in place two years ago, but this government, again, has been sitting on its hands showing no regard whatsoever for the small business community.

Let us go over some of the history. Prior to the 1998 election, the Labor Party agreed to hold an inquiry into the retailing sector out of concern about the impact of larger firms—their concentration in the market and the potential misuse of market power by larger firms—on smaller players. The government of the day very reluctantly announced that it would also hold such an inquiry. After the election—and after a considerable amount of time, I must add—the government established the Joint Select Committee on the Retailing Sector. It appointed the member for Cook as the chairman of that committee. What was the member for Cook told? The member for Cook was told, ‘Here is your prize. You’ve earned your stripes. You’ve now become chair of a parliamentary committee’—I suppose there was a pay increase attached—‘but don’t expect to get too serious about it. Don’t expect this government to adopt any recommendations that are going to upset our mates down the big end of town.’

Those were the riding instructions given to the member for Cook. But of course the member for Cook did not take his riding instructions. The member for Cook decided he would get serious. He decided to put forward a number of recommendations and his all-party committee agreed with him unanimously. One of those recommendations, as I have already pointed out, was one that had been put forward by the Reid committee back in 1997. In conclusion, at this first opportunity to speak, the government has now used Labor’s amendments in the Senate—the eminently qualified and supportable amendments in the Senate—to frustrate the passage of this legislation for two reasons: firstly, to take care of the big end of town, or to put the big end of town in front of small business in this community and, secondly, because of its obsessive hatred of the trade union movement. (Time expired)

Mr IAN MACFARLANE (Groom)—Minister for Small Business) (5.41 p.m.)—I cannot believe the last five minutes of rhetoric. If there has been any delay to small business in attaining protection from the ACCC it is because of the people who sit opposite—those who came into this chamber initially and said that they would support this legislation. Not one but a series of members came in here and said they would support this legislation, but then there was the old knock on the door from the unions.

Mr Fitzgibbon—It’s unparliamentary, knocking; you can’t do that.

Mr IAN MACFARLANE—It is still true. There was the old knock on the door from the unions, and the Labor Party had to choose who they were going to support. Was it going to be small business or was it going to be the unions? It took about as long as a click of the fingers for them to make up their mind. It took about that long to just walk away and leave small business swinging. It took about that long to say to small business, ‘Sorry, guys, but the unions pay for our elections. We have ACTU presidents on our shadow frontbench. We are all members of a union. We have to support the unions.’

Mr Bevis—You were in a union before you came in here.

Mr IAN MACFARLANE—Yes, but it was voluntary and we dealt with both sides of parliament. You ought to try it some time. The next time I see a union talking to the people on this side of the House about fairness, I will fall over dead with fright. Just as the Labor Party leave small business swinging on unfair dismissal, just as the shadow minister for small business knows that that is going to cost 50,000 jobs—in fact, I heard the other day that that figure was low and it is actually more than that—and just as they left small business swinging on these amendments, they had the opportunity to give this legislation clear passage through the House and straight to royal assent, but we
are back here again. We are back here again because the Labor Party did not have the courage to support small business. We are back here because the Labor Party owe favours to only one group. All they care about in the end are the unions.

What we have seen here is political expediency of the worst kind. It is worse than any of the opportunism we have seen in this House from the Labor Party, and that is certainly saying something. It is worse than anything we have seen. They have deliberately involved themselves in delaying tactics at the expense of small business. We wanted to get this legislation through. We wanted to give the ACCC special powers. We wanted to be able to protect small business. The Labor Party did not care. They said, ‘No, sorry, we’ve got our mates to protect. We’ve got to get into this.’ I can assure those who sit opposite that they will be judged by small business. I can also assure them that we are just as intent on getting legislation on unfair dismissal through as we are on getting our secondary boycott legislation through, and we will keep pursuing that legislation.

In the interests of small business—because we put small business first; we put the people whom we are representing, the small business people of Australia, first—we will agree to these amendments. I know that the member for Hunter wants a gracious backdown, but this has nothing to do with backdowns. This is about being proactive, getting out there and making sure that, as soon as possible, we can climb over the barbed wire of the unions, climb over the impediments of the Labor Party, and actually make sure that small business is delivered some protection. We know that those opposite have never pretended to represent small business, but we certainly do. And we do not just pretend to represent them: we do represent them. We go out and talk to small business and ask them what they want and then we deliver. This is about getting in there, being pragmatic and accepting that we will come back and beat you another day on the secondary boycott issue, just as we will eventually grind you down on unfair dismissal. This is about ensuring that some form of legislative protection through the ACCC is given to small business.

Mr BEVIS (Brisbane) (5.46 p.m.)—We have just witnessed the feigned indignation of two ministers confronted with some degree of humiliation, having now to take the advice which we gave them last November. This Trade Practices Amendment Bill (No. 1) 2000 would have transited the parliament last year if they had in fact done what the Labor Party put to them last November. The Minister for Small Business, who has just left the chamber—

Mr Fitzgibbon—Again.

Mr BEVIS—again, does not think this is a debate that should occupy too much of his time. The Minister for Small Business is aware that when he talks to small business the issue that they raise with him is not the matters that he just spoke about: it is the GST and the time-consuming paperwork and the cost to their cash flow associated with it. If we were going to broaden the debate, as he started to, by talking about the critical issues confronting Australian small business today, make no mistake: the number one, two and three priority for small business in Australia today would be the increased problems associated with the GST and the tax system that this government has introduced. But let us leave that aside and deal with the specific matters that are here.

Let me go to the point that was referred to by the Minister for Small Business, which was this question of delay in what has transpired, because we have now reached the point where the parliament is agreed on the legislation that should go through, and that is a good thing. I said in the parliament on 28 November last year:

So the government will have the support of the Labor Party to deal with those matters—and I had previously referred to the matters in question—in relation to the operation of small business that have been referred to, but in the Senate we will move amendments to excise from the bill those secondary boycott provisions, and that will put the government to the test. If the government is fair dinkum—
I said on 28 November—about wanting to assist small business, the bill will pass without problem.

The government had a commitment from the Labor Party in November last year to pass the bill in the form in which it will now pass. People should understand that. What have the last six months been about? We are now passing the legislation exactly as Labor said it would pass it last November. This is no different from what we said last November. The only difference between what is happening now and what could have happened last November is that the government wanted to test its industrial relations agenda yet again, as it has done with other bills.

I want to repeat the comments I made in an earlier debate on this, about the government’s form. When the government decided it would establish a Federal Magistrates Court, that move had the support of the opposition. The Federal Magistrates Court was to deal principally with issues overflowing from the demand in the Family Court and, to a certain extent, in the Federal Court. That had bipartisan support. But, as is its wont, this government decided that it would try to sneak into that agreed position an attack on the trade union movement by empowering this newly created Federal Magistrates Court to deal with the most sensitive industrial relations issues: questions of when strikes arise, and internal matters. Those things that have traditionally been complex—and, I might say, find their way too often to the High Court—the government was going to put into this new Federal Magistrates Court, because it did not like the answers it was getting in the Federal Court.

The government was willing to manipulate the creation of the Federal Magistrates Court on the altar of its industrial relations policy. We succeeded in blocking that in the Senate because no-one in the Senate, except for the government, supported that position. But so committed to it was the government that the then minister, Peter Reith, went down to the Senate chamber so that, as Democrat senators were walking in, he could grab them in a last-minute frenzy to try to persuade them to back his position. Well, here we have the same game being played by the government. That is what has cost the last six months. If the government had taken the advice we gave it in November, this bill would have been dealt with in exactly the same words and exactly the same form as it is now. The government is now agreeing to the amendments we moved in the Senate. In exactly the form that it will be adopted now, it could have been passed by the parliament last year. I do not know whether I will have need to rise again in this debate, but, if I do not, I simply make mention of the fact that that offer of support was made clear again in my speech of 4 April. The fact that we are back here now in June dealing with this matter squarely rests on the shoulders of the government. It has come to its senses, it has taken our advice, it has backed down and it has accepted the Senate amendments. That is a good thing. The pity of it is that it took the government six months to do it.

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (5.51 p.m.)—Through you, Madam Deputy Speaker, I would ask the member for Hunter a question. Joel, what is it like to be completely rolled by Arch?

Madam DEPUTY SPEAKER (Hon. J.A. Crosio)—Excuse me!

Mr HOCKEY—Well, I ask the shadow minister for small business: what is it like to be completely rolled by the shadow minister for industrial relations? I say to the member for Wills: what is it like to sell out Australia’s small businesses to protect the member for Brisbane and his mates in the union movement? I say to the member for Cunningham: what is it like to be completely rolled by the union movement so that all those small businesses out there are completely crushed by the market dominance of the union movement and its control of the Labor Party? I say to the member for Swan: what is it like for the small businesses in your electorate to have absolutely no protection from the grinding, overwhelming power of the union movement?
Those questions are quite revealing about the Labor Party. The Labor Party will always acquiesce to the interests of the union movement. The Labor Party will always acquiesce to those people who control the funding for the Labor Party and the votes within the Labor Party, because the unions dominate the Labor Party. The Labor Party is the puppet and, if you are looking for the puppeteer, it is the ACTU. If you ever wanted any evidence to prove what the Leader of the Opposition said to Radio 6PR—that the Labor Party has never pretended to be the party for small business—here is the proof in this Trade Practices Amendment Bill (No. 1) 2000 before the chamber today.

It is with great reluctance that we accept this bill in its current state, because our bill, which included protection for small business, was a much better bill. It was the unanimous recommendation of the Reid committee and of the Baird committee that Australian small businesses should have the full protection of the ACCC. We put the Labor Party on notice today. They cannot raise with us with any integrity any suggestion that this government has not tried to give the ACCC more power to protect disadvantaged people in the community. We have tried to do it in this bill—and the Labor Party have stopped us lock, stock and barrel.

We are putting through this bill with one particular issue in mind—that is, to provide protection against unconscionable conduct, as well as the range of other sanctions in place. This bill will allow the states to draw down section 51AC of the Trade Practices Act dealing with unconscionable conduct. It will possibly overcome a constitutional inconsistency which invalidates state legislation. It will provide greater access to remedies for small business under state retail tenancy legislation. The limit on damages with regard to unconscionable conduct and business transactions will also be increased to $3 million, providing greater compensation for small businesses that have experienced such conduct.

I want to note in particular the interests of the small shopkeepers of Warringah Mall because I know that the member for Warringah has taken a particular interest in this matter, and he deserves recognition for fighting for the interests of small business people in his electorate, particularly those people in Warringah Mall who have been potentially subject to this sort of unconscionable conduct. Paul Drackakis and his wife Helen, Charles Thompson, and Theo and Con Papas have been particular advocates for these sorts of protections, and Bill Healey from the Australian Retailers Association also deserves credit for this amendment being passed, no thanks to the Labor Party. The Labor Party sold out small business; they always have. If you wanted any evidence of what the Labor Party would do in government to small business, have a good look at the record of this debate, because the member for Hunter has sold out the constituency that he was put in place to represent. The Labor Party has only one constituency that it seeks to represent—that is, its mates from the union movement who are rolling over the top of small business.

Mr FITZGIBBON (Hunter) (5.56 p.m.)—I want to express my disappointment that the Minister for Small Business has again deserted this debate. Last time we were in this House debating this issue he came in here only when I summoned him. He then made a five-minute contribution and exited again. Why wouldn’t he scurry out of the door? Why wouldn’t he be embarrassed that, for no apparent reason, for no gain, the small business community has been forced to wait six months for these amendments—that is, the carve out of 45D and 45E—and since 1997 for the extension of the ACCC’s powers to take representative action under sections 46 and 47 of the Trade Practices Act. He was not able to deliver one thing for small business in the 2001-02 budget, notwithstanding the fact that there is a general consensus both in the business community and in the wider community now that the small business community has been hit for six by the GST. The small business community was looking to the government to make up some lost
ground in that budget. The minister describes himself as the ‘Minister for Small Business full stop’. In other words, he has no responsibility other than for small business, which in some way suggests that he cannot handle two portfolio areas and it is very important that he has only one. No wonder he would be embarrassed and would leave this chamber once again, as he did the last time we debated a similar Senate message.

I feel sorry for the Minister for Financial Services and Regulation because at 6.20 p.m. last night, when Senator Macdonald rose in the Senate to insist that the House agree to the Senate amendments, it was a whack on the chin for the Minister for Financial Services and Regulation. He stood in here only a matter of weeks ago, beating his chest, telling the world that the only way to give effect to the recommendations of both the Joint Select Committee on the Retailing Sector and the Reid committee was to ensure that sections 45D and 45E remained in the bill. On that occasion he told us that he felt a little bit sorry for me. I appreciated his sympathy, but tonight I am feeling sorry for him. On that occasion he told this House that he would stand firm, that the government would stand firm, against the Labor Party to the last man and would ensure that the secondary boycott provisions remained a part of the Trade Practices Amendment Bill (No. 1) 2000. Well, it is a much different tune now.

Mr Laurie Ferguson interjecting—

Mr FITZGIBBON—I welcome the member for Reid's intervention. This is a minister that has botched this process. He got on the phone to the Prime Minister and said, 'Oh, no, Prime Minister, we have to dig in on this one to give efficacy to these recommendations. We have to stand firm on 45D and 45E.' And, knowing that the Prime Minister would enjoy this additional statement, he said, 'This is another chance to whack the trade union movement.' So the Prime Minister took his advice. But what is the result? The Minister for Financial Services and Regulation has forced his own government into a very embarrassing backdown.

I welcome the contribution from the Minister for Small Business. I welcome the fact that he introduced—brief as it was—the unfair dismissal issue into this debate. Here, again, he has misrepresented Mr Rob Bastian. Mr Bastian told the world in, I think, the Australian Financial Review today that when Minister Reith claimed that the unfair dismissals law would create 50,000 jobs he had been taken out of context. Yet here is the Minister for Small Business again tonight misrepresenting Mr Rob Bastian of COSBOA.

Madam Deputy Speaker, I will take another opportunity to speak and I hope the government will keep this debate alive because it is an important issue for small business. More importantly, I can see that the minister at the table has absolutely run out of things to say. In terms of retailers in his own constituency, I ask him what he is doing for his independent supermarket retailer near North Sydney railway station who is under threat of eviction in favour of another anchor tenant. (Time expired)

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (6.01 p.m.)—I imagine that the member for Hunter is referring to the supermarket in the Greenwood Plaza under North Sydney railway station. And the best thing to do is to pass this Trade Practices Amendment Bill (No. 1) 2000, notwithstanding the fact that the Labor Party has screwed over business-people like that because they will not be provided with the protection of the ACCC against secondary boycotts.

We are making it perfectly clear that we are going to reintroduce this provision in another bill. We are not going to let the Labor Party off the hook on this one, because on this occasion it is the Labor Party that has said, ‘Please do not give the ACCC more power to protect small business.’ We are going to let every constituency and every small business in the country know, between now and election day, that, when push came to shove, it was the Labor Party that went in to bat for its mates in the union movement rather than going in to bat for Australia’s
small businesses. We are going to reintroduce this provision, whatever the member for Hunter thinks will result somehow from our accepting the Senate amendments. We are accepting the Senate amendments with absolute reluctance because we do not want to hold up the unconscionable conduct provisions any longer. But let it be made perfectly clear that we will reintroduce this provision; and without all the guff that the member for Hunter and others are displaying we want to get on with the bill. I move:

That the question be now put.

Question resolved in the affirmative.

Original question resolved in the affirmative.

**INNOVATION AND EDUCATION LEGISLATION AMENDMENT BILL 2001**

**Second Reading**

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

That the bill be now read a second time.

Mr LEE (Dobell) (6.03 p.m.)—The Innovation and Education Legislation Amendment Bill 2001 now before the House deals with a number of measures announced by the Prime Minister in the innovation statement in January this year. I will begin by making a few remarks about the importance for our country of increasing investment in education, training and research. We talk a lot about globalisation and the impact of the information revolution on not just our country but others. Perhaps the best way that we can protect Australia from the rapid changes that are taking place is for us to increase our national investment in education, training and research.

If you think of it like a single company, the company that invests the most in research and development and invests the most in training and providing better skills to its staff will have the best opportunity to secure a secure future and to expand the number of people that it employs. In the same way for a country, if a country invests more in research and development and in training and building up the skills of its people, it will be more likely to weather the waves that are going to buffett it. In the same way for an individual, if an individual human being is looking at how best they can ensure that they have a secure job out into the future and that they have the widest possible choices for new careers, we as a nation have to make sure that they have access to the best possible education, the best possible early childhood education, the widest possible choice of vocational education and fair access to higher education and to lifelong learning.

This point has just been reinforced to me because, before I ran down the corridor to speak in this debate, I had the pleasure of meeting with the Singapore Minister for Education, Teo Chee Hean, who is here for tomorrow’s meeting of the Singapore-Australia Joint Ministerial Conference. I am sure that he, like every other minister for education throughout the world, understands the importance of each country seeking to invest more in giving each of their people the widest possible opportunities in life through investing in education, training and research.

The bill before the House implements some of the measures from the innovation statement. While the government might be seeking to crow about the announcements that were made by the Prime Minister in the innovation statement, we have to not only look at what has been announced this year but also examine the government’s performance since it was elected in 1996. Under the current Prime Minister, Commonwealth funding for universities has fallen every year, from $4.8 billion in 1996 to $4.2 billion by 2002, projected in the forward estimates. This adds up to a reduction of $3 billion being taken from the Commonwealth’s investment in universities. When you add to this a $2 billion reduction in government support for research and development, we have had a total of $5 billion cut by this government from investment in university education and from government support for research and development.

In fact, if you look at the table released by the Prime Minister on the day that he launched the innovation statement, it is quite
clear that the government has backloaded the funding in the innovation statement. Let me just run through the funding that will be provided for each of the five financial years covered by the Prime Minister’s innovation statement announcements. In the year 2001-02 the Prime Minister’s announcements involve a commitment of extra funding of $159 million; in 2002-03 it is a commitment of $414 million; in 2003-04 it is $619 million; in 2004-05 it is $758 million; and in the last year, 2005-06, it is $947 million. So basically almost 60 per cent of the funding announced by the Prime Minister in January is backloaded into the last two years of the five-year innovation statement. To put it another way, almost half of the extra funding announced by the Prime Minister in January this year is not going to be spent until two elections away. Who knows what golf course a retired Prime Minister John Howard will be walking in 2005? He has certainly announced that he does not intend to stay around if re-elected Prime Minister for the next term of government, so who knows what would be the status of these commitments if Peter Costello were to become the leader of the Liberal Party and if the current government were to be returned at the election later this year? Who knows what the Prime Minister would be thinking of while walking that golf course on the North Shore of Sydney some time in 2004 or 2005?

The reality is that last year the number of Australian undergraduate students at our universities fell by more than 3,000. While the extra funding for research is welcome, it does not change the fact that we have had a reduction of almost 3,500 in the number of research training places at Australia’s universities. I know many of my colleagues have expressed grave concern about the impact that this is having on the newer and the smaller and the regional universities. They are the ones that have been hit hardest by this government’s cutbacks in research training places at our universities.

That is why I was intrigued by the table that was produced by the group of eight, the group representing the so-called sandstone universities that sought to examine Australia’s performance compared with the OECD average by looking at the percentage of national income that is being invested in gross expenditure on research and development. If you look at this table, Madam Deputy Speaker, it is quite an alarming statistic. This table demonstrates that Australia was increasing the percentage of national income expended on research and development from 1992 through to 1996. We went from 1.5 per cent of GDP through to 1.65 per cent, growing during the last four years of the Hawke and Keating governments. Unfortunately, we have fallen during the Howard government years from 1.65 per cent today down to about 1.4 per cent.

The problem is that before the innovation statement this graph predicted the decline continuing through to almost 1.2 per cent. The effect of the innovation statement is this dotted line that I am sure you can see, Madam Deputy Speaker, almost a pimple on the slope showing the continuing decline under the Howard years. In fact, we still continue to see a decline in Australia’s investment in gross expenditure on R&D. It continues to fall despite the announcements made in the innovation statement. The Prime Minister’s statement simply changes the downward slope, and it still does not address the great need we have to match that of our international competitors, the other OECD countries which continue to grow. I am sure that people in the gallery with excellent vision can see the point I am making here, with other countries continuing to increase their expenditure on research and development while Australia, having increased in the years leading up to 1996, has been on a downward slope, and the effect of the Prime Minister’s innovation statement is a pimple on that graph. I will not test the Minister for Employment Services, who is at the table, by seeking permission to incorporate that. I will save that for another time.

The point we want to make is that the Prime Minister, at question time today, was skiting about how well he thinks Australia is doing in the international competition on how we prepare our country to compete in that global environment. The Prime Minister
thinks we are doing about average on the OECD hit list. According to this table, not only are we below average but we are falling further behind. If we are to ensure that Australia does achieve the great opportunities that are there for us, we cannot afford to be doing worse than average or even average. We have to ensure that Australia is lifting its investment in this crucial area.

One of the announcements made in the innovation statement was the commitment to introduce the Postgraduate Education Loans Scheme, or PELS, and it comes after a major reduction in HECS places for postgraduate course work. The number of Commonwealth funded postgraduate course work places is estimated to have fallen by around 60 per cent since 1996. To the extent that the new PELS system helps this situation, in giving more Australians access to postgraduate study, Labor will support it. However, we do recognise that it does have the potential to act as a pilot for the full deregulation of undergraduate university fees as outlined in the leaked cabinet submission from October 1999 of the Minister for Education, Training and Youth Affairs, Dr Kemp. One thing you have to say for the minister for education is that he never gives up: while his cabinet submission is supposedly at the bottom of his bottom drawer, he is still out there, busy cooking up ways to try to implement the $100,000 university degree by deregulating university fees, introducing vouchers and replacing HECS with a real interest rate loan scheme. I am sure that, if the coalition government is returned at the next election, we can expect more along these lines.

So I should take this opportunity to state once again the Labor Party’s categorical opposition to the deregulation of undergraduate university fees at some or all universities and our opposition to the replacement of HECS with a real interest rate loan system. We are also committed to phasing out full cost up-front fees for Australian undergraduate students because of the evidence that has come forward of that scheme being used by parents from wealthy families to buy their children’s way into the first year of a university degree, the children having failed to get there through their TER score, through the merit selection system. There is significant evidence that, having bought their way into first year, people are using this scheme to switch to a HECS place in their second or later year. That is simply unfair to the student who would have otherwise filled that HECS place on merit.

With the introduction of PELS, the new Postgraduate Education Loans Scheme, we also recognise the possibility of some universities seeking to put up their fees unreasonably. We have some concerns about the mechanism that the government envisages to deal with this—that is, giving the minister the power to set a limit on how much students can borrow under the combined HECS and PELS. We have two concerns about this. The first is that it is common knowledge that the children of wealthy parents are more likely to have their university fees paid for by their parents each year. If you make an up-front payment for the university fees, you get a 25 per cent discount on that HECS fee. The parents of students from struggling families cannot afford to make that university fee payment on their behalf. That means that, at the end of an undergraduate degree, the students that have zero HECS debt are more likely to be the students that come from wealthy families. That is one reason why we are concerned about putting a ceiling on the combined HECS and PELS debts.

The second reason is that, because of the changes that this government made to HECS in 1996, students end up with very different HECS debts depending on which course they have enrolled in. Not only did the government increase HECS charges in 1996 by up to 125 per cent but we now have three different bands. Depending on which course a student has done, after a four-year course they could be left with a debt of $23,000, for example. Our concern is that that would mean that students who do, for example, vet science would end up with a high debt and have less opportunity to borrow money for their postgraduate study compared with a student who did a shorter degree, where the fee was lower.
For these reasons, the Labor opposition will be moving an amendment in the Senate to limit the minister’s power to set a maximum loan amount on the PELS debt only. That is, we will be proposing amendments that will not give the minister the power to set a limit on the HECS debt plus the PELS debt. We believe that a better and a fairer system is to give the minister the power to set a limit which is disallowable on the PELS, for borrowing only. That, we believe, will make this a fairer system.

We will also watch with interest the reaction of universities, and we give notice that, if universities seek to use the new PELS system to unfairly increase fees for postgraduate students, it will result in our reviewing the PELS arrangements in office. We will take a very hard line with universities that seek to treat PELS as a major new source of revenue, and that is a very important commitment.

I want to move now to the second part of this bill, which deals with a number of school funding issues. Last year’s states grants legislation allocated $859,000 in the calendar year 2001 for establishment grants and $1.2 million per annum in each of the following years. This bill seeks to increase those amounts by very significant quantities. For example, in 2001 the increase is 330 per cent—that is, a total of $3.7 million. In 2002 it is up 262 per cent—an increase of $4.7 million. In 2003 it is up 128 per cent to $1.65 million. In 2004 it is up 128 per cent again to $1.65 million. The total increase is almost $10 million.

When the government announced its intention to move to the new funding system for non-government schools in the May 1999 budget, we expected the government to have a clear plan about how it intended to implement this radical new system for funding non-government schools. Despite having announced the new funding system in May 1999, it was not until the middle of the year 2000 that we even sighted the legislation in this House. Despite enormous pressure from the opposition, we were not able to get access to the individual funding levels for non-government schools until the minister was forced, humiliated, into releasing those figures in October. I am sure it was no coincidence that the day the minister chose to release those school funding figures was one of the days during the Sydney Olympics, hoping that it would not receive as much publicity as it deserved. The reason the minister was trying to hide those figures was that they demonstrated the Labor Party’s claims throughout 2000 that the average increase going to those 58 wealthy category 1 schools was almost $1 million a year by 2004.

The minister clearly had a deliberate strategy. He announced the new funding scheme in May 1999, knowing that it had to pass by late 2000, otherwise Commonwealth funding for both government and non-government schools would cease. He then sat on the funding figures until October 2000, with a few weeks to go before the funding ran out for every school in the country. It was obviously quite a deliberate tactic of this minister to deny the parliament information which it needed to make an informed decision on what was proposed. The significance of this amendment that seeks to provide an extra $10 million for establishment grants for non-government schools is in this question: when did the minister know that an extra $10 million was needed for these establishment grants? That is the question: when did David Kemp know? The reason why this is important is that the minister has been out there—he gave a doorstop interview today, he issued a press release this afternoon and he was in the parliament doing a Dorothy Dixer at question time—claiming that the Labor Party is seeking to delay establishment grant funding to a number of new, small non-government schools. This is what the minister said at his doorstop today:

Community schools, Aboriginal community schools, the Nyikina Mangala School in the Kimberley, the Murray Bridge Christian School, Steiner Schools, Montessori Schools that are just starting up are all having their funding now threatened by the Labor Party.

This is occurring because the Labor Party is threatening not to pass this financial year legislation that the Government has before the Senate to
provide establishment grants to these new community schools.

The first thing is that the minister does not even understand that the legislation is before the House of Representatives, not the Senate. The second thing is that we are entitled to ask that question: when did the Minister for Education, Training and Youth Affairs know that he needed to provide an extra $10 million for these establishment grants for non-government schools? This is an issue that came up in the Senate committee that dealt with this issue last week. There are some things in particular from last week’s hearings that I wish to read into the House of Representatives record to answer that question: when did David know?

The transcript states:

Senator CARR—Can I ask you some questions I asked last week. When did you decide that the formula, the appropriation that you put to us in the state grants bill, was wrong?

Answer from one of the departmental officials:

Ms Andruska—We discovered that in October.

It goes on to say:

Senator CARR—... When was advice provided to the minister that the figures in the legislation were wrong?

The answer:

Ms Andruska—I cannot recall when we told the minister, but the minister was not involved in the decision...

Then Senator Carr interrupts:

... when did the department tell the minister that the bill he had before the parliament was wrong?

Ms Andruska—listen to this—

I don’t know the answer to that, but the decision was taken, given that the forward estimates were updated to reflect the information that we now had, that there was a framework before the parliament for covering the funding of non-government schools, the SES arrangements, establishment grants and so forth, that an amendment in terms of the fact that it had already passed the House, that an amendment early in this year would be the best way to take it forward.

Ms Andruska goes on to say:

In this particular instance—because, as you said, it was bouncing backwards and forwards and there was a keenness to see the bill passed—there was a decision taken that to have an amendment at that time—that is, last year when it was before this House and the Senate—may further delay the bill, a bill that contained some $22 billion for government and non-government schools...

She goes on to say:

... so the decision was taken that we would use the earliest opportunity in 2001 to put an amendment through...

We now know from this evidence last week that the department knew last October that an extra $10 million was needed to fund the schools that David Kemp today claims that he is so concerned about. But the department claims that they did not let the minister know about this or make this decision because they did not want David Kemp to actually exercise the responsibilities of being the Commonwealth Minister for Education, Training and Youth Affairs. We now have a position where the Department of Education, Training and Youth Affairs decides whether they will tell their minister that there is a $10 million hole in the funding for new non-government schools. When a bill is required to fix up the problem the minister for education puts out a press release saying that it is the Labor Party’s fault that he did not take action last October because his department did not tell him about a $10 million hole.

The simple point is worthy of investigation.

Let me give you another quote from the evidence last week:

Ms Andruska—A decision was taken to not put an amendment through.

Senator CARR—Did the minister make that decision?

Ms Andruska—No.

Senator CARR—Or did you, as the department, make that decision?

Ms Andruska—The department made the decision.

And Mr Evans, another senior officer from the department, said:

... it was the view of the department that the money appropriated in the act was sufficient to manage the program in the early part of 2001 and
the department would make, at the earliest op-
portunity, attempts to come back before the par-
liament to increase the appropriation. That is what
we have done, Senator.

It is a sorry state of affairs when departmen-
tal officials are deciding whether or not to
tell the minister or whether or not to tell the
parliament that there is a $10 million hole in
funding for new non-government schools. If
the funding for those schools is delayed, it is
because this minister has not done his job in
administering his department or it is because
this department, for whatever reason, were
not courageous enough to put a submission
before their minister and honestly and
frankly tell him that there was a $10 million
hole. So if anything could be described as
mean and tricky—using the Shane Stone
language—it is this minister’s attempts to
claim that the Labor Party in some way is
responsible for any potential delay in fund-
ing for these schools.

Our attitude to this is quite simple: we say
we are not against extra funding for non-
government schools, and we have made that
clear with our position in last year’s state
grants legislation. In particular, we support
the extra funding that was provided last year
to needy non-government schools. But what
we support is fair funding for all of our
schools. That means that, having provided
massive increases to the non-government
schools sector, what is missing is the bal-
ancing increase in funding for government
schools. If our aim as a country is to lift the
standards in all of our schools, let us not just
have a $10 million increase for establishment
grants for non-government schools. We are
going to move amendments in the Senate
that will increase funding for government
schools by an extra $30 million to balance
the $10 million that you are proposing in this
legislation for non-government schools. We
will be moving requests in the Senate that
will seek to provide an extra $30 million in
capital works funding for government
schools across the country.

This amendment will have great commu-
nity support. Not only do they know that
government schools have been duded by
this Prime Minister and this education min-
ister but they know that King’s and Geelong
Grammar have had their $1 million a year
increases by 2004, they know that the local
Catholic schools have got only about
$60,000 per school and they know that their
local public school has got only $4,000 per
year out of this government. They want to
see both sides of politics trying to lift the
standards of all of our schools. If we do give
an extra $10 million through this legislation
to non-government schools, let us balance
that by giving an equivalent per capita in-
crease in funding for government schools—
which is what our amendments will seek to
do.

Basically the minister has got to answer
two questions. Why did he get it wrong by a
factor of three? Why did he get it wrong
when he sat down and tried to calculate how
much extra money was needed for the non-
government schools? Was it incompetence?
Was it a deliberate attempt by this minister to
cover up the fact that he is providing very
significant increases in establishment grants
for non-government schools? If he did find
out about it before the legislation passed
through both houses last year, why did he not
fix it last year? Why did he not fix it when he
or his office were first informed that there
was a $10 million hole in funding for these
new non-government schools? When we deal
with this bill in detail we will be asking the
minister—in fact I challenge him to tell us in
his second reading summing up—when he
and his office were first informed that there
was this $9.5 million hole in funding for the
establishment grants for non-government
schools. If the minister knew before the final
vote took place in the Senate, why did he not
fix the problem up last year? If he did not
know before the bill passed last year, what
sort of a department is he running and what
sort of a minister is he if his own department
does not tell him crucial information such as
this? I move:

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

“the House notes that the Government has
failed to adequately address the education, train-
ing and research needs of the nation, and that the
Bill be withdrawn and redrafted to provide for:
(1) an additional $30 million in capital works grants to be provided to government schools, to match the extra funding being provided for establishment grants to non-government schools;

(2) improved accountability arrangements to apply to the use of establishment grants; and

(3) the Minister’s power to determine a maximum permitted student debt to be limited to only those amounts borrowed under the Postgraduate Education Loan Scheme."

The amendment that I have moved to the motion for the second reading notes the fact that the government has failed miserably to provide sufficient funds to address the needs of the nation for education, training and research, and asks that the bill be withdrawn and redrafted to provide for that extra $30 million in capital works grants for government schools. That will help us match the extra funding being provided for establishment grants for non-government schools. The amendment also seeks to improve the accountability arrangements applying to the use of these establishment grants. It also signals that in the Senate we will be moving to alter the powers of the minister to set a limit on the Postgraduate Education Loans Scheme. We do not think it should cover HECS as well as PELS.

Not only has this amendment been moved here but we will pursue those matters in the Senate, and we do believe that the fairest way to ensure that this matter is dealt with speedily is by the government agreeing to accept this amendment. If the minister in his summing up of the second reading debate could give us a signal that he is prepared to agree to the extra $30 million being provided to government schools and if he is prepared to accept our amendment that deals with changing the minister’s powers on the Postgraduate Education Loans Scheme, that will allow very speedy passage of this legislation and for all of the schools that he mentioned today to receive their establishment grants as soon as possible. I commend the amendment to the House.

Ms KERNOT—I second the amendment and reserve my right to speak.

Sitting suspended from 6.32 p.m. to 8.00 p.m.

Ms JULIE BISHOP (Curtin) (8.00 p.m.)—I am pleased to be speaking on the Innovation and Education Legislation Amendment Bill 2001 and I am pleased to follow the shadow minister, the member for Dobell. It is evident that both sides of the House see education as important. Education has been the key to civilisation. ‘Only the educated are free,’ the Greek philosophers surmised some centuries ago, and they were right, for without education it is an uphill battle for any citizen to participate fully in the cultural, political and economic life of their nation—doubly so in the context of a new century that will be dominated by the information and technology revolution. For ours to be a ‘learning society’, we must embrace the notions of lifelong learning or, as Alvin Toffler put it:

The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.

It is clear that education is important, it is clear that the concept of innovation is important and it is abundantly clear that the government is committed to both education and innovation. But the proof of the government’s commitment lies in the bill before the House and the substance of the budget papers. What is far less clear, what is in fact opaque, is the actual commitment of the opposition, the actual commitment of the Leader of the Opposition to education and innovation. It is, of course, difficult for any opposition to establish its public policy credentials, and oppositions stand and fall on their policy alternatives, but this opposition leader has prided himself on his alternative policy in this very area of education and innovation. So what is that policy? We know that it is called Knowledge Nation; what we do not know is what it is. What is the policy called Knowledge Nation? Does it stand or does it fall? Does it shape up to the concrete achievements of the government in these reforms before us? The Leader of the Oppo-
sition has not yet provided Australians with the detail of this Knowledge Nation. Appar-
ently such details are a matter for the future.
Furthermore, the opposition will not even set a definitive time frame for this policy nor for
providing Australians with an answer to the question that we are all asking: where is the
money coming from to fund this Knowledge Nation?

But, first, what is it? In this the Leader of
the Opposition reminds me of a self-satisfied
little boy at a birthday party, carting in a
large, gaily-wrapped gift box. ‘This,’ he tells
the host, ‘is my extra special, extra large pre-
sent for you. It’s called a Knowledge Nation,
but—there is always a but—‘don’t open it
until tomorrow,’ and off the opposition
leader heads for the party food. Come the
morrow and the little birthday girl opens up
the wrapping and finds inside another gift-
wrapped box, just a wee bit smaller than the
last. ‘Hang on,’ she thinks—and she gives
the opposition leader a call. ‘No,’ she is as-
sured, ‘just wait until tomorrow and unwrap
it again.’ But she wants to know what it is
and she wants to know how he could afford
such a big present. This charade is being
played out now and it is going to be played
out over the next few weeks and over the
next few months.

As the Leader of the Opposition hints in
his interminable doorstop interviews at the
surprise in store for all the kiddies on elec-
tion day until the birthday girl—a la the vot-
ers of Australia—finally unwraps the last
vestige of the wrapping paper around the
very, very small parcel and finds a teeny
weeny little matchbox that was once the
grandiose present, inside the matchbox we
are going to find a piece of paper upon which
are written the words, ‘IOU, one Knowledge
Nation—some time in the next three to 10
years.’ This is what we saw last Thursday at
the Sydney Institute as the Leader of the Op-
position revealed the first layer of that care-
ful wrapping around his huge Knowledge
Nation package.

But are the Australian public, or indeed
this parliament, any the wiser about what
Knowledge Nation actually is? Certainly not.

In a speech of almost 4,000 words—that is
around 40 or 50 minutes or, in the case of the
Leader of the Opposition, perhaps an hour of
talking—the Leader of the Opposition came
up with nothing but hyperbole and ‘roonism’, as the Minister for Employment,
Workplace Relations and Small Business has
so aptly described this habit of talking down
this country and its achievements and op-
portunities. It ought to be noted that there
was precious little in that speech that ext-
tended beyond the same tired educational
socialism that has dominated ALP thinking
throughout the past century. Quite why the
opposition leader believes that innovative
firms and individual professionals ought to
be heavily taxed so that they might get the
privilege of having a fraction of their taxes
paid back to them by the government is quite
unclear.

Criticism of the little of Knowledge Na-
tion that has been revealed has been over-
whelming, and it is appropriate, given the
subject matter of this bill, that I draw to the
House’s attention a number of those criti-
cisms, for this Knowledge Nation is to be the
cornerstone of the party who holds itself out
as the alternative government. The Leader of
the Opposition based his whole speech, thus
rationalising the need for the ALP Knowl-
eedge Nation policy, on assumptions set out in
a report to Labor’s new think tank, the Chi-
fley Research Centre, called ‘The Compara-
tive Performance of Australia as a Knowl-
edge Nation’. The Leader of the Opposition
called it a devastating analysis of Australia’s
performance as a knowledge nation and said:

... Australia is failing to make the grade in those
crucial areas which will determine our success as
a nation in the 21st Century.

We now find that the speech was based on a
report that, in turn, had based its conclusions
on outdated OECD statistics. Obviously, the
Leader of the Opposition did not refer to the
more recent current OECD survey, because
its major findings contradict the argument
that our education spending is low by inter-
national standards. In fact, it found quite the
opposite.
In fact, members will recall that in question time yesterday in this House the Minister for Education, Training and Youth Affairs punctured these claims of the Leader of the Opposition—and the Prime Minister did likewise today—and showed just how flawed the argument was and hence how flawed its underlying assumptions are. We are talking about a supposedly seminal speech of the Leader of the Opposition on the very issue of the ALP policy on education and innovation. It is worth placing on the public record, in the context of this debate, the points made by the minister.

He pointed out that the opposition leader had relied in his speech on notoriously misleading retention rate figures which fail to show the overall participation of 16- and 17-year-olds in education and training. In fact, under the Howard government there have been continuing increases in the educational participation of 16- and 17-year-olds. The minister also pointed out that when Labor was in office the 70 per cent of school leavers not going straight from school to university were neglected. In 1995, there were 26,000 in vocational education. In 2000, there were 167,000, with growing adoption of industry standards.

The Howard government’s investment in schooling in the next budget year will be $669 million more than under Labor. That is a 46 per cent increase. The opposition’s claim of falling education investment is false. Overall there has been a 17 per cent real increase in education and training spending under the Howard government. The OECD report Education at a Glance—this is the report that contains the current figures—shows that expenditure per full-time student in Australia was above the OECD average for all non-preschool sectors. Total revenues of Australian universities will be a record $9.5 billion in 2001, which is around $1.24 billion more than was available to universities in Labor’s last full year in office.

As the minister pointed out, in Japan and the USA more than half of all final funds for tertiary institutions originate from private sources. The minister asked the Leader of the Opposition in question time yesterday whether he was planning to expand private contributions and, if so, by how much, or whether he will just raise taxes to compensate. Finally, the minister pointed out that Australia’s commitment to university and R&D expenditure as a proportion of GDP is 0.45 per cent, which ranks highly compared with other OECD countries.

As for the study reporting to the Chifley Research Centre on which the Leader of the Opposition based so much, I note that Mr Glenn Milne, one of Australia’s more distinguished journalists, in an article in yesterday’s Australian headed ‘Beazley’s swipe not so smart: education scare statistics just don’t add up’, observed that serious analysis of Australia’s education policy, in comparison with similar nations, sharply contradicts the claims of the ALP. He pointed out that DETYA figures reveal that 18 per cent of 25- to 64-year-olds in Australia have a university level education. The OECD average is 14 per cent. In fact, Australia outranks the United Kingdom, Ireland, New Zealand, Germany and Spain. So why did the opposition leader, in his speech damning Australia’s performance, use only the USA, which has an extraordinarily high level of university attainment, as a comparison to Australia in this regard and ignore all the others? Glenn Milne goes on to note that the DETYA figures also reveal that Australia outspends both the United Kingdom and Ireland when it comes to general education spending. And so it went on.

Today, the economics editor of the Australian, Mr Alan Wood, took Knowledge Nation to task in an article titled ‘Labor’s Knowledge Nation built on sand: there’s a lot of hope but not much credibility in Kim Beazley’s grand plan’. He rightly noted that increasing Australia’s punitive tax rates for professionals and high achievers, as Labor seems prepared to do, can do nothing but drive away the Australians who will lead our country to a prosperous future. How much worse would those income tax rates be without the tax cuts delivered by the Howard government on 1 July 2000, tax cuts bitterly opposed by the opposition?
Alan Wood also noted in his article, in rebutting the Leader of the Opposition, that an unhealthy focus on the production, rather than the utilisation, of information and communications technology, which would necessarily be at the expense of other sectors of the Australian economy, would be to Australia’s disadvantage. It is accepted wisdom that historically the greatest economic gains from a new technology have come not from its invention and production but from its exploitation—and this is where Australia is among the leaders in the OECD world. This, after all, goes to the heart of what is wrong with Labor’s prescriptions in this field, and perhaps in all others—that it believes that Canberra knows better than Australians about what Australians want and need.

The reforms of the government do not make this error, for they recognise that the federal government’s role ought to be to assist individual Australians and Australian businesses, rather than to coerce those individuals and firms into following the dictates of a federal government. In encouraging innovation, the federal government recognises that of primary importance is an economic, taxation and educational framework that encourages innovation and achievement. It recognises that it has a secondary role to play in targeting direct support to areas where private sector funding is not appropriate or not available.

The reforms before the House represent the government’s commitment to assisting the higher education sector as part of the $2.9 billion innovation action plan, Bucking Australia’s Ability. The government recognises the particular role of Australian universities in facilitating innovation, and this bill represents the first instalment of the $1.47 billion in additional research and higher education funding. Over the next five years our universities will benefit from additional research funding which will include $736 million to double the research grants administered by the Australian Research Council, including the new Federation Fellowship grants intended to help universities match international salaries—and that is a very important consideration; $246 million for the upgrade of research infrastructure, such as scientific equipment, libraries, laboratories and the like; $337 million for increased project specific infrastructure to support grants made by the Australian Research Council and the National Health and Medical Research Council; and $151 million for 21,000 new full-time equivalent undergraduate places in our universities. Priority for these places will be given to information and communications technology, biotechnology, mathematics and science.

The bill before the House will establish the new Postgraduate Education Loans Scheme, called PELS. It is a scheme of which I am particularly supportive. PELS will be a HECS-like income contingent loan scheme for fee paying students undertaking postgraduate course work. PELS will encourage lifelong learning and will facilitate knowledge and skills upgrading. It is expected that approximately $995 million will be loaned to 240,000 students over the next five years. The prospect of these loans is welcomed by postgraduate students, particularly in my electorate of Curtin, which is the home of the University of Western Australia. In fact, I would like to quote from one of my constituents who emailed me recently. He says:

I’m a postgraduate student that is VERY PLEASED to see that the PELS scheme is due to be introduced this year. I’m paying my tuition up-front ($3,220 per semester) and have taken out a bank loan to do so. This presents a substantial strain on my income. I am VERY PLEASED to see that your Liberal government has taken up this strategy. I think it represents a substantial step forward for the nation.

That is from a postgraduate student in my electorate. I agree wholeheartedly. With the same conviction, I disagree with the proposition put by some members of the opposition that PELS will drive up postgraduate course fees. Such a proposition ignores the increased competition that will be generated by increased numbers of people interested in undertaking postgraduate study. It is also somewhat ironic considering that the deregulation of postgraduate fees began under a federal Labor government in 1994.
These reforms will also provide the minister with the discretion to impose a cap on the maximum amount of debt that students can accumulate under the Postgraduate Education Loans Scheme, HECS and the Open Learning Deferred Payment Scheme. This discretion will serve to discourage the irresponsible use of these loans, for such misuse does nothing but penalise other students and Australia's taxpayers.

Other measures in this legislation will provide increased funding for the strategic assistance amounts delivered under the States Grants (Primary and Secondary Education) Assistance Act 2000. The funding will maintain real assistance levels for disabled students at eligible non-government schools and will ensure that appropriate assistance levels are available to meet the costs incurred by newly commencing schools in their formative years. These are the sorts of initiatives that the federal government is introducing in this legislation.

We draw the contrast with the so-called education and innovation policy platform of the Labor Party, as enunciated by the Leader of the Opposition at the Sydney Institute. We also have to remember that, were the opposition to enter government at some future stage, all these reforms that the federal government has introduced would be put into doubt. We have already heard the prediction of the respected economist Mr Chris Murphy that, were Labor to meet just those taxation roll-back obligations that they have entered into already, with a total price tag of $4 billion, without raising other taxes, the budget would be driven into deficit, the current account deficit would increase and interest rates would rise. If the opposition, should it ever get back into government, were forced to slash spending to avoid roll-back, driving the budget and the economy into a ditch, how do we know that these reforms—the Postgraduate Education Loans Scheme, the additional funding for disabled students and the extra funding for research and development—will not be the first victims of a Beazley government? I ask the question—I doubt that we will hear an answer. But there is an opportunity for members opposite to let the people of Australia and this parliament know. With regard to the taxation roll-back obligations that the Labor Party talk about, with this price tag of $4 billion, if they do not raise other taxes, how do we know that the reforms contained in the Innovation and Education Legislation Amendment Bill 2001 will not be those that the Beazley government ditches in favour of its roll-back policy? I leave the question on the table. I wait to hear the response from the members opposite. In the meantime, I commend to the House these very worthwhile reforms and funding initiatives contained both in the bill and in the substance of the budget papers.

Ms GILLARD (Lalor) (8.19 p.m.)—It is timely indeed that the House this evening debates the Innovation and Education Legislation Amendment Bill 2001. It is timely because in the last few days in this parliament and in the media generally there has been a debate about whether Australia is meeting the grade as a knowledge nation or is slipping woefully behind. Unfortunately this debate has been held in a highly stylised way, pitting the findings of the Monash Centre for Research in International Education in its report *The comparative performance of Australia as a knowledge nation* against the findings of the OECD in its *Education at a glance* index. The debate has been largely an unedifying comparison of apples with oranges. The Monash Centre for Research in International Education is reporting on the knowledge nation, including Australia's performance in ICT and investment in research and development. The OECD index is only dealing with one element of the knowledge nation, and that is education. So we have witnessed in question time over the last two days from the Prime Minister, and from the contribution from the member for Curtin immediately before me, this rather silly comparison of apples with oranges. The Monash Centre for Research in International Education is reporting on the knowledge nation, including Australia's performance in ICT and investment in research and development. The OECD index is only dealing with one element of the knowledge nation, and that is education. So we have witnessed in question time over the last two days from the Prime Minister, and from the contribution from the member for Curtin immediately before me, this rather silly comparison of apples with oranges. We know that the member for Curtin is not a great expert in numbers, and she has demonstrated that once again to the House. If we move away from this comparison of apples with oranges, we actually find some startlingly bad things in the OECD index.
Can I take the House firstly to something that I think ought to concern every member of the House in analysing this index, and that is the way in which the Prime Minister has approached it. I think this was laid bare in response to a question yesterday in question time. The Prime Minister, talking about the OECD index and referring to Australia’s performance in relation to that index, and of course berating the opposition leader as he went, said:

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.

Looking at the way in which the Prime Minister clutched at the OECD report—as if it debunks all of Labor’s position on the Knowledge Nation—is deeply disturbing. What the Prime Minister is saying in that statement is that he is content for Australia to aim at mediocrity. In the Prime Minister’s view, any figure above the average is a good figure, but what we know through ordinary life experience and what we certainly know in terms of the economic performance of nations is that the world does not stand still while you aim for mediocrity. So, if you aim for mediocrity, if you aim to be in the middle of the pack, inevitably what will happen is that members of the pack who are striving to develop and grow will get in front of you and, as the pack gets ahead of you, the point at which you aimed is no longer in the middle; the point at which you aimed is somewhere near the bottom. What we can say for sure is that, whilst the Prime Minister might be content to aim for mediocrity, what that is doing is actually casting for Australia a complete recipe for failure. If you aim for mediocrity from the outset, you will fail. There is nothing surer than that. I can see that the members opposite are confused. Perhaps they do not listen closely enough to the Prime Minister at question time. I can understand that they probably get a little bit bored in question time listening to the same self-serving speeches given in endless repetition.

The Prime Minister is content to say—he is skating about the fact—that, when the OECD average was 3.71 per cent, we came in at 3.80 per cent—not double it, not three times it, not four times it, but less than 0.1 per cent in front of it. If you can be content with that, then clearly you are aiming for mediocrity.

The other thing that I found strange about the performance in the past two days in clutching to this OECD report is that, when we go through it in some detail, we find not only that our performance is mediocre but also that there are statistics in that OECD report about which Australia should be outright ashamed. We have had members on the other side trying to duck and weave behind this OECD report but, if they picked it up and read it cover to cover, they should be horrified at some of statistics in it. To take the House to some of those statistics—the member for Curtin who spoke before me clearly missed this part of the report—the OECD index includes an analysis of the change in public expenditure on tertiary institutions from 1995 to 1998. When we look at the table that gives us that data, we find Australia languishing second last, with a cut in public expenditure of five per cent over the period—that is, a negative five per cent. This performance contrasts strongly with the performance of places like Poland, which upped its public educational expenditure over the period by 56 per cent, Turkey, which did so by 41 per cent, or Ireland, which did so by 40 per cent.

Mr Entsch—From a very low base.

Ms GILLARD—I hear chants of, ‘From a very low base.’ Once again, the members opposite are showing that their facility with numbers is not everything that the minister’s numeracy strategy would have them believe it ought to be. They might need some of the remedial classes that Dr Kemp offers. It is not just a question of being off a low base; it is a question of how that investment in education correlates with GDP performance. I say to members opposite: I do not think there is any magic in the fact that these nations, which are investing heavily in education, are reaping rewards in terms of GDP growth,
with Poland’s GDP growing over the period at a rate of 6.2 per cent, Turkey’s GDP also growing over the period by 6.2 per cent or Ireland’s GDP growing over the period by a staggering 9.2 per cent. Each of these results is better than Australia’s performance over the period. I accept that these nations might have been coming off an educational infrastructure base which was less than Australia’s, but what you need to realise is that current investment in education—just by these figures alone—helps us understand where GDP growth comes from. Current investment in education equals GDP growth.

You could be content about the state of Australia’s educational infrastructure only if you had managed to convince yourself that everybody else was going to invest in education at the same rate as us so that we would never lose our position in the queue—we would always be in the same place in the pack as we are now. These statistics undermine that complacent and ultimately fallacious belief. These statistics tell you that other people are investing in education more heavily than us, other people are getting the GDP growth that comes off that investment more quickly than us and, if we fast forward the clock off this current set of numbers and the numbers repeat themselves for the next three or five years, what that means is that we will have gone backwards in comparative terms—we will be further down the pack. That is the simple rationale of it, and members opposite ought to be able to follow that.

The report also records that 43 per cent of Australians have progressed no further than lower secondary education, compared to an OECD average of 36 per cent and a figure of 13 per cent in the United States. This is a particularly important statistic. It is talking about the educational attainment of the Australian population as it currently stands. It is an important figure because we know from a study done by Carles Boix, Political Parties, Growth and Equality, that Boix produces a regression analysis of the impact of educational attainment within the population and unemployment. He has looked at how those two variables deal with each other through a regression analysis process. He concludes for OECD nations for the period 1982 to 1990 that unemployment decreases a whole percentage point for each six to seven percentage points of population that have studied beyond lower secondary education. So there is a correlation between your unemployment rate and the educational attainment of your population.

Stripped of the language of statisticians, that just makes intuitive sense, doesn’t it—that a more skilled population is going to be a more flexible population, a population that will more easily find employment in a whole series of varying economic circumstances, whether there be a period of growth, recession, major technological change or major change in patterns in the work force. Obviously, the more skilled and the more flexible your population, the less likely they will sustain long and difficult periods of unemployment. Whilst Boix was dealing, in terms of the regression analysis, with an earlier set of data, I do not think intuitively there is any reason to believe that the nexus between educational attainment in the population and the likelihood of persistent unemployment problems has been broken. Indeed, I would venture my arm and suggest that, as we move forward in a more technological age, that nexus is probably getting stronger over time, not weaker.

Once again, in terms of getting a vision about the future, not aiming for mediocrity, what we have to say in Australia is not that we are content with an educational profile which has some 43 per cent of Australians having progressed no further than lower secondary education; what we have to say is that we need a major investment to enable us to upskill our population so that that percentage of people who present to the labour force with no more than lower secondary education declines over time. Once again, that is a concept that the Prime Minister cannot seem to get and that members opposite in this debate do not seem to have caught on to either—that, in order to maintain your competitive position in a world where others are investing, you must invest too. To maintain our competitive position, we need to upskill
our population so that we are not losing out in the educational race.

I also want to say—and I know that this will be of interest to the member for Macquarie opposite—that the OECD index actually records an appallingly low level of expenditure in Australia on preschool education, with Australia spending 0.1 per cent of GDP, putting Australia on the bottom, with Korea, of the 21 countries surveyed. I know the member for Macquarie is concerned about these questions. I think this finding about preschool education is of particular concern in light of the growing body of evidence in relation to the importance of preschool education to literacy formation and later educational development. I believe the member for Macquarie was sitting with the House of Representatives Standing Committee on Employment, Education and Workplace Relations on 7 December when the committee had the pleasure of listening to Professor Peter Hill of the University of Melbourne give evidence about these questions. In that evidence, Professor Hill stated:

The problem with this is that in terms of getting students literate, schools have a narrow window of opportunity. What we know is that there is no known intervention program that can catch kids up to their peers after the second year of schooling. You can improve outcomes for low achieving kids but you cannot catch them up.

If you can get in before school starts, that would be even better because schools are starting too late in many cases. I only wish we could integrate the preschool system into the school system and get them about a year earlier. A large number of kids do not need this but you cannot catch them up.

... ... ...

I do not think that you could get a clearer and more expertly informed view of the importance of preschool education to overcoming educational disadvantage in later life. Indeed, it is Professor Hill’s contention that the more disadvantaged circumstances someone comes from, the greater the impact preschool education can have. That makes intuitive sense too: if people do not live at home in a literate and educationally enriched environment, that needs to be substituted for, and preschool is a good way to do that. If we are not investing heavily in preschool, we are not going to get to a stage where we are able to overcome that basic problem of educational disadvantage. We are not going to get good literacy formation. We are going to end up with groups of people who then struggle with later schooling because they have not had a strong foundation of literacy development. In those circumstances, they become disengaged, at least from school and, in the worst-case scenario, from mainstream society more generally. Of course, we get problems of truancy, vandalism, juvenile crime and, in the worst cases, suicide as a result of that kind of disengagement. Consequently, I do not really think that anybody could point with any degree of pride or pleasure to an OECD index that has us languishing in that kind of company and down the bottom of the index in relation to preschool investment.

I turn now from dealing with what I characterised at the start as a rather sterile debate about Australia’s educational attainments and its path as a knowledge nation. This has been a rather sterile debate that we have had over the last few days in the media and in this place, gleefully comparing apples with oranges and coming out with all sorts of ridiculous conclusions as a result. I want to deal with some of the specifics of the Innovation and Education Legislation Amendment Bill 2001. I would particularly like to direct my following comments to that part of the bill which deals with innovation. This bill is the legislative foundation for what was supposed to be the launch pad for the Howard government’s electoral fight-back of 2001. We know that, after a fairly troubled period, with backbench dissent about petrol and a whole series of other questions, the Howard government hoped to march into 2001 bravely on the front foot and full of ideas. Consequently, the Prime Minister wandered out on 29 January and launched the somewhat curiously titled innovation statement Backing Australia’s Ability.

This much vaunted statement told us that the Howard government was going to deliver
to the Australian community a very glossy $2.9 billion innovation package. As we all know, the media spin was on. The problem really was the details of the package. Fortunately, in dealing with this legislation, we are seeing the details of the package laid bare. I know that members in this place have had other opportunities to raise the details of the package. Certainly, our shadow minister for innovation, Dr Lawrence, has done so. But, when you actually look at this $2.9 billion spend over five years, you find that, in the first financial year—that is, the financial year we are about to enter—the spend is a very modest $159.4 million. So it is $2.9 billion, almost all of which is out there on the never-never. In the first 12 months of the package—the 12 months which has not even started yet, the 12 months that starts on 1 July—we will see $159.4 million delivered.

People might say that $159.4 million, almost $160 million, is a bit of money; but it is not a bit of money when the claim you have made is that you are spending $2.9 billion, and it is not a bit of money when you compare it with what has been ripped out of the higher education system—Australia's universities—and out of research and development by this government over the preceding five years. When you do those numbers, you find that over the preceding five years this government has ripped some $5 billion from our universities and from support for research and development. Against that, the taking away of $5 billion, we have this grand plan involving $2.9 billion, and in the first year of the grand plan, a golden age we have not even reached yet—we will supposedly get there on 1 July—we will see $160 million delivered. Against that backdrop let me say that it is perhaps not at all surprising that Australia was largely underwhelmed by the innovation package and Backing Australia's Ability as a statement. I do not recall there being a joyous outbreak about it in my electorate, and I am not surprised. I am not surprised in circumstances where people knew that the package was delivering a patch of what had been taken away and, to the extent that any of that patch was going to be delivered, it was going to be delivered on the longer haul rather than the shorter haul.

Of even more concern to me than the money in relation to this package—though the money is of very deep concern—is the fact that, when you talk to players in the innovation industry, you find that there is a deep degree of scepticism about the ability of this government to get the institutional framework right to enable the moneys in this package that are dedicated to assisting the commercialisation of research and development in Australia to be put into the system in a way which will make a difference. When you speak to any innovation player, anybody in the venture capital industry, anybody who works as a consultant to innovators, anybody who understands the deep problems that there are in our research and development sector in commercialising innovation and who understands the deep problems that there have been in getting a culture of innovation and enterprise and in getting our research community together, you find a great deal of scepticism about the ability of this government to get the institutional framework right in a way which would mean these dollars were well spent. (Time expired)

Mr BARTLETT (Macquarie) (8.39 p.m.)—The Innovation and Education Legislation Amendment Bill 2001 does three main things. Firstly, it allocates additional funding as part of the government's innovation package Backing Australia's Ability; secondly, it provides funding in 2002-03 for additional places for regional universities; and, thirdly, it provides additional support for people with disabilities wanting to participate in higher education. Before expanding on these three key initiatives, it is worth putting these in context. Contrary to the baseless, alarmist rhetoric from the other side, this government's commitment to innovation, research and development, science and tertiary education is very strong. For example, the number of university places has grown substantially since 1996. The number of full-time places has risen by some 28,000 to 464,000. Of the 28,000 increase, 16,000 undergraduate places are fully subsidised by the Commonwealth.
As the recent OECD report indicates—a report referred to quite frequently by the previous speaker, the member for Lalor—and again contrary to Mr Beazley’s unfounded assertions, more Australians have a university education than the OECD average. In fact, we are the third highest in the OECD. Australia is ahead of the United Kingdom. Australia is ahead of Ireland, Germany, Spain and New Zealand. Further, spending on education generally outstrips that of countries such as Britain and Ireland, one of the so-called technology miracles—hardly targeting mediocrity, as the earlier speaker indicated.

The initiatives contained in this bill substantially build on Australia’s good record by addressing three key areas. The first is the additional funding to support the government’s commitment to supporting and encouraging science, research and innovation in Australia, the Backing Australia’s Ability policy statement—not so curiously named, as the earlier speaker would suggest. In fact, I think it was quite appropriately named. We have immense ability in this country and this government has a commitment to back that ability. This is, of course, in addition to a level of $4.5 billion already spent in the last year on backing innovation, science and technology in this country.

As most people would know, late last year the government announced a five-year $2.9 billion comprehensive program of measures aimed at backing Australia’s ability. Australians are creative, innovative and highly capable people. This government is determined to encourage those abilities and attitudes and to promote a climate in which they are rewarded. The measures contained in this bill include, in addition to existing funding levels, measures aimed at improving education in science, maths, information and communication technology; increases at the secondary level, coming out of the redirected EBA—$130 million that the state governments were cost shifting—and $151 million extra over five years to fund some 2,000 new student places a year in these key disciplines, aimed at equipping young Australians with the skills they will need in order to work in the industries of tomorrow.

Secondly, the bill contains a very large commitment to research work—a number of initiatives in this regard—that is, $736 million to effectively double the research grants administered by the Australian Research Council. Part of this will include substantial salary enhancement through new Federation fellowships—$225,000 per annum for five years—to prevent the brain drain and to encourage our best researchers to stay in Australia, to research and work in Australia. There is also a commitment of $246 million to upgrade the research facilities, equipment and infrastructure of our universities. There is an additional $337 million for specific university based research projects. There is also the introduction of a HECS type loan scheme to assist fee paying postgraduate students in order to encourage greater postgraduate participation in research work.

The third main area of this bill in relation to research and development and innovation is to encourage the application and commercial take-up by industry of the fruits of the research and development and the science—and that includes greatly enhanced R&D tax concessions for genuine research and development, not for the mickey mouse sort of stuff that Labor was running some years back with the R&D rorts. This means tax concessions for genuine research and development that will increase productivity in this country. We will be continuing the R&D Start program with $535 million over five years, expanding the Cooperative Research Centres Program with an extra $227 million and encouraging greater access by small and medium businesses. This government are committed to encouraging research and development in Australia, the development of early skills in science, maths and information communications technology, scientific research across the whole spectrum, both theoretical and applied, and the commercial take-up of them by industry.

This government is committed to backing the ability that Australians have and it is backing this up with money. This is in very
sharp contrast to the rhetoric from the other side, the vague babblings about the knowledge nation and the clever country. While they talk, this government delivers. I am sure that most people would have read the section in the *Australian* today by Mr Alan Wood, the *Australian*’s economics editor, commenting on the so-called Knowledge Nation being propounded by the other side. The heading is ‘Labor’s Knowledge Nation built on sand’ and the subheading is ‘There’s a lot of hope but not much credibility in Kim Beazley’s grand plan’—a lot of hope but not much credibility.

The economics editor then expands on why he sees not much hope at all and not much credibility in Kim Beazley’s grand plan. He says to begin with that he tried to find more on the Chifley Research Centre’s web site about Labor’s knowledge plan and mentions as an aside that the Chifley centre, the flagship of the Labor Party’s research, in fact does not even have a web site. He goes on to make three points about the problems with the so-called Knowledge Nation hope. He says:

... there are at least three reasons for suggesting Knowledge Nation will not deliver the goods.

The first is that there is a substantial element of cargo cult in the program,—

the cargo cult mentality—hoping and wishing that it might happen—but with no substance—

or if you prefer a more modern Hollywood twist, *Field of Dreams* economics—

that is Labor’s policy—

—build it and they will come.

Or so they hope.

Just as New Guinea tribesmen watched in amazement as planes came from the sky on to jungle airstrips and unloaded unimagined treasures, so Labor looks abroad and sees all sorts of government programs delivering fabulous success in the new economy.

As the editor points out today, Labor’s Knowledge Nation is built on sand, built on the never-never, built on a field dreams, on the cargo cult mentality: look towards the heavens and hope it will happen. But there is nothing there to make it happen.

Alan Wood goes on:

This isn’t just wishful thinking, it is bad policy. Treasury points out in this year’s budget papers that the greatest gains from future information and communications technology (ICT) applications are likely to flow to its users, not its producers.

A debate that we have had earlier.

This is a conclusion supported by both historical experience and by a series of recent international reports, such as the OECD’s *Growth Project*.

Yet Mr Beazley seems to be obsessed with production and not the application of ICT. The editorial goes on:

Australia, as it happens, is a world leader in the application of the new technologies.

The article also makes the point that other problems with Knowledge Nation are, secondly, its education proposals and, thirdly, Labor’s approach to taxation. On its education proposals, Alan Wood says:

Unless Labor is prepared to take on the education unions and insist on reforms that allow performance rankings of universities, schools and teachers, with associated performance pay scales, its Knowledge Nation program will have little credibility. Paying teachers, or for that matter researchers and developers, more money is not the same thing as improving either education or research. Labor too often confuses increasing inputs with improving outputs.

This is a key point: ‘Labor too often confuses increasing inputs with improving outputs.’ Labor’s approach is to spend heaps of money, throw heaps of money at the problem and hope it will be all right. Do not worry about the productivity outcomes, do not worry about what will be achieved. Just throw the taxpayers’ money out there and hope it will work out in the end. The third point this article makes is that punitive tax rates for high income earners in the name of equity will simply discourage research and development and the appliers of that from staying in Australia. Punitive tax rates, which Labor supports, will force many of our leading scientists offshore. I think that article sums it up: ‘Labor’s Knowledge Nation built on sand’.

The bill before the House and the initiatives in the bill are in sharp contrast to that
rhetoric. While the other side talks, this government delivers. The bill locks into place the funding for the second year of Backing Australia’s Ability. This government is delivering very substantial increases in spending on education, science and research—unlike the nebulous nonsense coming from the Labor Party. This bill represents budgeted, targeted and sustainable expenditure which will allow us to very effectively capitalise on our country’s strengths.

The second main area of this bill is to allocate an extra $38.4 million over the next four years to support regional universities. It is important that we recognise that it is not only the group of eight, the sandstone universities, which provide quality education or drive the cutting edge of research. Newer universities, such as the University of Western Sydney in my electorate, do an excellent job in this regard. The University of Western Sydney has an impressive record in developing industry links and in attracting industry growth and research funding from industry. I want to see even greater support for the research work of the University of Western Sydney.

The third key feature of this bill is an increased commitment to assisting and supporting students with disabilities who want to participate in tertiary education. You will remember that in the recent budget, as part of the welfare reform program, the government announced a $38 million package of measures to assist people with disabilities by expanding education opportunities and disability employment opportunities. It included, for instance, some 5,200 extra places in vocational education and training, 7,000 new disability employment assistance places in rural and regional Australia, 5,300 disability employment assistance places, 11,000 rehabilitation places for mature age workers, and support for 1,500 students undertaking university courses. This bill delivers on the last feature of this package—the allocation of $8 million to help support students with disabilities in their tertiary studies. This bill is another tangible step forward in backing Australia’s profound ability. Unlike Labor’s empty, unfunded, undeliverable rhetoric, it is funded, targeted and achievable, and it will be effective.

Mr EMERSON (Rankin) (8.54 p.m.)—I rise tonight to speak on the Innovation and Education Legislation Amendment Bill 2001. The most important debate in Australia at present is the debate on Australia’s future as a knowledge nation. It is a reality that this debate would not be occurring if Kim Beazley, on behalf of the Labor Party, had not put this critical matter on the national political agenda, as the government, so abysmal is its performance, wants to talk about anything and everything other than education.

The Prime Minister in parliament today finally reacted to the Knowledge Nation agenda that has been set down by Kim Beazley not by conceding that perhaps the government could do better or perhaps areas could be improved, but by boasting about Australia’s education performance. In so doing, he cited the International Monetary Fund and the OECD as authorities. He did so in support of his claim that Australia is doing well as a knowledge nation.

Not only did I listen to the Prime Minister’s question time performance with interest, but I also listened to the speech by the member for Curtin, who I see is being touted as a potential future leader of the Liberal Party. The future leader of the Liberal Party asked in her speech, ‘What is the knowledge nation?’ She has no idea. She and the Prime Minister, so uninterested are they in this as a matter for debate and as a matter for improved policy performance, asked, ‘What are they going on about? What is this education? What is this knowledge nation?’ The member for Curtin went on to give a set of false impressions about the government’s education record. She is big on false impressions; in fact, she has elevated these false impressions to an art form. But her performance in that speech was especially flat, and I make no apology for the pointed nature of these remarks because it was a very disappointing speech indeed by the member for Curtin.

The government takes heart, as we have heard just now from the member for Mac-
quarie, from media allies condemning the whole idea of Australia being a knowledge nation and, in particular, condemning Labor’s Knowledge Nation agenda. In so doing, it gets out large editorials, pieces from free marketeers, saying, ‘What is all this knowledge nation about? All you have to do is to reduce the top marginal rate of tax and ensure that high income earners are rewarded with low top marginal rates of tax. That is all you need to do because that is the market economy determining the outcome.’ Of course, the market economy has been spectacularly unsuccessful in delivering the sorts of education reforms that are needed to truly make this country a knowledge nation.

The government has been pathetic in its performance and in its rhetoric on this matter of transforming Australia into the knowledge nation. It is stuck on the government’s old economic agenda, which has just two items: the first is its continued efforts to shift the tax burden off the shoulders of high income earners and the corporate end of town and onto the shoulders of low and middle income earners, age pensioners and small business. That is agenda item No. 1, and I have to say, in due recognition of the government’s performance on this, it has been pretty successful. It has been successful in shifting the tax burden onto the shoulders of those who can least bear it, such is this government’s definition and understanding of the term ‘fairness’.

The second and only other item on the government’s old economic agenda is in the area of industrial relations. It is a government that we hear from daily, with the minister for workplace relations and his colleagues smashing away at unions, condemning unions, condemning the very same unions that have fought for 100 years to protect workers’ rights and, most recently, have fought to protect workers’ entitlements in this country. Those opposite come into the parliament every day and say, ‘You are the friends of the unions.’ Yes, we are the friends of the unions, and we are proud of them because the unions stick up for workers and stick up for workers’ entitlements. But the government says, ‘That is item No. 2 on our economic agenda—to smash those very unions that are providing these protections to workers and fighting to maintain these protections.’

Recall that the Prime Minister in question time thought that he was on a winner by citing in support of his claim that Australia was already doing very well in the education arena the OECD Education at glance: 2001 document, which has been very recently released. He should have had a good look at it, instead of just looking at a briefing note prepared by staff who wanted to say to him what he wanted to hear, because a proper analysis of that report reveals very disturbing trends indeed. In fact, there are clear indications in the statistics contained in the publication that the comparative position of Australia has in fact deteriorated sharply from the mid-1990s when the present coalition government was elected.

In the area of education attainment, let us look at the proportion of the population aged 25 to 34 years with at least a tertiary education. In Australia’s case that is 30 per cent, placing us behind a host of countries, including Japan, Korea, the United States, Canada, Sweden, Finland, France, Belgium and Spain. And yet we have had coalition members saying, ‘Look, 30 per cent—we are doing pretty well on that. That’s good enough for us—fair to middling, somewhere around the OECD average. That’ll do us.’

So let us now have a look at the proportion of the population aged 25 to 64 with a tertiary education. In Australia’s case that is 18 per cent. Fewer than one in five Australians aged 25 to 64 has a tertiary education, and the government boasts, ‘We are proud of that. That 18 per cent compares with an OECD average of 14 per cent; and in the case of the United States, 27 per cent.

The PM says, ‘That’s pretty good. We are in fact above the OECD average on that score.’ But he could not care less about the 43 per cent of Australians aged 25 to 64 who have nothing more than a lower secondary education. And that 43 per cent of Australians in that age bracket with nothing more
than a lower secondary education compares with an OECD average of 36 per cent and just 13 per cent for the United States. But the Prime Minister does not care about these people; he does not mix with them. He mixes with his frontbench colleagues, most of whom were fortunate enough to be educated in wealthy private schools. Good on them if they were able to get that sort of education. I must say that their ex-principals and the current principals would be pretty disappointed with the results. Nevertheless, if they have been privileged enough to get a good education, good on them. If they have been privileged enough to get a good education, good on them. But they do not mix with them; they do not understand and they know nothing of the people who do not get a good education, because they make sure that they do not mix with these people. And that is the problem.

We have coalition members, one after the other, coming in here bewildered and saying, ‘What’s Labor going on about with all this education stuff? We have had a good education. What is the problem?’ The problem is that they do not know how the other half of Australia lives. So coalition members—members of the Liberal Party and the National Party—just do not get it. They are completely bewildered about what we are going on about. It is quite clear from the figures that I have just cited that 43 per cent of Australians aged 25 to 64 have nothing more than a lower secondary education. It is quite clear that those figures demonstrate in the starkest possible terms that Australia is a nation divided between those with whom the PM associates—that is, those with a good education—and those that he never goes near—that is, those who are deprived of a good education.

The trends are pretty distressing. It is not just where we are, but where we are heading. The change in tertiary enrolment rates from 1995 to 1999 in Australia’s case was an increase of just six per cent; the OECD average was an increase of 23 per cent. That placed Australia behind Poland, Hungary, Korea, Austria, Greece, the Czech Republic, Spain, Denmark, Portugal, Turkey, the United Kingdom, Belgium, Finland, Mexico, Ireland, Italy, Norway and Germany. And the Prime Minister says, ‘Well, we’re doing pretty well.’ The member for Curtin says, ‘Well, that’s all right; don’t you worry about that. We’re going pretty well—we’re only behind three-quarters of the OECD, but that’s okay.’

Let us go to another key indicator of where Australia is heading. There is plenty of evidence—which I will go to in a moment—about the importance of a very early education; that kids, when they arrive at school, are ready to learn. The best way of affording that is preschool. Australia’s performance in that respect is appalling. If we look at the proportion of children who arrive at school ready to learn—that is, who have done preschool—it is only a third of Australian three- to four-year-olds, compared with an OECD average of 60 per cent, placing us 23rd of 29 OECD countries. Again, the Prime Minister and coalition MPs say, ‘Well, that’s pretty good, 23 out of 29. It could be worse—we could be 28 out of 29, maybe 29 out of 29.’ They just do not get it.

Now let us ask this: what sort of effort is Australia putting into becoming a knowledge nation? On the basis of total expenditure on education as a proportion of GDP, Australia ranks 14th out of 27 OECD countries: not bad, not good—fair to middling. That seems to be good enough for the Prime Minister. But, on the basis of public expenditure on education as a proportion of GDP, Australia fares very badly indeed, ranking 21st out of 29 OECD countries. Our national investment in education as a proportion of GDP in 1995 was 5.46 per cent. In 1998? It was 5.46 per cent, constituting absolutely no progress whatsoever.

Let us have a look at public investment in education. It has fallen in Australia since 1995, placing Australia behind Sweden, Denmark, France, Austria, Belgium, Greece, Finland, Italy, Norway, Germany, the Netherlands, the Czech Republic, Poland, Canada, Luxembourg, Japan, Portugal, Spain, Iceland, United Kingdom, Switzerland and Hungary. But I think there are a couple of countries around the world that we are slightly ahead of. That is really all we need
to achieve, as far as the Prime Minister and coalition members are concerned. Let us have a look at the change in public investment in tertiary education between 1995 and 1998. Australia: a fantastic minus five per cent—that is, only a drop of five per cent, placing Australia behind 20 other OECD countries.

Enough of the war of words on the statistics. I think I have demonstrated quite clearly that this country is slipping behind in educational effort and attainment. It is a distressing fact that we are slipping behind when knowledge is everything. Just as coal was to the industrial revolution, education is to the knowledge nation. And the government just do not get it; they do not place any priority on this. Yet social ills such as unemployment, poverty, drug abuse, incarceration, domestic violence and child abuse are much more prevalent among the poorly educated. You would think a government would say, ‘Let’s invest in our young people. Let’s give them a good education so that at least we can deal with some of these social ills.’

So why does a civilised society like Australia allocate the least educational resources to the children who need those resources most? Rather than locating Australia’s poorer schools in our poorest communities, we ought to be providing those communities with schools of excellence. Affluent Australia has a stake in this because raising the quality of education in disadvantaged Australia will help unite this country. Affluent Australia cannot benefit from low levels of education in disadvantaged Australia because a fractured society is an unsafe society. Parents in disadvantaged communities simply cannot afford a high quality education for their children, and this is where the state should come in, through public investment in schooling. It is all very fine for free marketers in the newspapers to say, ‘Oh, no, we don’t worry about public investment because public is bad and private is good.’ This goes to the heart of where this country is headed. Poorer communities must rely on public investment in education and yet the money is not flowing in anything like the proportions that it needs to do.

Streaming children from disadvantaged communities into vocational education on the pretext that those kids are just not cut out for university is a betrayal of the children and a cheap cop-out. Yet teachers in disadvantaged communities—and most of them highly motivated—often struggle to cope with low levels of early literacy in many children and the associated behaviour management problems. As my colleague the member for Lalor pointed out, once children get into situations where they have low levels of literacy, they become either bullies or disengaged because they cannot participate in the class, they cannot remain part of the class. So they will get into one form of behaviour or another, which is quite natural.

Teachers in a lot of these schools commonly spend more time on pastoral care of the children from broken homes than they do on teaching them. Some states are dedicating school nurses and police to these schools, allowing teachers more time to teach, but nationally, I am afraid to say, the battle is being lost. There is irrefutable evidence now that children missing out on early reading are likely never to catch up. Their inability to participate in school learning leads to the problems that I have already mentioned; that is, either disengagement or bullying. Ultimately, they lead to early school leaving and a hard life in an era where knowledge is everything.

My colleague the member for Lalor cited evidence provided by Professor Peter Hill to our House of Representatives Standing Committee on Employment, Education and Workplace Relations inquiry into the education of boys, where he said:

The problem with this is that in terms of getting students literate, schools have a narrow window of opportunity. What we know is that there is no known intervention program that can catch kids up to their peers after the second year of schooling. You can improve outcomes for low achieving kids but you cannot catch them up.

It is fashionable today to say money is not the answer. Well, it is exasperatingly true that, in alleviating educational disadvantage, money is the answer. Reading recovery programs around Australia are achieving spec-
tacular results, but it is a resource intensive program often relying on one on one reading recovery teaching for kids who are identified through a year 2 diagnostic net. So these classes need to be small, and they must inevitably include one on one teaching. No state in Australia, as far as I am aware, has a properly resourced reading recovery program. Instead, the states supplement underfunded reading recovery programs with supported reader services provided on a less intensive basis. Professor Hill has given evidence to the federal parliamentary committee into the education of boys that for just $200 million nationally great things could be achieved in educating those children who are missing out with their early literacy—$200 million. But that is not a priority of this government.

Governments and education authorities are only gradually coming to accept that education funding should be based on need—for both government and non-government schools. The conventional model has been for the lion’s share of funding for government schools to be allocated on a per student basis, supplemented by small, short-lived top-up funding programs—very often pilot programs—for needy schools. One federal government program—to provide teaching support for unemployed high school drop-outs returning to school under pain of losing their social security payments under their common youth allowance—has been terminated after just two years. The reason given for the termination of this program is that it was supposed to be self-funding after that time. What are we going to have—‘McDonald’s proudly sponsors the full service schools program’? Schools are actually asked or are expected to make money out of providing a basic decent education for kids who are missing out on that early learning! It is supposed to be self-financing. Such is the attitude, the mind-set, of this government: it ain’t worth doing if you can’t make money out of it. The idea that schools in disadvantaged areas should be able to generate some sort of surplus from which they can employ the teachers to get the kids who have dropped out of school back off the streets and to stop those kids who are at great risk of dropping out from doing so—to make money out of them to finance these programs—is just beyond me, but it is the McDonald’s mentality, ‘proudly supported by McDonald’s’ or some other large corporation.

The federal government’s so-called needs based funding formula for non-government schools has produced the perverse result of some of the nation’s wealthiest non-government schools getting the biggest funding increases. Yet there would scarcely be a school in a disadvantaged community around Australia that did not have already in its mind and in its planning a highly productive use for extra resources. It is scandalous that, in a society that purports to be fair, teachers and principals in poor schools could do great things in alleviating disadvantage for less than $100,000 but the money just is not available.

There is plenty of evidence that quality teaching involving the professional development of the teachers, innovative teaching methods and trying new things working as teams does produce terrific results in alleviating educational disadvantage in poorer areas. Maybe Australia made a terrible mistake 25 years ago in scrapping schools that were tailor-made to local communities in favour of comprehensive schools. Specialisation and needs based funding are the way of the future. Without them, the exodus from government to non-government schools will continue, and poor children will be left behind in poor non-government schools. And it will be to the eternal shame of this nation that the life chances of its children will continue to be determined by the incomes of their parents.

Mr LINDSAY (Herbert) (9.14 p.m.)—I am somewhat fed up with the information that comes from the other side of this parliament. The information that comes—

Mr Emerson—You would be: it’s embarrassing.

Mr LINDSAY—That is entirely wrong. I address my comments tonight to all of those people across Australia who are listening to
this parliamentary broadcast, and I ask them to listen to these facts. How often do you hear the opposition in this country saying something positive? How often do you hear them dumbing down Australia on innovation and research, the much needed changes to our taxation system and so on? Kim Beazley continues to paint a bleak picture of this country. We need positive leaders in this country. We need positive leaders who can say, ‘We’re a nation that leads the world in many things.’ Right now we have the highest growth of any country in the world. That is what Australia is doing, but Kim Beazley continues to paint a bleak picture. He wants the nation to fall over the precipice. We have to stop that. We have to have a responsible opposition.

Look at what Kim Beazley did last week. He had five years to develop a policy—five years. He made the announcement and got it absolutely wrong. In relation to higher education, my son, for example, decided he would get a university education. He did the course that he wanted and then he went off and worked in the workplace. He came back and decided to do a PhD, and he is currently doing a PhD. The opportunity was there for him, just as it is for every other person in this country who has the ability to take that course. When he finishes his PhD, his PhD will rank among the best in the world today. And yet the Australian Labor Party says, ‘We’re going backwards, we’re going to fall over,’ doom and gloom. For heaven’s sake, we have to be proud of what we do in this country. We have to be proud of our tertiary institutions.

I am extraordinarily proud of the tertiary institution in my patch, in Townsville and Thuringowa: James Cook University. James Cook University is effectively going to be the next sandstone university in this country. For those who are listening to this broadcast, I see in the gallery tonight a couple of the senior executive officers of the Mater Hospital in Townsville—a great linkage. There are linkages through the medical school, through the school of nursing and, hopefully soon, with schools involved in allied health. I pay tribute to Professor Ian Wronska, from whom I spoke today, who has been a leader in health and education in North Queensland.

I referred earlier to a statement made by the Leader of the Opposition last week. I saw the media, I saw the independent comments, and they comprehensively demolished what the Leader of the Opposition had said on higher education funding, on innovation and on what is in the Higher Education Funding Amendment Bill 2001 before us this evening. It is not surprising that Kim Beazley did not refer to the OECD’s more recent survey—more recent than the information he quoted—because its major findings contradict his argument that our spending on education is low by international standards. It is not. Any person who is suitably qualified and wants a proper education in this country can get a proper education. The sooner the opposition realises that, and the sooner the opposition decides to talk up our educational institutions and give them a couple of pats on the back, the better.

When I go around my electorate and talk to primary school principals, they tell me that previously one student in five was coming to them who could not properly speak. Until the coalition got into government, people were going through the system and coming out the other end unable to read or write or add up. To his eternal credit, the current Minister for Education, Training and Youth Affairs, Dr David Kemp—whatever you might think of him—is a fellow who had a view, who had a vision and who has fixed the problem. The teachers in this country, who initially resisted him, are now supporting the minister. They know that the government needed to create a system whereby our children come out the other end able to read, able to write and able to add up—and now they can. It is terrific and to the eternal credit of this government and Dr David
Kemp that he insisted that we have those standards in our schools. Every parent listening to this broadcast tonight will know exactly what I mean. They do not want their kids coming out of schools not being able to read or write—and that is what it was like under the Australian Labor Party. It was absolutely unsatisfactory, and that is what it would be like if we were to go back to a Labor government.

I certainly strongly support the Higher Education Funding Amendment Bill 2001 because today, more than ever, universities are playing an integral part in our society and in the education of our society. Universities are responsible for providing for Australia’s future. I do not think that there would be any disagreement on that between the opposition and the government: universities are responsible for providing for Australia’s future. They provide knowledge, culture and innovation. I remember well that when I attended UQ the words above those hallowed halls were ‘A place of light, of liberty and of learning’.

I am certainly very proud to have James Cook University in my electorate. I must say that their motto ‘Always thinking ahead’ sums up this legislation tonight. James Cook University plays an integral part in the Townsville-Thuringowa community. It currently has 11,700-odd students, and of these nearly 800 are from overseas. This is an interesting fact that you will be interested in, Madam Deputy Speaker Crosio: 625 of these students are of Aboriginal or Torres Strait Islander descent, and JCU has the highest per capita enrolment of ATSI students of any university in Australia. Congratulations to JCU for taking on that enrolment. It may be because Townsville has the highest percentage of Torres Strait Islander background people on the mainland of Australia, but those students are going to JCU, JCU is taking them, JCU is graduating them, and that is terrific for the ATSI community—and, of course, education is one of the key elements in the future development of ATSI people in this country.

When I was growing up, a university such as JCU in a regional community was unheard of. Madam Deputy Speaker, perhaps you are not old enough to know that, but certainly I am. The opportunities that a regional university offers North Queensland students are simply fantastic. JCU has blossomed under the Howard government’s responsible policies which provide for less restrictive regulation and well targeted incentives. This has seen enrolments grow, revenue grow and, most importantly, graduate satisfaction.

A wide range of professional courses offered at JCU results in 65 per cent of JCU graduates going directly into the local work force, and at a rate equal at least to the national average. As you can imagine, this has a major impact on the availability of professional services and the extent of research and development undertaken in the region. It underpins the science that occurs in North Queensland. It underpins the CSIRO, the Australian Institute of Marine Science and the Great Barrier Reef Marine Park Authority. Indeed, JCU leads the world—I say again: ‘leads the world’—in marine science research and teaching. This is a university in regional Australia, a university that is supported by this government.

The Howard government recognises that innovation at all levels is becoming an increasingly important driver of economic prosperity. For Australia to remain a smart country—indeed, to progress as a smart country—and for Australia to continue to produce a knowledgeable and skilled work force we must not rest on our laurels. We must continue to boost our investment in innovation through university and other sectors.

I might digress for a moment and just indicate that the Howard government is not only interested in the 30 per cent of students who go on to higher education but also vitally interested in the 70 per cent of students who do not. We have heard time on time on time the terrific record of the Howard government in relation to apprenticeships and traineeships—a sector of the work force vitally necessary to bring the skills through and
which languished under the former government where apprenticeships just went down and down and down, where under the Howard government they have gone up and up, they have doubled. That is what we need. Again, the parents who are listening tonight know how important it is for their youngsters to get an apprenticeship or a traineeship if they do not make it to tertiary education.

As members of the House will be aware, in January of this year the Prime Minister announced the most significant set of policy and funding announcements to enhance innovation that this country has ever seen, and it was then delivered through the federal budget. More importantly these days—and I think the electorate more and more will come to focus on this—it is affordable. We have got it locked in in the budget. We have got it paid for. The innovation action plan committed an additional $2.9 billion—that is $2,900 million—over five years for research, innovation and science. It includes an extra $1.4 billion to be provided through the university sector. This bill will lock into place the second year of that funding, the funding for the year 2003.

I take this opportunity to remind the House about the innovation statement. Backing Australia’s Ability provided an additional $736 million, to double the Australian Research Council’s national competitive grant schemes.

Mr Laurie Ferguson interjecting—

Mr Lindsay—it was the reverse. Backing Australia’s Ability provided $583 million to build up research infrastructure in our universities, and I can tell you that is mighty welcome at James Cook University. It provided an extra $151 million over five years for additional university places in the priority areas of information and communications, technology, mathematics and science. One of the best things about this bill is that it delivers the commitment to regional universities like James Cook.

Firstly, the government is making $38.4 million available over four years to fund 670 new commencing places each year in regional universities and campuses—terrific for the regional universities of Australia. This is fantastic news for James Cook University and students—and the Townsville-Thuringowa community have certainly welcomed it. This means that around 5,200 additional student places will be delivered by 2005 as students progress through their studies. Additional places will be allocated to respond to demand in areas of rapid population growth and to address the need of regions with low access to higher education and low rates of participation. In other words, anyone who wants a tertiary education under this government can get a tertiary education, and they can get it in regional Australia.

I have put my demand on the table: I want to see a fair share of those extra regional places going to the north. I think we deserve it. In relation to allied health particularly, we can fill those places in physiotherapy, radiography and so on—absolutely perfect adjuncts to the JCU Medical School.

The bill makes other changes with regard to HECS, but I am certainly strongly supporting the bill tonight. Those who have been listening to this debate tonight will understand that there are certainly two sides to the debate. I ask them to think very carefully about the very clear difference that now exists in education between the government and the opposition. I ask them to understand that the position of the Australian Labor Party as articulated last week by Mr Kim Beazley has been comprehensively demolished, and that certainly was its correct fate.

Mrs Vale (Hughes) (9.30 p.m.)—Just 200 years ago, across the whole of this vast continent of Australia, there was not one wheel or axle, no plough, not one roadway, not one book or standard measurement ruler. There was not one draught animal or fence. Today, despite the ground zero start, the extent and isolation of our geography and our small population, we have one of the world’s best physical and technological infrastructures. Over the past 200 years we have innovated and contributed our fair share of technology to the world, especially in the agricultural and medical sciences. It is worth
reminding the House again that, of all the Nobel prizes won by Australians, all but one, that of Patrick White, was awarded in areas of research, particularly of medical science. Australia is also one of the world’s best adaptors of technology, as we have shown during the recent surge in the development of information and communications technology.

These achievements have happened because we have a history of investment in intellectual capital, with its flow-on to innovation. In an earlier speech I reminded this House that in 1849 the colonial statesman William Charles Wentworth, in a famously controversial speech, informed the New South Wales Legislative Assembly of his audaciously ambitious plans to establish the University of Sydney. It was Prime Minister John Curtin who envisaged the formation of the Australian National University and the Commonwealth Scholarship Scheme, but it was Prime Minister Robert Menzies who financed them beyond Labor’s wildest dreams. It was one of the most ambitious spending plans on university education that Australia had ever known. It enabled generations of school leavers to attend university, whatever their family background. Menzies’ support and financial commitment enabled the ANU to compete with the best universities in the world and, by 1963, the ANU’s Professor John Eccles had won the Nobel Prize for Medicine.

So you can see, Madam Deputy Speaker, that the Howard government comes from a line of coalition governments with an outstanding track record of watershed achievements in the area of Australian higher education and innovation. It is what we on this side of the House, and the academic community, refer to as the ‘Menzies legacy’. Consequently, this government is determined to keep our nation up there performing at its very best, and that is what the Innovation and Education Legislation Amendment Bill 2001 is all about.

Australians are an innovative people, and this government see its role as providing the opportunities for their innovation to be encouraged, released, realised and made productive. We are intent upon making innovation become productive here in Australia, because that will create more jobs for Australians and reinvest profits here in Australia for all of us. To start with, the Howard government has chosen to do this not by continuing to run up the national debt from the $80 billion inherited from the former government in 1996 but by building an economic climate conducive to innovation, paying off $60 billion of Labor’s debt to put Australia in a stronger economic position, so that innovation will not only bud but blossom and bloom productively on the fertile ground of solid economic management.

This bill is evidence of the strong commitment of the Howard government to making innovation work for Australia. This bill backs the government’s words with real programs and shows again that the government puts its money exactly where its mouth is. This is no election gimmick like the 1990 Hawke Labor government’s ‘Clever Country’ campaign, with its full-page advertisements that came to nothing of any real substance, despite the Labor government being in office for another six years. I note that the empty words of the ‘Clever Country’, splashed across the country in 1990, have now been rejigged to ‘Knowledge Nation’ in 2001. But why should Knowledge Nation have any more meaning to the ALP in 2001 than Clever Country had in 1990?

Instead of empty election gimmicks and media campaigns, the Howard coalition government have developed a real innovation policy and program, soundly built and well considered. Instead of propaganda, we have this bill in the parliament that outlines the education component of a broader program, carefully and thoughtfully constructed by the scientific and research community, from both government and the private sector. In place of newspaper ads and media releases, there has been a steady consultative process that led in August 2000 to the final report of the Innovation Summit Implementation Group and the report Innovation: Unlocking the future. In response to this well thought out document, in January this year, Prime Minister John Howard announced an innovation
package of measures termed Backing Australia’s Ability. This bill gives legs to that package.

When the Prime Minister outlined the package in his announcement, the response of the innovation, scientific and academic community was overwhelmingly positive—so much so that there can be no real doubt that the government has found the best way forward, the truly clever way forward, to build a sustainable and productive innovation base for the future prosperity of our nation. Australia’s Chief Scientist, Dr Robin Batterham, praised the government’s decision to implement 18 of the 20 recommendations in the report of the innovation summit. The Chair of the Australian Research Council, Professor Sara, said that the extra funding contained in the package would make research conditions in Australia comparable with other Western countries and would reduce the brain drain in which thousands of Australia’s brightest minds left Australia. She said that the program would lift graduate chances of winning research grants by about 60 per cent and would allow the Australian Research Council to give longer term research grants with proper funding for infrastructure.

The chair of the so-called ‘Group of Eight’ leading Australian universities, Professor Gavin Brown, said that the government’s plan would mean that Australia would be a serious player in the global knowledge economy stakes. Another comment from the vice-chancellors was that the government had heeded the message that Australia’s innovation capacity can only be developed in a sustainable way if it is built on a firm foundation of broadly based education and research. The Federation of Australian Scientific and Technological Societies described the package as a ‘sea change’. Even those in the business sector who were disappointed that the tax concessions were tightly targeted described the package as a major step forward which would encourage education and research.

There can be no doubt that the foundation of this bill is built upon a national and expert consensus. The consensus is that the government has struck the right balance in drawing together the many complex threads of science in basic education, improved lifelong education opportunity, increased public sector funding for research and tightly targeted measures to compensate the private sector for the positive externalities of research and development.

The Backing Australia’s Ability package, of which this bill is part, is the largest commitment to innovation ever made by an Australian government. It provides almost $3 billion over five years. The package does three things. Firstly, it significantly boosts public funding of scientific and technological research. This is the major area of funding. Secondly, it boosts the education sector by providing extra funds for university research and equipment, and changes the postgraduate education system to be more open-ended and demand driven. Thirdly, it creates new institutions for Australia in the form of two world-class centres of excellence dealing with information and communication technology, and biotechnology.

This bill is the first step in boosting the education component of the innovation package. It provides the first down payment of the $1.47 billion over the next five years for research and higher education in Australia. To put this in perspective, the real value of the Commonwealth’s investment in education has risen from $9.4 billion in 1995-96, when we came into office, to $11.1 billion in 2000-01. These boosts in funding will come on top of investment in higher education research and development that, as a share of GDP, is already high by international standards. In order to give innovation longevity, these boosts will equip our own people to be world competitive. They will strengthen our resource base in disciplines such as science, mathematics and technology.

The bill helps to do this in two ways. Firstly, it will establish a new Postgraduate Education Loans Scheme designed to encourage lifelong learning and to help Australians upgrade skills and acquire new skills. Instead of paying up-front fees, postgradu-
ates will be able to take out interest-free loans. It is expected that, over the next five years, loans totalling approximately $995 million will assist about 240,000 students to undertake further advanced education.

Secondly, $151 million will also be provided over five years for additional tertiary places in information and communication technology, mathematics and science. This will support an additional 2,000 tertiary places each year, rising to over 5,000 places a year as students move through the system, or 21,000 equivalent full-time places over five years. Students need to see a future in these disciplines in Australia that is challenging, exciting and rewarding. The incentives contained in this bill will put that future in place. Studies in science, mathematics and technology will take on a new meaning. These initiatives will establish a steady stream of qualified personnel with fresh ideas for innovation development in future years, which is the lifeblood of innovation.

A new vista of opportunities will open with the doubling, over the next five years, of funds for the national competitive grants run by the Australian Research Council. The extra $736 million will lift the competitiveness of researchers’ salaries and increase the support available under the discovery and linkage elements of the Australian Research Council’s grants program. Complementing this will be $583 million over five years to strengthen research infrastructure in universities, including scientific and research equipment, libraries and laboratory equipment.

For those who are qualified, we need incentives to retain our leading researchers and attract leading researchers from elsewhere. Part of the extra $736 million will be used to support 25 new Federation fellowships each year to retain in, or restore back to, Australia the very best Australian researchers. These fellowships will be worth $225,000 a year in salary for five years, and at that level they are internationally competitive. The world today is a much more competitive place than it has ever been in our history. It is a world of highly mobile capital and labour, particularly talented human resources. As I noted earlier, these initiatives will place Australia on a level playing field for attracting leading research talent. These additional funds will focus on research areas where Australia has a competitive advantage or decides to build an advantage.

I have pointed out to the House on a number of occasions the need for this kind of legislation and the additional resources it will provide for higher education and innovation. I firmly believe that the 21st century is a new frontier in time and space where only those countries that make the best use of their human and physical resources will prevail. The best guarantee we have to ensure that Australia will be one of those countries is to invest in our intellectual capital. Sir Robert Menzies knew this 50 years ago and John Howard knows it today, and he is making the needed investment that is represented in this bill. It will lead to a Menzies style renaissance in Australia in our higher education, with a consequent recharge in our centres of academic excellence in our universities across the nation. The boost in morale has already occurred, the plans are in place, the money is available and the bright light is already there on the horizon of our future.

This bill effectively implements the Prime Minister’s Backing Australia’s Ability announcement of January this year. Few Australian statesmen have left a greater mark on this country than Wentworth, Curtin and Menzies. I believe that the fruits of Backing Australia’s Ability will see Prime Minister John Howard taking his place alongside these historic figures. I warmly commend this bill to the House.

**Dr Martin (Cunningham) (9.44 p.m.)**—In the short time that I think I have tonight, I would like to enter into the spirit of this debate by commenting on some of the more important elements of the amendment which the opposition have moved. Before I do, I think it is important that we get into some perspective the concerns that we in the Labor Party have about the way in which education is being dealt with in this country by this
government. One of the issues quite obviously goes to the concept that we have been talking about for quite some time under the broad banner of knowledge nation.

It would seem—and even today I noticed some criticism in the newspapers—that at least one or two people are suggesting that knowledge nation is some sort of nebulous concept and that we do not really know what it is all about. I find that somewhat extraordinary, particularly given the report that was released by the Leader of the Opposition last week entitled *The comparative performance of Australia as a knowledge nation* by the Monash Centre for Research in International Education, which in fact had been commissioned by the Chifley Research Centre. That report notes that in 1998 Australia invested only 6.15 per cent of GDP in knowledge while similar OECD countries invested an average of 8.22 per cent, that Australia’s investment in knowledge creation as a percentage of GDP fell from 86.7 per cent of the OECD average in 1985 to 74.8 per cent in 1998, that public investment in education across all levels has fallen, that public and private sector R&D has slipped from 1.65 per cent of GDP in 1996-97 to 1.49 per cent in 1998-99, and it notes the retention rate issue and so on. All these statistics come out of this report, and that is the basis as to why Labor believes the whole idea under knowledge nation needs reinvigoration. It needs policy directed at taking resources and placing them where they are going to do the most good for Australia’s next generation and for generations to follow.

The legislation which we are debating amends the Higher Education Funding Act 1988, the Australian Research Council Act 2001 and the States Grants (Primary and Secondary Education Assistance) Act 2000. I should say that I personally have no objection to the concept associated with putting funding towards students with disabilities—I think that is absolutely appropriate—and I have no objection whatsoever to that money being put into non-government schools. But what I do object to is that there have not been matching funds made available for government schools. In the last two days of last week, I had the opportunity to travel around in my own electorate and visit quite a number of schools. I visited schools at East Corrimal, Bellambi, Keiraville and Keira Technology High School—

**Mr Lee**—I have been to some of those schools with you.

**Dr MARTIN**—The honourable shadow minister for education, my good friend the member for Dobell, indeed on previous occasions has been with me to some of these schools and has seen for himself the difficulties that they are experiencing. What they experience goes to the issue that the Labor Party has raised about capital expenditure. Kim Beazley, the Leader of the Opposition, in his response to the budget announced a plan for Labor to match with the state governments funding for capital works in government schools. As I travelled around to those schools in my electorate, I saw a crying need for those capital works. There were toilets that were not working properly and the aged accommodation in which many of these school kids have to learn—the sort of accommodation that lends itself to break and enters on a regular basis so that computer facilities and so on are stolen and the educational opportunities of those kids is interrupted. There were things like having improved security in the schools themselves.

I went to one school that absolutely shocked me. I went to Wollongong High School and next door to it, in my day, was Keira Boys High School, which is now Keira Technology High School. They have had to actually build a fence around the school. The kids are virtually locked in between 9 o’clock in the morning and 3 o’clock in the afternoon because of concerns about their safety. Inside the school itself, the need for improvements in an educational sense through provisions under some public works programming—matching grants between the Commonwealth and the states—was there for everyone to see, whether it be covered walkways, improved toilet block facilities, as I said, or some of the simple things like having shade cloth and so on in the playground areas. Something like this would im-
prove the lot of the kids at these schools, but do we see anything from this government that even remotely resembles giving government schools the same opportunities that non-government schools seem to get?

Some of those poorer non-government schools, some of those in the Catholic system in my electorate, are just as deserving. As I go around talking to teachers and parents in the government sector, they say, ‘Look, we know. We know, for example, that St Bridget’s at Gwynneville is a school that is in need of repair,’ but they have to take their turn as well in the Catholic education system and they just do not seem to get across the mark, though they are suffering as well. Yet the government with this legislation is prepared to put some money into the non-government sector but is not prepared to match it in the government sector, where there are these problems and where 70 per cent of Australia’s kids actually go to school.

I find that these sorts of issues are ones which are of great concern to parents, teachers and students in my own electorate.

As I remarked previously to the shadow minister, one of the other issues which came to my attention as I was travelling around last week went to the issue of providing appropriate counsellors within the school system as well. Unfortunately we see a need today, because of a range of pressures in our society, for early identification of children that have learning difficulties, learning disabilities or behavioural problems. The way that that can be tackled is through school counsellors. In the Illawarra system we unfortunately see that a counsellor is being made available five per cent of the time. In other words, you might get a counsellor once every two weeks and, if that counsellor’s turn to go to the school happens to be on a public holiday, guess what? You do not get one for four weeks. Unfortunately this is a very common thing that we are seeing in a lot of schools. One afternoon last week when I was at Mount Ousley school, the principal of that school, Peter King, who is an old friend of mine—we go right back to when we were teenagers together surfing at North Wollongong beach, as a matter of fact—pointed out to me that that very afternoon he had a severe problem within the school with one of the kids who really needed some positive counselling action and that it needed to be dealt with then, but it was just not possible.

What has been brought to my attention—and wouldn’t this be a wonderful thing to do?—is that in some schools in the United States not only do they have counsellors on a full-time basis but they have other full-time specialists, nurses and others, associated with those schools. I understand, and fortunately many of the teachers and parents understand, that when we are talking about capital works programming—the honourable member for Dobell has moved an amendment to the motion for the second reading, in which he mentions capital works programs—there tends to be a blurring around the edges as to differentiation between Commonwealth and state responsibilities. What I said to many of the people in my constituency is that the Commonwealth government should not be seen as a panacea to remedy the ills for which state governments have responsibility. I think that together we can work through the issues associated with the provision of capital works—playground equipment, classroom facilities, toilet block facilities that need repair and covered walkways—all those things that people talk about. It is appropriate that the amendment moved by the honourable member for Dobell today does indeed go to some of those issues. I would hope that the government will see reason and agree with the amendment, because I do think this bill is in the interests of all Australian children. As I said, we have no qualms about support for poorer, non-government sector schools—none whatsoever. Their needs are also great. But it is ridiculous in the extreme that the government school sector always has to come to this government—a government that is not prepared to listen—with the begging bowl out.

The other important part of the legislation we are dealing with tonight goes back to my earlier comments about Knowledge Nation, and the title of this bill says something about it. The bill is called Innovation and Educa-
This government announced its innovation statement and what we are seeing, supposedly, in this legislation is an example of where some of this is being enacted. What I have found interesting as I have talked to other people who have an interest in the Knowledge Nation concept, as I have done today, is that there are so many areas where innovation, changing technologies and the ability and brain power of Australians are not being put to such great use. This morning, I gave a speech about this issue at the EDS defence and IT seminar at the Hyatt Hotel. It is appropriate that the concerns people have about information technology in dealing with all these issues should be considered as part of this broader legislation.

It is important that the government listen to what the opposition has said on this. I would like to think that the government are prepared to match the funding of the government sector to the same extent as they propose to provide funding in the non-government sector. If that were the case, a lot of the squabbling and the nonsense that we sometimes hear in this place, particularly from those opposite, about Labor’s belief in the knowledge nation and education policy generally would be put to one side. I certainly commend the amendment moved by the honourable member for Dobell and would hope that we see some sanity prevail from the government.

**Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (9.56 p.m.)—**The government does not accept the opposition’s amendment to the motion for the second reading of this Innovation and Education Legislation Amendment Bill 200. The government regards the empty rhetoric that it has heard from the Labor Party on this piece of legislation as simply not addressing the fundamental issues that this bill is concerned with. This is a piece of legislation to put Australia at the forefront of the global knowledge economy by more effectively harnessing the skills and expertise of the Australian people. No previous government has done as much as this government has done to provide a favourable environment for the development of Australia’s intellectual capital. Thanks to the responsible management of the Howard government, we now have excellent economic fundamentals, with a competitive taxation system and an effective set of incentives for investment and growth. As a result, our economy is more receptive than ever to developing good ideas and using them to generate wealth and employment opportunities for the benefit of all Australians.

Having a positive economic environment now is no guarantee that we are going to continue to develop the knowledge based economy of the future. So the government has introduced the largest package ever introduced by a federal government to promote innovation and the development and commercialisation of new knowledge, and the bringing back to Australia of Australia’s best and brightest researchers. We are creating a very effective and flexible system of targeted support for the education and training sector and the activities that underpin innovation. This bill is a milestone in delivering on the unprecedented funding commitments made in Backing Australia’s Ability and this government has funded its commitments. The dramatic contrast between the government and the opposition is that from the opposition we hear a great deal of windy rhetoric, with no indication whatever about where they are going to get the money from to fund the empty promises that they make in that rhetoric. On the other side, the government has put forward a fully funded $3 billion program to make sure that this country remains at the forefront of the advanced nations and knowledge based economies.

I am disappointed particularly to see the way in which the opposition has sought to put into effect its dislike of the right of parents to exercise choice in education. One of the elements in this bill is to provide funding for establishment grants for new schools. As we know, the Labor Party has never liked the concept of new schools. When it was in government, it was responsible for the iniquitous new schools policy, which was a policy de-
signed to hinder as far as possible the establishment of new schools and to undermine the right of parent choice. This ideology, which is so antagonistic to parents choosing, has been forced on the Labor Party by the Australian Education Union, which wants no funding whatever for non-government schools. That is its official policy. That is what it presented to the Senate on the states grants bill last year. Time after time, the Labor Party has capitulated to the Australian Education Union in one form or another.

We have had the Leader of the Opposition’s hit list of schools—which, of course, is not a hit list of the richest schools in Australia: if it had been, it would have raised for the Labor Party about $29 million. The Leader of the Opposition had to reach deep into the list of schools serving middle Australia in order to raise the $105 million that he needed to take away funds from some schools to fund part of his knowledge nation. It is called reprioritisation. A hundred thousand parents will refer to this as cuts—cuts to education. And so we have the extraordinary spectacle of the Labor Party actually making cuts to education to fund its knowledge nation programs.

We now see in the Senate that Senator Carr, from the left wing of the party, is driving the party’s hostility towards new schools by wanting to delay the payment of establishment grants to new schools. Of course, this gives the lie to the claim of the member for Dobell at the end of question time today that the Labor Party would not cut the funding of any school other than those on the hit list of the Leader of the Opposition. He made the great mistake of saying that the funding would not be cut until 2005. In 2003, the Labor Party, if it were ever to get into government, would be developing its new formula, which would have the effect of significantly cutting funding for perhaps every school in the non-government sector. Two million parents would face higher school fees and more restricted choice.

What we now have in relation to this bill in the Senate is the Labor Party seeking to delay the payment of establishment grants to new schools. That will affect the funding of these schools. Let us make no mistake about it. This is going to impose a financial cost on these schools, because they will not have the money that they expect to have at the time that they expect to have it. This makes a complete lie of the comment that the member for Dobell made earlier today in this House when he said that there would be no impact on the funding of any school other than the schools on the Leader of the Opposition’s hit list.

Frankly, what we have here is the Labor Party showing its utter confusion in education policy in its handling of this bill. It claims to support the knowledge nation, yet it is playing fast and loose with a piece of legislation designed to provide the biggest support for innovation and the generation of new ideas in this country that any federal government has ever put forward and it is seeking to distort this piece of legislation and its impact by holding up the establishment grants for new schools in order to appease the Australian Education Union. Those who favour choice in education in Australia are getting a very bad message from the Labor Party. It seems to say one thing and then do another thing. It now faces the prospect in the Senate of having to get the support of the Democrats, who, as we know, are quite opposed to the restricted hit list of the Leader of the Opposition. They want a much longer list. They are going to go into categories 2 and 3.

We now have the member for Dobell saying that the Labor Party is going to completely rewrite the formula within the next few years for non-government school funding, with the sole objective of further restricting funding to those needy schools which are already getting far less from the public purse than government schools are getting. There is a total hypocrisy and deceit on the part of the Labor Party over this legislation. The government will have no truck with the second reading amendment that has been moved.

Mr LEE (Dobell) (10.05 p.m.)—I indicate to the House that, despite the provocation,
the opposition will not be forcing the House to a division, but we will be voting in favour of the second reading amendment on the voices.

Amendment negatived.

Original question resolved in the affirmative.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr LEE (Dobell) (10.06 p.m.)—There is an understanding between the government and the opposition that this will be resolved by 10.30, and we will keep to that undertaking. The first couple of issues I would like to put to the Minister for Education, Training and Youth Affairs are these. In his summing up, the minister accused the Labor Party of cutting education to fund its promises for education initiatives. That is a bit rich coming from a minister for education who, for a number of years now, has cut Commonwealth funding for public schools in the country through the unfair and unjust enrolment benchmark adjustment. And then, in this budget, he agrees to give the funding that he has unfairly cut from public schools across the country back to the state departments of education, on the condition that they meet some criteria that he invents in his head.

This is the ultimate example of a government seeking to fund its promises in education by cutting funding for education. In his summing up, the minister has given us the ultimate example of a politician who cuts education funding to deliver his promises of alleged new funding for education. Ask any teacher in a public school across Australia—any parent of a student at a public school across Australia—and they will tell you how unfair that enrolment benchmark adjustment is and how ridiculous it is for the minister to claim that, by giving back the money that he has stolen from public schools across the country, that is in some way a boost for funding for public schools, which is what he claimed in his budget press release this evening. To use the minister’s expression, that just makes a lie of the education minister’s claims that he made earlier tonight, and it makes a lie of the claims that the minister for education made on budget night. I do not normally use such language, Mr Deputy Speaker Nehl, because you have counselled all of us in the House about using the word ‘lie’, but given the minister for education feels that he can throw it around with abandon in this chamber he deserves to have it quoted back at him.

The other point to make is that the minister has accused the Labor Party of seeking to hold up the funding of establishment grants for new schools. He accused us of delaying payment of establishment grants to new schools in his doorstop today, in question time today and again in his summing up this afternoon. He claimed that they will not have the money that they thought they were entitled to. The problem the minister has is that we want to know who is responsible for this additional $10 million funding for establishment grants not being included in the bill last year. The minister’s department admitted in the hearings before the Senate committee last week that they knew in October that there was a $10 million hole in the funding for establishment grants. So the question for the minister is: when did you find out that you needed to increase the funding for these establishment grants by $10 million? Your department knew in October. When did you and your department know?

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

Mr LEE—Thank you, Mr Deputy Speaker. I say to the minister, through the chair: when did he know that there was a $10 million hole in the funding for the establishment grants? His department said last week that they decided that they would not be seeking to amend the legislation. We have a minister for education who lets his own department decide whether or not he will be told. I assume that some time between last October and last week his department sum-
moned the courage to let the minister for education know that there was a $10 million hole in funding for establishment grants. When did the minister find out? If he knew before this legislation passed both houses of the parliament last year, why did he not come into the House last year and move an amendment fixing up this $10 million hole?

Finally, can the minister explain why, when his department told the Senate committee last week that the government intended to introduce this legislation to the parliament at the earliest opportunity, it has taken him so long to convince his colleagues that this urgent legislation needed time in the parliament to be debated? Why has it taken so long, since last October, for this to be debated in the chamber? How long has it been since the minister for education has known that there was a $10 million hole? If his department did not tell him, when has it known since last October, what sort of a minister of the Crown is he when he lets his department decide when there will be this $10 million gap fixed for funding for non-government schools?

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (10.11 p.m.)—It is hard to have respect for the opposition’s views on this matter when we hear the quality of arguments brought forward by the member for Dobell. The Leader of the Opposition—I say this to the member for Dobell quite seriously, and I hope he takes note of it—has made no secret of the fact that he intends to cut funding for schools. There is no doubt about that. The Labor Party has not dissembled that fact. Indeed, the leader of the Opposition and the member for Dobell have been quite proud to get up in this House and say that they intend to cut funding for schools for the children of 100,000 parents in the non-government sector.

Mr Lee—Category 1 schools.

Dr KEMP—Many of those category 1 schools are boarding schools for the children of people on farms in rural and remote Australia who are dependent on those schools for the education of their children, because they offer boarding facilities. The opposition has made no secret of this fact. Yet the member for Dobell gets up and attempts to dissemble that by saying that the government has cut funding and, therefore, why is it criticising the Labor Party. The simple fact is that the government has not cut funding for government schools. The government has invested very heavily in increased support for government schools over the last five years. In fact, in the year 2002, funding for government schools from the Commonwealth will be some $669 million more than it was when we came to office. Yet the Orwellian double-speak, the dishonesty of the opposition, is that this is a cut. All the member for Dobell can bring up to suggest that there has been some secret cut—although it looks like an increase of almost $700 million, it is actually a cut—is that the federal government has told the state governments that it wants to share the savings that the state treasuries are making on the drift to non-government schools because the Commonwealth is bearing a significant extra cost and it is not prepared to allow the states to cost shift.

The opposition have an extremely weak policy on the EBA. Let us be quite clear about that. The opposition’s policy is simply to abolish the EBA. What does that mean? It simply means that the state treasuries will be allowed to cost shift in the future under Labor as they have in the past, to take that money out of schools and to put it into other areas of the state budgets. There are going to be no conditions attached to that abolition. They proudly get up in this House and say, ‘We are going to abolish the EBA. We are going to hand back that money to the state treasuries. They can have the savings. We are not going to say anything to them about whether that will be spent on education.’

The difference between the opposition and the government is that we have said that that money must be spent on education, spent in public schools, spent in helping students to gain the vital skills and knowledge in science, mathematics, information technology and innovation that they are going to need as part of the knowledge society. That is the
difference. Our policy on the EBA is to put that extra money, which would not otherwise be there in the education budget, back into the government schools. It is quite plain from everything that the Leader of the Opposition and the member for Dobell have said that they do not understand that simple fact.

The member for Dobell is greatly exercised over the fact that there is a parameter change reflected in the funding in this legislation for establishment grants for new schools in the non-government sector. Parameter changes occur all the time. They are absolutely consistent in legislation. Legislation is introduced again and again and, indeed, there are several other pieces of legislation before the parliament which reflect parameter changes. The opposition is trying to manufacture an issue out of nothing in relation to this parameter change, to justify its capitulation once again to the Australian Education Union, which wants these establishment grants delayed. What utter hypocrisy from the member for Dobell, who gets up in this House and says there will be no further impact on funding for non-government schools and then immediately is dragged screaming to the bar by Senator Carr to make a further impact. (Time expired)

Mr LEE (Dobell) (10.16 p.m.)—Contrary to the minister’s claim that we are seeking to cut funding to non-government schools by $10 million, our amendment is about increasing funding to government schools by $30 million. The challenge for this minister—

Dr Kemp interjecting—

Mr LEE—This amendment is not about blocking the establishment grant increase of $10 million to non-government schools, it is about increasing the funding for government schools by $30 million. It is going to be an interesting test of this minister to see whether he is prepared to accept this amendment. This minister believes that the government can take $30 million a year from public schools through the unfair EBA and when he gives it back, conditional on them doing what he wants in maths, science and IT, he considers that to be a $30 million increase in funding for public schools. Aren’t we lucky that the minister for education, David Kemp, does not increase funding to public schools by $1 billion? To his mind, he would take $1 billion away from them and give them the same money back, on the condition that they did what he wanted. That is what he calls a $1 billion increase in funding for education—to use the same logic.

The problem for this minister is that he simply refuses to understand that those 58 wealthy category 1 schools, which get increases averaging $1 million a year by 2004, are going to get funds that we believe can be better spent in other ways. They can be spent on things like improving classrooms, libraries and laboratories in our public schools, with matching grants from the states and territories, by getting $100 million spent on those capital works. We can fund an extra 1,000 new teacher scholarships a year to get more of the best year 12 students into teaching. We can fund 10,000 teacher professional development packages over three years to improve the quality of teaching in our classrooms. So, of the $105 million that this minister wants to direct to those 58 wealthy category 1 schools, we will spend half of that on fixing up our public schools and the other half, through teacher scholarships and professional development packages, on improving the quality of teaching in both government and non-government schools. That is the alternative which we face, and this is going to be one of the key issues in the next election.

The minister claims that he has increased funding for public schools. Every time you hear this minister make bogus claims to have increased funding for public schools, you have to remember this: the only reason that funding for public schools has increased is that there is an automatic indexation formula that has meant that public schools must get indexed for the movement in average government and related school costs. That is the reason that there has been an increase. It simply keeps pace with inflation, and for this minister to argue that that is some discretionary decision of his is completely false. In fact, this minister would have to get a bill
through both houses of this parliament to stop the automatic indexation of the Commonwealth funding for public schools. Yet, if you look at the discretionary changes in funding for schools, this minister has given an average of $1 million extra a year by 2004 to the category 1 schools like King’s and Geelong Grammar, $60,000 a year on average to the local Catholic parish schools, but only $4,000 to those public schools across the country that are looking after 70 per cent of the students and looking after many of the kids that do need a lot of extra help. So, Minister, we say to you that we are going to hold you accountable for your stuff-up with this missing $10 million. Your department knew last October that, in your words—

Mr DEPUTY SPEAKER—The minister’s department.

Mr LEE—The minister’s department knew last October that this minister had to take some action. The minister has refused to tell the House tonight when he first learned, when his office first learned that there was a $10 million hole. If anyone is responsible for this not being fixed up before last Christmas, it is the man sitting in that seat there. The man sitting there has the responsibility to tell us now, in the eight minutes remaining in this consideration in detail stage, when David Kemp, the minister for education, first found out there was a $10 million hole. Why didn’t he take action last year when he first learned about it? And can he explain to the House why his department said that immediate action would be taken in the new year at the earliest opportunity? Is it a reflection of the minister’s standing with his colleagues that the ‘earliest opportunity’ is in late June? Can you please explain to the House when you and your office first learned, and why it has taken you so long to act.

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (10.21 p.m.)—Again we have another pathetic set of falsehoods and distortions from the member from Dobell. Let me take the sort of comments that he makes one by one. He says that our funding for government schools has increased no faster than inflation—indexed for inflation. Every objective observer looking at the budget papers will see that funding for government schools from this government in the past five years has gone up some $669 million. That is how much more in this coming budget year it will be, compared with when we came to office—$669 million, a 43 per cent increase. The member for Dobell expects us to believe that, somehow or other, this is what inflation has been over the last five years. He said that it was no more than inflation—we have had 43 per cent inflation over the last five years. That is simply not the case, and everybody who considers those figures can see that that is not the case. The question arises: why should anyone believe anything that the member for Dobell says?

Let me talk about these category 1 schools, because we hear again and again this pathetic mantra. It breeds a sense of despair amongst the two million parents in the non-government sector, because this is a man who is so arrogant that he believes that he does not even have to address the arguments which are raised to show the falseness of what he says. He simply repeats the union mantra again and again. He is like a puppet sitting on the knee of Denis Fitzgerald, the President of the Australian Education Union. That is where the Labor Party’s education policy comes from—this pathetic puppet who simply mouths this mantra time after time.

These are the richest schools in Australia, he tells us. Looking at the list, you cannot help wondering why Riverview is not on this list, or why Loretto, Kirribilli is not on the list, or why Melbourne Grammar, Wadhurst is not on the list, or why Xavier College, Melbourne is not on the list. Is the Labor Party telling us that these are not amongst the wealthiest schools in Australia? The fact is that this is not a list of the wealthiest schools in Australia. This is a grab bag of schools designed to provide the Leader of the Opposition with the amount of money that he needs. And it is totally arbitrary, because schools that are in exactly the same situation,
serving exactly the same parent body in terms of socioeconomic level, with exactly the same resources, are not on the list. This little list has been prepared because, as in the words of Gilbert and Sullivan, ‘as some day it may happen that a victim must be found’. A victim was necessary to lay on the altar as a sacrifice to the Australian Education Union so that the member for Dobell and the Leader of the Opposition could get up and beat their chests and say, ‘Look what brave people we are. We are actually attacking these wealthy schools.’ I can tell the member for Dobell and the Leader of the Opposition that, when they go to Labor’s marginal seats in Sydney and Melbourne, they are going to have to explain to some very angry parents who do not believe that they are millionaires and who do not believe that their schools are rich why the Labor Party believes that they should be paying another $1,000, $2,000 or even up to $3,000 extra in their school fees. That is what I call an education cut.

Mr Danby interjecting—

Dr Kemp—The member for Melbourne Ports, who has six of these schools in his electorate, has come into the House and he is panicking. When the new formula comes in, many Jewish community schools and day schools in his electorate are going to find that the new assets test on schools that the member for Dobell pledges he is going to introduce will be catching them as well. This is the most iniquitous and unjust attitude that has been taken by the Labor Party, and two million non-government school parents around Australia are going to be very angry indeed about it.

Mr Lee (Dobell) (10.26 p.m.)—This is the last contribution that I will have the pleasure of giving on the Innovation and Education Legislation Amendment Bill 2001. I simply make the point that the Minister for Education, Training and Youth Affairs once again exaggerates and misleads the House when he says that two million parents are going to be affected. I made it clear this afternoon that the Labor Party intends to alter the funding for the category 1 schools only during this quadrennium. Between now and 2005 there will be at least two elections. I make it clear to this minister that we are prepared to have this debate. Sure, there will be some parents who send their kids to category 1 schools who might be unhappy with our policy, but they are certainly not the beneficiaries of lower fees, despite the promises that the minister for education and the Prime Minister made that the massive increases to these schools will result in lower fees. That certainly has not happened.

We are prepared to have that debate if the minister for education is prepared to front up to the millions of parents who send their children to public school across the country, to Catholic parish schools around the country, to Jewish day schools in electorates like Melbourne Ports or to low fee Christian schools across the country and tell them why he believes that $105 million is better spent on those 58 category 1 schools rather than fixing up capital works in public schools, in providing scholarships in teaching to get the best year 12 graduates into a teaching vocation and in providing 10,000 teacher professional development packages to improve the quality of teaching in both government and non-government schools. We will face up to the category 1 schools, Minister, if you are prepared to face up to all of them, because we know which is the best way to spend those dollars to get the best education outcome for all Australians.

Bill agreed to.

Third Reading

Bill (on motion by Dr Kemp)—by leave—read a third time.

ADJOURNMENT

Mr Speaker—Order! It being approximately 10.30 p.m., I propose the question:

That the House do now adjourn.

Forests: Tasmania

Mr Adams (Lyons) (10.29 p.m.)—Tonight I want to correct an article that appeared in the Sunday Tasmanian, because I feel that it is unfair that the forestry debate is still going on with only half an argument
being delivered. The reporter starts with the somewhat misleading statement that:

It's official. Tasmanian forests are being woodchipped at record rates.

He then goes on to quote some figures from the Bureau of Statistics. The concern is not so much from the figures he quoted, but that he did not say how the figures were picked and he gave a very garbled message to those who know little about the industry and want to take everything at face value. Although the reporter was provided with some relevant information, for some reason it was mysteriously left out; or maybe it was not understood. Either way, it made sloppy reporting. I do not see why one side of the argument always gets the free publicity, while those who are trying to make a living from this very important primary industry have to pay to put advertisements in the paper to try and get a fair hearing. Note the Gunns’ advertisement in the latest *Sunday Examiner*.

The article concentrated on the amount of woodchips being harvested rather than the overall value of the timber that the woodchips form a part of. If it was a record amount of woodchips, then the total value of the wood to the Tasmanian economy would include a considerable amount of sawn timber as well as veneer, all of which is taken under the strict guidelines of the Regional Forest Agreement. The figures quoted have been plucked out of the statistics without any relationships being developed.

The discussion on selective lobbying was interesting too. Nowadays, selective logging retains the best trees and the logging takes out the rubbish—quite the reverse of the old days, when they took the best and left the rest. Selective logging today is used as a very effective management tool to manage the forest for future sawlogs. The trees that are not suitable to grow on to become high quality sawlogs are the logs selectively harvested. Some of these harvested logs are sawlogs, but the majority are only suitable for woodchipping. This is the same method you would use in looking after your vegetable garden at home. The old-timers knew that having a market for lower grade wood is just what the forest needed—it is the right medicine that will return the forests to being sawlog rich.

The reference to the Styx Valley was also not accurate. There was only a focus on the royalty value of logs to the landowner. No mention was made of the return to the harvest contractor, his tree-feller or the log truck driver. Also overlooked was the end value, ex mill gate, gained from processing this 140 tonnes of logs into finished veneer, dressed sawn timber and processed woodchips—a lot more than the $700 quoted. All of this provides jobs in Tasmania. The end result would see all three values from harvesting this 140-tonne tree, but the story presented just two options and the reader had to take one or the other.

Barry Chipman of the Timber Communities Association, who is trying to address the anomalies in this argument in the newspaper, has pointed out, with regard to the sawlog value that was reported, that he hopes he would never have to buy a second-hand car off the reporter:

... because the real value of dressed timber alone from 140 tonnes of sawlogs would buy you a nice new Ford Fairlane or five new Festivas.

Then the return from chipping the sawmill waste will keep them in petrol for a few miles.

Barry further pointed out:

Just by producing a newspaper, each step along the path to the end product provides input into our economy. It could be argued that the newspaper itself is a continuation of that forestry value adding path, providing even more input. Is it fair to do a story about a newspaper, but only focus on the racing guide, or to measure that paper’s total value on just the worth of a roll of newsprint?

Let us be fair about the whole question of the timber industry, not just in Tasmania but across the nation, and make sure that the reporting is not sensationalist for the sake of having something to write about. I thought News Ltd was more thoughtful than that.

**Gilmore Electorate: Kangaroo Valley Anzac Day Essay Competition**

**Mrs GASH (Gilmore) (10.33 p.m.)**—The Kangaroo Valley Anzac Day Committee ran a ceremony this year that especially focused
on local school children and building their knowledge about the Anzac tradition. As a result of the essay competition, it was obvious that Anzac Day bore some real relevance to these students. I was privileged to present the prizes to the winners. Part of ensuring that our veterans’ sacrifices are remembered is passing the stories down through the generations, and these students have really taken in a lot of that history. So the $500 grant from the Their Service Our Heritage program went a long way.

I would like to read out part of those essays here in parliament so that they are on the public record forever. The Kangaroo Valley Anzac Day Committee is to be congratulated for its innovative methods of including everyone in the Anzac Day ceremony and helping the Kangaroo Valley community remember the valiant efforts of their forebears. The first essay I want to read from is by Hamish Gorman, who is 12. He writes:

Australia has a short but brilliant involvement in war. We have been in about five proper wars and a couple of peace-keeping forces. Australian forces are regarded as some of the best soldiers in the world, putting their duty before their lives on the battlefield and when caring for the sick. Anzac is the word used for them, that’s what they were and that’s what they will always be.

The Boer War.
In 1899, 16,000 Australians went to South Africa to fight for the British. The war went from 1899 to 1902 and 606 Australians died. The soldiers were told to look up to the British but the Aussies were actually better fighters. While our soldiers were over in South Africa the six colonies of Australia decided to federate. All the soldiers were issued with a rising sun badge and most wore the slouch hat which was the beginning of a long-running tradition.

Brennan Smart, aged 8, takes up the story with World War One:
The Australian and New Zealand Army Corps joined forces. The initials ANZAC were to become famous. The Anzacs landed at dawn on 25th April 1915 at Anzac Cove on the Gallipoli Peninsula, Turkey. During the 8 months of war more than 10,000 Australian and New Zealand soldiers were killed in attempts to take and hold strategic points such as Lone Pine, The Nek, Quinn’s Post and Hill 60. After advancing only 5 kms inland the decision to withdraw was made.

Over 11 nights, eighty thousand men, five thousand horses and 200 guns were with drawn from Anzac and Suvla Bays. To disguise their departure from Gallipoli, self firing guns were set up along the Allied trenches. The campaign had failed but the withdrawal was considered a military masterpiece.

Brennan’s sister Kristen, aged 10, continues the history of Australians at war:
Some of the troops then got sent to the Western Front, France and Belgium. It rained and there was mud everywhere. The soldiers had to sleep in trenches full of mud. There were many acts of bravery throughout the war and even though the soldiers knew they would probably die, they fought for their team mates, their King, their country and their families. Four hundred thousand men and women served in the war out of a population of less than 5 million. 62,000 Australian soldiers died.

Kristen goes on to World War Two:
Lots of soldiers were injured through body and mind in the war. Everyone helped. The men fought, the women nursed the wounded or took over the jobs which men would have done. More than one third of the men died, some were mentally scarred for life. One million men and women, out of Australia’s 7 million, served in the war.

Kristen then described the Vietnam War in the following terms:
The Australians were helping the South against the North. It was a frustrating war. The North moved mainly at night, hiding in the woods or mixing in with the villagers so our soldiers didn’t know who to trust, so they had to rely on their team mates all the more. Then one day it started. There were shells and bullets everywhere, but the brave pilots came in and dropped the men down into the woods.
May we never forget the bravery of these men and women.

On 25th April, Anzac Day, we remember all the wars Australia has fought in, and all the men and women that have fought in them.

You’ll probably find that every town or city has a war memorial.

I think we should go on celebrating Anzac Day so we can remember all those brave young soldiers who fought in wars and those who died for us and for their country, Australia.

What can I say but out of the mouths of young people. Through the work of local groups like the Kangaroo Valley Anzac Day Committee, the Anzac tradition will be safe in Australia for a long time to come. Thank you to the Kangaroo Valley Public School and the parents and the committee for making it such a special day for their pupils.

**Centrelink: South Melbourne Closure**

**Mr DANBY (Melbourne Ports) (10.38 p.m.)**—If the current proposal of the Minister for Community Services reaches fruition, 5,000 age pensioners and 5,500 disability pensioners who currently use Centrelink South Melbourne will be forced to catch two or three forms of public transport to access Centrelink. What an image of a heartless government this would be for the people described by Marlene McKay, the Secretary of the Park Towers Housing Tenants Association. She said 95 per cent of the residents receive some form of government benefit and that single parents with young children, people with mental illness, people on walking frames and people in ‘go-go mobiles’ will be forced to catch trams to the nearest Centrelink in salubrious Armadale in the Treasurer’s electorate.

I am very proud of the interchurch council in my electorate, led by people like Father Bob McGuire of the Emerald Hill Mission, who wrote to the Prime Minister on behalf of all of the churches in the electorate, asking him to get the Minister for Community Services to reconsider this decision to close the only Centrelink office in my electorate. Some 200 people attended a very passionate meeting at the community centre underneath the Park Towers in South Melbourne on a cold and rainy afternoon in Melbourne last week after I had, with only a week and a half’s notice, advised more than 15,000 homes in Port Melbourne, South Melbourne and Albert Park, by letterboxing with volunteers, that Centrelink was to close.

The member for Richmond, the Minister for Community Services, argues that a rent increase is the reason for the closure of Centrelink, but in my view this rent increase was never properly negotiated. In fact, I have spoken to the representative of the managing agents of the current premises, who offers two things: (1) that the current agents were prepared to reduce the offer of rent that they requested and that this was always an ambit claim and (2) that he is willing to leave the rent for the current premises at the current rate on a month to month basis until some long-term solution can be reached between Centrelink and the current owners.

I, on behalf of the 17,000 people affected by this decision, feel particularly aggrieved about this, as more than a year ago the minister wrote to me assuring me that Centrelink in South Melbourne would be kept open. He has five Centrelink offices in his electorate to service his people, and that is probably good—I have no disagreement with that—but can any other member think of an electorate in Australia that does not have a single Centrelink office? This Centrelink office services the very people who need it the most, many of whom are social security recipients in my particular electorate. When I explained this to the minister on air, he graciously agreed to meet me. He said:

I’ve got no problems meeting with Michael, but this process has been out there for a while, he’s finally come up with a solution today, that’s great.

I am not the government. I sit on the opposition benches at the moment. I was astounded at the minister’s reaction, which he later elaborated on:

... it’s good he’s ... finally come to the party and we’ll talk.

I was only informed about this decision a week and a half ago, and it is very difficult, as an opposition backbencher, to negotiate leases on behalf of the government. In full
sincerity I say to the minister: I would be happy to negotiate on behalf of Windsor Centrelink to find alternative premises, to find appropriate premises, but it would be a very wrong decision to force the 17,000 Centrelink recipients in my electorate to take public transport.

Margaret Thatcher, speaking at an earlier time of her Tory ethos, scoffed that there was no such thing as society; there were just individuals. Years later, I feel her attitude distils the essence of the current Australian government. In my first speech, I said that people want to live in a society, not just a market. I appeal to the minister: do not put some of Australia’s disadvantaged to this cruel inconvenience. Please accept the offer being made tonight or early tomorrow morning by the owners of Centrelink South Melbourne’s premises to have the rent kept at the current arrangements on a month to month basis until we can have further negotiations on this. This is what I have organised tonight. But I appeal to you not to be part of this cruel trick on the 17,000 recipients and customers of Centrelink in my electorate.

Ovine Johne’s Disease

Mr SCHULTZ (Hume) (10.43 p.m.)—The low Australian dollar and low interest rates have combined to make 2001 a landmark year for exporting primary industries. This is despite the efforts of New South Wales Agriculture. In particular, I draw the attention of the House to the department’s disgraceful conduct against farmers whose sheep have ovine Johne’s disease. This is not the first time I have brought ovine Johne’s to the attention of the House, and if the past is anything to go by it will not be the last. Today I would like to draw the House’s attention to the need for compensation for those farmers who have been targeted by New South Wales Agriculture because their stock has ovine Johne’s disease. Here is the quandary about OJD: despite being endemic in south-eastern Australia, there have been no significant costs to exports. Basically, every sheep farming country in the world has OJD and no-one cares about it except the New South Wales government, which has grabbed on to this topic with a ferocity that would make us a laughing stock were it not such a tragedy.

From the zeal shown by the department, you would think that OJD was like foot-and-mouth disease or CJD. It is not. In New South Wales, ABARE estimates that the net present value of annual production losses from OJD over the next 30 years ranges from $11 million to $236 million, with the latter figure based on a five per cent mortality rate and a 15 per cent spread rate—much higher than the current mortality or spread rates. That figure of $236 million is almost absurdly high.

In the year 2000, it was estimated that the cost of destocking affected properties would be about $70 million. That is with no guarantee that we would not have to go through the process again in future years, as there is no guarantee that the properties would not become reinfected. Therefore, on the basis of economics, destocking is not an attractive option. That means the decision has been made to live with the disease and to try to stop its unnecessary spread.

Quarantining, however, is a major cost burden, particularly on stud farms. There is the option of using the Gudair vaccine, but this is also inadequate as the vaccine means uninfected flocks return a positive reading, which will only mask the infected flocks. It may offer some hope, though, to those whose flocks are infected. At the moment, farmers are afraid to have their sheep tested because it may mean quarantining—that is, quarantining would occur at the same time as we are without an effective disease control regime. It is quarantining just for the hell of it; no wonder many rural producers do not want to know where the disease is. It is an invisible killer.

These are the problems. One, ovine Johne’s disease is not a catastrophe, but governments are turning it into a catastrophe by imposing unnecessary regulations on affected properties. They are creating hardship
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by doggedly creating problems where none exist. Two, by imposing regulatory demands on affected properties, they are killing farm profitability. Three, when they kill the farm by killing its income, they leave the farmer without any compensation options, and this is what I have come to the House to talk about again today.

We need a compensation framework that allows farmers to live with the regulations or we need to get rid of the regulations. It really is about time that this debilitating financial impost on producers, and particularly stud sheep producers, was addressed in the best interests of the industry as a whole right throughout Australia. It is time that not only the New South Wales state government through the New South Wales agriculture department but all governments across Australia joined together to ensure that farmers receive just compensation to replace the income that they are losing—in many instances, so badly that it destroys their livelihood. I thank you, Mr Speaker, for the opportunity to raise this very important issue once again in this House.

Education: Boys

Mr SIDEBOTTOM (Braddon) (10.47 p.m.)—I have spoken in the House before on an important issue currently in education and social circles—that is, boys in education. I made a submission to the current House of Representatives inquiry, and I would certainly recommend reading the submissions to the inquiry and also the transcripts of the hearings that have been held right throughout Australia. They are very edifying and very enlightening.

What you tend to find, though, are submissions from people like me—former educationalists, researchers and more researchers, universities and schools of education and so forth. You rarely see anything that is actually from students and submitted by students. Therefore, I would like to share with you a recent study, reported in the Age but available on the web, by Malcolm Slade and Faith Trent from Flinders University, entitled ‘What the boys are saying: an examination of the views of boys about declining rates of achievement and retention’. It was based on surveys of 1,800 boys in years 9 to 11—boys from 60 schools, from across all sectors and of different achievement levels. This is what they had to say, according to the report:

In brief, they see themselves to be stuck with an unsuitable, out-of-date and culturally inconsistent learning environment that they cannot change. By the middle of Year 9, their school experience has firmly established a negative and necessary association between formal learning and what they understand as an institutionalised, unpleasant waste of time, dealing with matters having no obvious relevance to their lives and their perceived needs and interests, and demanding the kind of personal sacrifice and general disempowerment that makes the hazy promise of long term rewards simply ‘not enough’ for most of them.

That seems to be a consistent summary of their view of education. If it is even half true, we really do have a crisis on our hands. Again, I repeat that this is what boys had to say, according to a report. They identified a range of interconnected factors, which I would like to share with you. It is very edifying. The report states:

The adult world is not listening, or not genuinely listening. Most boys don’t value school; it’s more about getting credentials than learning, and these don’t operate usefully as short term motives. Apart from the social life, school for most boys is considered to be an unwanted means to an end that starts out being too distant and becomes increasingly unachievable.

This is the view of 1,800 boys who have been surveyed. The report continues:

Most girls get a better deal, but so do boys who find it easy or necessary to comply and conform, and who quietly get the work done. School work is boring, repetitive and irrelevant. School doesn’t offer the courses that most boys want to do; largely courses and coursework that ‘get you ready for a job’. Homework is neglected or rejected because it is too intrusive, destructive and ultimately unachievable without sacrificing more valued aspects of their lives. Years 8, 9 and 10 waste too much time and the Year 11 workload is deliberately made excessive, and comes at a time when the demands of life beyond school are increasing and becoming more important, rewarding and fulfilling ... School pushes boys into a downward spiral of disaffection, resistance, re-
sentiment, anger and retaliation that, for many, is just too hard to stop. School presents too many contradictions and too many debilitating paradoxes. Some examples are provided by the following:

- School expects adult behaviour but doesn’t deliver an adult environment.
- School pushes the rhetoric of education ... but produces the opposite in practice.
- School is about getting most boys out of education.

It is an extraordinary claim. What it leads to in the end—and certainly the study shows this—is that the key to this is good teachers. Good teachers make for a better learning environment, an environment where students feel that they are listened to, that there is flexibility, that people care, that people actually do ask and listen to them as well and where they are culturally up to date. The interesting thing that came out of the survey is that you do not have to be young to be a good teacher; you can be old. The key was ‘a good teacher’. The paradox is that, if you have had good teachers, when you have bad ones the experience gets worse and worse. It is very important that we listen to what these boys had to say and that we do everything we can to support teachers. (Time expired)

Health, Safety and Security

Mr TIM FISCHER (Farrer) (10.52 p.m.)—On the eve of the first World Refugee Day, which will be commemorated at the front of Parliament House tomorrow, I want to raise a couple of issues relating to life, health, safety and security. Firstly, let me commend the Rotary clubs of Australia and the federal budget recently and previous budgets on their commitment to inoculation against poliomyelitis. This is a devastating problem in parts of the world but no longer in this part of the world. Why? Because we have actually gone out with AusAID programs, a few million dollars over a period of time, inoculating to the extent where it is now several years since the last confirmed case of poliomyelitis here in Australia, let alone in many of the countries immediately to our north. By investing in protection in countries near Australia we are in fact helping to protect our own children and also many refugees on their way through these parts of the world.

I might add that this pre-emptive strike mechanism also plays out in other sectors. I am chair of the Crawford Fund, through which we go into Malaysia, Papua New Guinea and elsewhere to intercept the papaya fruit fly and destroy it in those locations at the request of those nations, and that again eases the pressure and burden on our borders with regard to the introduction of that particularly devastating fruit fly.

Secondly, let me turn to a security issue and report some figures from 1998-99 relating to an issue which I know is the cause of great concern to many—crime, safety and firearms. Australia has chosen a particular course of action. The United States has chosen another course of action. I want to quote from a speech given on 23 November 2000 by Adam Graycar, Director of the Australian Institute of Criminology. He said:

In 1998-99 Australia had 64 firearm homicides, the lowest number since the national homicide monitoring program commenced at the Australian Institute of Criminology a decade ago. On a population basis this worked out at a rate of three firearm homicides per million people. In contrast, the United States, whose crime rate other than homicide is generally no higher than Australia’s, had 9,143 known firearm homicides and on a population basis 41 per million, or 14 times the Australian rate. This is powerful evidence—he says—of the significance of firearms in homicide.

The point I want to make is that I stand to support those who would seek legitimate recreational use of guns, those who have farm and other requirements in agriculture for the use of guns. I will defend that and those who want a proper duck shooting season and the like, but at the end of the day the pathway that Australia has chosen has stacked up—not without pain; not without adjustment—and most notably stacked up, against the NRA-Charlton Heston course, which is a 14 times worse situation in terms of firearm homicides.

As a matter of safety and security in life now relating to my electorate, I really do
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want to see a breakthrough with bridges along the Murray River—something I know is of interest to the parliamentary secretary, the member for Murray, at the table. It is long overdue. We have been pushing for that for the safety of our electors who have to cross state government bridges which should have been replaced years ago. We will continue to work to that end and also on the clean-up at ADI and the revamping and modernising of ADI at Mulwala, again a project which I worked on with the member for Indi, as it relates to both Yarrawonga and Mulwala. I am pleased to see in the budget the $63 million clean-up for the acid drain in that area.

Finally, I simply say that I do not know how many more opportunities I will have to speak in this parliament, but I do know I owe thanks to many people who have helped me along the pathway of politics over 30 years, state and federal. I wish to thank them.

Illegal Immigration: Detention

Mr SCIACCA (Bowman) (10.57 p.m.)—In these last couple of minutes that we have before we adjourn, I want to make a few comments with respect to the report that was delivered yesterday by the Human Rights Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade. I particularly congratulate the members of the government who joined in a consensus report—one of the very small number of reports from committees where there is in fact a consensus, particularly in an area which is so controversial nowadays amongst the Australian public. Of course, I am talking about the detention centres, the immigration processing centres.

I must say that I particularly appreciated the courage of the member for Sturt. I saw him on TV today. I have always thought, with great respect, that the member for Sturt was a little bit of a cry-baby, but in fact he showed a bit of courage today. He got up and he was prepared to stick by the recommendations of the report that was brought down yesterday by the Human Rights Subcommittee. When you look at it, you will see that many of the things that they have said there are hardly controversial. They are not matters that are going to in any shape or form jeopardise the integrity of the detention system.

Labor have made it very clear that we believe, having introduced mandatory detention, there is room for mandatory detention in this country for those that arrive on our shores on an unauthorised basis. But we do say that the system can be vastly improved. There is no reason for us not to do things a little bit more humanely and to treat these people as the human beings that they are. If they become genuine refugees, we should try to get them out of there as quickly as we can. We should do what we can with the process to try to get them out as quickly as we can. If they are not fair dinkum, if they are people who have just come here as economic refugees that do not have any grounds for protection, then we should get rid of them as quickly as we can as well.

The report gives a number of recommendations which I would urge the Minister for Immigration and Multicultural Affairs, Mr Ruddock, to look at seriously. He does not have to confront his party colleagues, he does not have to call them naive, because the fact is that almost all of the recommendations quite easily could be picked up by the government and they would really not in any shape or form hurt the detention system as it presently stands.

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:

Dr Wooldridge to present a bill for an act to establish the Alcohol Education and Rehabilitation Account, and for related purposes.
Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 4.00 p.m.

**APPROPRIATION BILL (No. 1) 2001-2002**

Second Reading

Debate resumed from 18 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 LLOYD (Robertson) (4.00 p.m.)—It is indeed a pleasure to have the opportunity this afternoon to make some comments on Appropriation Bill (No. 1) 2001-2002 and the budget which the government has brought down. Before I go through some of the initiatives that have been introduced in the coalition government’s recent budget, I remind honourable members and the Australian community of the work that has gone into building the economy and building a position where we can provide budget surpluses, and to remind the community of what we inherited after 13 years of Labor government. The Labor Party hopes that everyone has short memories; they want us to forget what they left the coalition government to deal with when we came to office in 1996.

Labor’s record, after 13 years in government, is a record that they cannot be proud of. During that period we saw home interest rates rise to over 17 per cent. We saw unemployment, under the then employment minister, Mr Beazley, rise to 11 per cent. They presided over falling wages. They actually boasted that they were happy that they had enabled workers’ wages to fall. They were the ones who introduced indexation of fuel taxes. They do not want us to remember that. They were very quick to promise things like tax cuts—the l-a-w tax cuts—but they never delivered on those promises. After the 1993 election, as soon as they
were back in office, they hiked up all the wholesale sales taxes—indirect taxes—despite promising there would be no new taxes. That is what the coalition government inherited when we came to office in 1996.

We also inherited a deficit of $80 billion. A figure of $80 billion rolls easily off the tongue, but if governments continue to keep borrowing money and putting this country further and further into debt, it has an impact on the whole economy, including on interest rates, and it has an impact on families and communities. The coalition government set about managing this country in a responsible way, to be sound financial managers and to reduce that deficit.

With the sixth coalition budget, brought down by Treasurer Peter Costello, we have now repaid almost $60 billion of the Labor Party debt of $80 billion. In my view, discarding the parameters for a period of continued growth, continued strength and, hopefully, continued prosperity for the Australian community. We all know in our daily lives that if we continue to run up the Bankcard, we end up paying interest on the debt that we have. It is interesting that when we first came into government in 1996 the government was paying out $4 billion in interest—$4,000 million in interest. That is a huge amount of money that is just wasted money. At that time, $4 billion was equivalent to what we were spending on education; it was equivalent to what we were spending on many important areas of government.

We have been able to reduce that deficit—which I believe actually blew out to $96 billion; $80 billion was accumulated in only the last five years of the Labor government—so it really shows that the previous government were not managing the economy very well and that they were certainly throwing the economy further into debt. By saving the money on interest—which really was wasted money—we have been able to put it back into the community. In the last budget we have actually been able to provide some initiatives and some dividends to the people of the Australian community, who really are, after all, the shareholders of the Australian economy.

The Australian community can now start to see some of the benefits of the initiatives that we have been able to implement because we have put this economy back into the black and because we have managed this economy well. I recall that when we were first elected to government in 1996—and I am pleased to see that my colleague the member for Parramatta has just joined me in the chamber, and he will also recall—it was difficult because we had to get out and sell our plan for this country. We had a vision of where we wanted to take this country and its people. We did not have a track record to rely on. I am very proud to be part of a government that has made the hard decisions to give us the future that this country deserves. It has not been easy, but we can now stand up proudly to the Australian community and they can make a judgment on what we have done over the last 5½ years. I am very confident that when we go back to the Australian people some time this year that we can do so with a track record which is strong, a track record that shows a government that has been able to introduce tax reform—tax reform which the members opposite knew had to be introduced. They have known for many, many years, but the Labor Party did not have the guts to introduce it.

Mr Ross Cameron—What about option C?

Mr Lloyd—that is just one reform that we introduced. We made changes to industrial relations to ensure that people could be employed easily. Making those hard decisions, repaying debt and keeping interest rates low were things that the Australian community wanted
us to do. Now we have that track record and I am very proud to be part of the government. I know that the member for Parramatta and I look forward to going back to the Australian people later this year and putting that track record to the Australian community.

Because we have paid off so much of the deficit and because we have managed the economy well we are able to give back some of the dividends of that sound financial management to the Australian community. Just one example of that is the $300 one-off payment for people of pension age who receive income support or who are outside the taxation or social security systems. This is an important recognition of those people of pension age—older Australians—who have made a contribution to Australia. It is interesting that the Labor opposition tries to make out that somehow this is compensation for the GST. It is not compensation for the GST.

Mr Gibbons—There is no compensation for the GST.

Mr Lloyd—Members opposite say that there is no compensation for the GST. I will come back to that point because there certainly is compensation for the GST. This is not compensation for the GST. It is a recognition of what those older Australians have done for the Australian community. It is only fair and just that if a government is in a position, through sound financial management, to give something back to the Australian people then they should do so.

The members opposite said that there was no compensation for the GST. I had the opportunity to go to a presentation at the Parliamentary Library recently. It was put on by Econtech, an independent modeller who looked at the new tax system, at how it has turned out and at the percentage rise from March 2000 to March 2001. I have a table which shows very clearly that over that period the CPI increased by six per cent, that after-tax wages increased by 8.2 per cent but that the age pension also increased by 8.1 per cent. This shows very clearly that pensions have not only kept pace with inflation but also that they are 2.1 per cent above the cost of living. These are not the government’s figures. They are figures of an independent modeller—Econtech—and it shows that pensions are well above the cost of living.

Since the introduction of the GST on 1 July, single age pensions have increased by $15 per week, or $30 per fortnight, from $372 to $402 per fortnight. You will hear the Labor opposition and often the media producing comments from people such as, ‘I don’t think the $3 a week compensation that I got in my pension is enough to compensate.’ I repeat: since the introduction of the GST on 1 July single age pensions have increased by $30 per fortnight—from $372 per fortnight to $402 per fortnight. I realise that living on the age pension is difficult. I can assure members that there is not a lot of money to spare. But it is important to emphasise that people have been compensated for the GST, and that pensions are 2.1 per cent higher than the cost of living. Not only do they continue to be higher than the cost of living, but they are indexed to increase twice a year as costs go up—and it was a coalition government that introduced legislation to ensure that pensions were always maintained at 25 per cent of male weekly earnings, to protect pensioners. It took a coalition government to do that.

Mr Ross Cameron—We care about older Australians.

Mr Lloyd—We certainly do care about older Australians. We should realise that this is the government’s fifth consecutive budget surplus.

Mr Ross Cameron—It is an outstanding budget saving.

Mr Lloyd—It is an outstanding track record, and it is securing Australia’s future. We have saved $4 billion in interest payments every single year. That money can be used for roads, for education, for hospitals. The states were falling over themselves to sign up for the GST. Once again the Labor opposition does not want to remind people that the state govern-
ments get every cent of the GST. It is a GST windfall to the states, which fund the hospitals and the schools. We have been able to give them a funding mechanism which will ensure that their funding base will continue to keep pace and that they will able to supply the hospitals, the schools and the police that the community demands and knows they should be able to supply.

Since the coalition came to office in 1996, we have created more than 820,000 jobs. Over the three years to mid-2000, Australia has enjoyed a record period of sustained economic growth, with unemployment falling to the lowest levels in over a decade. And economic growth is set to rebound in 2001-02. Again, however, we hear comments from the Labor opposition at different times that the downturn was ‘home grown’. It is an absolute disgrace that, when we had the negative growth figures in December, members of the Labor opposition were running around this country talking down the economy. They were doing everything they could to talk the economy down. They wanted to see two periods of negative growth, which would then be a technical recession. I do not think I have ever seen the members opposite so crestfallen as when the March quarter figures were released, at 1.1 per cent growth in Australia, showing that the economy had rebounded to positive territory. They were absolutely disappointed that the Australian community had not succumbed to their continual talking down of our economy. It is a credit to Australian small business people and consumers that they did not believe the campaign of scaremongering.

While they were talking about this so-called recession—and it was not even a recession—you heard them saying, ‘This recession is home grown.’ Here in Australia we are now starting to power ahead again after we had the transitional period of introducing the new tax system—which everyone knew we had to do—in an environment where most other major countries in the world are having difficulties at the moment. And they are trying to say that this downturn is home grown.

When the Asian crisis occurred a couple of years ago, the Labor Party were running around saying, ‘Australia is going to be swept up in the Asian crisis! We will all be ruined!’ They were trying to scare everyone again.

Mr Ross Cameron—‘A wishin’ an’ a hopin’ an’ a thinkin’ an’ a prayin’!

Mr Lloyd—As the Treasurer said, yes. They were really trying to talk down the economy. The reason we were not swept up in the Asian crisis was because we had already addressed most of the Labor Party’s debt. If we had still been running huge deficits at that time and if we were not running surplus budgets, the international community would have looked very poorly on Australia and we would have been swept up in the Asian downturn.

The other reason that we were not swept up in it was the innovation of our exporters. We are a major exporting nation. If you listened to the Labor Party, you would think that we do not make anything and we do not export anything. We are a major exporting nation. Under the previous Labor government there was this single focus on Asia only, but Australian exporters are very innovative and they were able to diversify and expand markets through Europe, England, the Middle East and into America, and really we were able to tackle the Asian economic crisis head-on. To all intents and purposes, the economy in Australia never missed a beat. The community did not feel any downturn to any significant degree at all during that Asian crisis. It just shows how important sound economic management is.

Because we have now been able to put our budget into surplus again, we have got money that we can now put into initiatives that I think are very important for the Australian community. One initiative that I want to mention was not detailed in the budget as such but, because of the budget position, we were able to bring forward a package to support cadets, as part of the Defence 2000 white paper. This initiative to significantly boost the Australian cadet serv-
ice is something which has been very well received in my community. To put $30 million back into the cadet service sends a strong message to the Australian community and to the young people of Australia that the cadet service is something that we should be proud of.

The Whitlam government wound down the cadet service and really starved it of resources. Under the new package, the cadets now will have the resources that they need; they will be able to go out and promote what cadets are all about. On the Central Coast, we have three excellent cadet units, including the TS *Hawkesbury* naval cadets, who I identify closely with, having a ship’s master certificate myself and having spent a number of years in command of a ship which had a young crew of 28 people.

I have worked very closely with TS *Hawkesbury*. We also have the 229 regional cadet unit, and the air cadets up at Erina. They have now been able to expand, and this sends a message to young people that they can be proud of themselves, that there is nothing wrong with discipline and enjoying yourself and being proud of being in uniform.

There was some criticism about the fact that the cadets might have access to weapons. I wondered about that criticism, because some of it was as though we were going to hand out guns to young people and they were going to take them home and wander down the street with them. The criticism was crazy. If people are going to join the cadets, part of their training is to learn about weapons and how to use weapons. All this sort of training would be under very strict guidelines. I was a member of the army cadets at school, back in the days when many of the schools had army cadets.

One of the most enjoyable parts of being in the cadet unit was when we were able to go out onto the rifle range and fire the old 303s, which had a fair kick in them at that time. But it was under strict supervision. I do not think that it turned me into a Rambo, but it certainly gave me an understanding of weapons and how to use them safely. It was a very important part of my life and certainly enabled me to understand what it is like in the military and to have some sort of chain of command and some pride in myself as a young person. One of the other things which I am very pleased we were able to do in this budget as part of the new tax system was to drop the company tax rate from 34 per cent to 30 per cent. The full input tax credits for motor vehicles, which have been brought forward to 23 May on the announcement of the budget— *(Time expired)*

Mr DEPUTY SPEAKER (Mr Nehl)—Before I call the next speaker, I must say that it is beyond conjecture to even try to imagine the member for Robertson as Rambo.

Mr GIBBONS (Bendigo) *(4.21 p.m.* )—This budget is all about what this government is running from rather than where Australia is going. The rebuilding of regional and rural Australia should have been one of the top priorities of the federal coalition’s budget—it is not. The budget should have set out a new vision for Australia—it did not. It should have been a vision to ensure that regional and rural economies not only are not left behind but go forward in this new millennium with the rest of the nation—it was not.

What a pity that this budget does not match the resourcefulness of a rural and regional Australia. My own electorate, the Bendigo region, has an impressive skills and resource base, and it has the initiative, the enterprise and the capacity to achieve a stronger economic future. The budget fails to help build on this base, secure our existing jobs and generate more employment for the future. By contrast with this budget, the development of the Bendigo region is receiving strong backing from local councils and from economic, development and tourism organisations.

A new energy has been provided at the state level with the emphasis that is now being given to country and regional centres by the Bracks state Labor government. The establish-
ment of the $170 million regional infrastructure development fund by the state Labor govern-
ment contrasts starkly with the failure of this budget to fund the infrastructure works that rural and regional Australia needs to create economic jobs and jobs growth. There is a major role for the federal government to play in adding its weight to the growth equation. It has to be a starkly different role from the economic rationalist policies of federal and state coalition parties, which have devastated jobs in our region since 1992, and the obsessive pursuit of privatising and dismantling government services and jobs.

The Bendigo region has lost an estimated 2,000 Commonwealth and state public sector jobs over the past decade as conservative coalition governments at a state and federal level have embraced their privatisation agenda and slashed public sector jobs. This represents about $50 million per year in public sector wages and salaries that would have been placed in the Bendigo region’s economy. This has a big impact on small business through the flow-on ef-
fekt of not having 200 public sector wage and salary earners spending their wages in Bendigo’s economy. That is why we have unemployment levels far higher than the national average.

The unemployment situation is playing havoc with the living standards of people in the Bendigo region and has placed an ever increasing demand on community based welfare or-
ganisations in central Victoria. These are struggling to provide vital services to the victims of the Howard government’s policies. This situation is worsening as the coalition abdicates its responsibility to help those who need help most. The government’s McClure report on welfare reform and the emerging parrot language of mutuality are absolute rubbish. Why are they rubbish? It is simple. We just have to do the maths. According to the McClure report, over 700,000 people nationally are on welfare. However, over a third of these are actually studying and receiving Austudy. They are actually studying for a future to get a job and pay taxes. Supporting them to do this is not welfare; it is an investment.

What is left? The remainder of the 700,000 are predominantly young people trying to raise children on a meagre social security income that is below any reasonable understanding of what it actually costs to feed, clothe and house to any reasonable standard in this day and age. The 700,000 also includes a great many people scratching out an existence on disability pen-
sions and trying to make their lives as meaningful as they can. These are people who clearly will and do—as the statistics tell us—contribute as much as they can in the work force at every opportunity. If there are few jobs for people generally, clearly this applies across them all.

What about the aged people of Australia, those who have contributed to the building of this country? Tragically, once again they just have been fobbed off in the budget. They have been tossed a shabby, one-off pittance of $300 to atone for the government’s GST sins. It is yet an-
other admission that the government got it wrong with the GST and will not fix it. When the $300 runs out, the GST will still be running rampant. This government cares more about pre-
serving the life of the GST than it does about protecting the living standards of aged people.

This budget does little for young homeless people. Being without a home is a tragedy, and for the government to pretend that it is doing something fair dinkum about it with its so-called welfare reforms is another of its deceptions. This nonsense fools no-one.

People want training and they want jobs that actually exist, but the training is underfunded by the government and there are nowhere near enough jobs. In the last two years at least 15,000 jobs in telcos have been lost, including 12,000 from Telstra. In the electorate of Bendigo, the recent One.Tel collapse has cost us 138 jobs with the Vectus company. Prime Minister Howard was in Bendigo for the 1998 election when the Kennett state government rushed out a dishonest pre-election promise, on Mr Howard’s behalf, to bring 400 call centre
jobs to Bendigo. When the election was over, the 400 jobs were just a mirage. Only 138 jobs were there this year, and now even those have vanished. It was not the workers’ fault. The Howard government never lifted a finger to save the jobs in Bendigo or to help those workers.

The government is not producing enough new jobs for our skilled and technologically trained work force. These are people who have done the right thing: they have upskilled, they have embraced change, they have embraced technology. Still they are thrown onto the unemployment scrap heap—only to be told, no doubt, that they have an obligation to retrain and to upskill. But haven’t they just done that? Where does it get them? Where are the jobs? While it is important to skill people up to get the basics in order to participate in work and society, the mean-spirited mandarins and scrooges in charge of the government should stop perpetrating the hoax that welfare is an insidious virus in our community. It is the hoax that is the virus. It is time the government faced up to the reality that it is not generating enough jobs for people with basic skills. The crude threat to cut unemployed people off their welfare lifeline is just a pathetic substitute for a genuine government action to generate more jobs.

Yes, we need welfare reform when it is genuine and not just based, as the coalition’s agenda is, on punishing the victim. But we also need jobs reform and we need it now. Australia needs jobs, education and training, infrastructure and linkages between the business sector, the venture capitalists, the financiers and the government. This needs to be done as a cycle, as a loop, not just as one-way traffic that brings a select few to their destination and ends up as a dead end for others.

Let us look at housing. There is a housing crisis in the Bendigo electorate, as there is in almost every other electorate in this nation. Encouraging the building industry and helping young home buyers to stimulate economic activity are welcome, but the government’s GST housing backtrack was forced on it, painfully extracted from it—and that only happened after the shocking evidence of the GST’s effect in demolishing the building industry. I do not think the government’s first home owner’s grant has built too many homes for the young homeless, the ones who cannot participate equally in the fair-minded society that we Australians take for granted. The government boasts that it is stimulating the building industry by subsidising private investment and providing home buyer grants of up to $14,000, yet it refuses to reach out to the communities of disadvantage and display a similar commitment to helping families battling on lean incomes to get a better housing deal.

Why are the government subsidies to manage ‘complex’ job seekers set in the hundreds of dollars per job seeker, as a rule, and not in the thousands? The reality is that this government wants to pander to prejudice by punishing its victims. It wants to hang victims out like dead foxes on a farm fence, hoping the ‘smell’ of the government’s reforms will terrorise the visible victims of its policies. The government accuses the battlers of welfare dependency, and has the hide to blame them for it, when in reality welfare dependency is created not by the battlers but by the system that the conservatives preside over.

Youth and adult homelessness is a barometer of how well or poorly this government responds to change in Australian society. The barometer is rising, as it has been for the past six years. There are growing numbers of homeless people, many people are finding it harder to afford and obtain rented housing, public housing provision is still at a standstill and generally going backwards—and what is this government’s response? It is to chop more and more people off their welfare benefits and make more and more people disadvantaged, and then call it welfare reform.

Tackling the real needs of the community and helping it adjust to the economic rationalist world that the conservatives have inflicted on it requires more than this government’s blind focus on welfare. It requires the entire loop of issues to be tied together, but when it comes to
helping the people in need, this government would rather tie people up in knots than unravel the policies that have hurt them.

While the government crowls that there has been substantial private sector jobs growth, the growth has not been enough to generate the extra jobs that Australians need. There need to be more full-time and permanent jobs across a wide spectrum of industries to add to the growth that has taken place in part-time or casual employment in the hospitality, tourism, retailing and entertainment sector. We need to get development projects moving that will help to strengthen our economic base, build on our competitive strengths as a region, capitalise on the new technologies and generate new jobs growth. The federal role must always involve tackling the social inequalities between the country and the city, working to bridge the income gap and providing the education, health, transport and community services that we so desperately need. We need a new national vision and a new commitment to regional and rural Australia. The future of the Bendigo region that I represent demands it.

Mr ROSS CAMERON (Parramatta) (4.30 p.m.)—As a not very diligent but occasional student of economic history, it is always a pleasure to listen to the member for Maribyrnong because one has this wonderful, sentimental feeling of the policies of the 1950s and 1960s. It is a lovely throwback to the past to remember a time of tranquillity which has long since passed. Listening to the rhetoric of the member for Bendigo, it takes me back to the days of the cargo cult, to the days of the massive welfare state, to the days of sit-down money and everyone saying, ‘What is the government going to do for us?’

He represents Bendigo as a group of helpless victims who are waiting around for some sort of messianic solution to come from the federal government. In that respect I note that his strategy is consistent with Labor policy as a whole. In terms of Labor’s strategy for addressing the problems of the nation, it is going to be a bureaucracy led recovery. On 17 June, an article by Gerard McManus in a Melbourne based newspaper, the Herald Sun, reported on ‘Labor’s red tape plan’. The article reads:

The Federal Labor Party has promised to create 43 new bureaucracies and new government offices if it wins the next election.

A study of Labor policies released so far shows the Opposition is likely to embark on a massive expansion of the Commonwealth bureaucracy, hiring thousands of public servants.

Just wait until the member for Maribyrnong gets on the treasury bench—there will be jobs for all the Labor mates. The article continues:

The 43 new bodies include advisory councils, taskforces, committees, agencies, bureaus, auditors, commissions and ombudsmen.

Kim Beazley, I do not doubt, will be remembered as the—

Mr DEPUTY SPEAKER (Mr Nehl)—The Leader of the Opposition.

Mr ROSS CAMERON—The Leader of the Opposition will be remembered as the leader of task forces because this is the response from Kim Beazley to every national problem. ‘When we get into government we will create a task force to examine that problem.’ Kim Beazley—

Mr DEPUTY SPEAKER—The Leader of the Opposition.

Mr ROSS CAMERON—The Leader of the Opposition, as I am sure you will acknowledge, Mr Deputy Speaker, is a rather likeable bloke. He is a very congenial fellow. He speaks well. When we have visiting heads of state, he has got a good command of history. It is just this one ingredient he lacks: a capacity for leadership—a capacity to make hard decisions. The Leader of the Opposition’s basic approach to government is to work out what every vested interest group wants and then give it to them. He is, regrettably, a ‘path of least resis-
I note that the member for Maribyrnong confidently predicted the demise of my colleague the member for Robertson and me.

Mr Lloyd—I think I heard that in 1998 as well. It was a good year.

Mr ROSS CAMERON—That is right. We remember, as we rose to give speeches on occasions such as this, the ALP frontbench confidently waving goodbye to us each time we stood up. It was a case of, ‘Bye, bye. See you later, fellas.’ Of course, that sort of complacency appears to be very much in evidence here today.

It is within the realms of possibility that we could be defeated, and on this side of the House we strongly believe in the integrity of Australian democracy. We believe in the principle of one vote, one value. We believe that when we go to the polls every Australian—not just the candidates, but every Australian—ought to be confident that the outcome actually reflects the will of the people, and we are happy to accept the judgment of the Australian people. The member for Robertson nods his head in agreement. I just note that in the other chamber at present there is a matter of public importance debate taking place in which the Australian Labor Party is opposing the principle of the integrity of the electoral roll.

Mr Gibbons—That is not right, and you know it.

Mr ROSS CAMERON—Can I just say that we would urge and encourage you to help measures to strengthen the electoral roll so that every Australian can know that, if you so confidently wave goodbye to us, it reflects the will of the Australian people. Particularly after recent inquiries in Queensland, the jailing of a number of Labor figures and the resignation of a number of Labor members of parliament over their participation in electoral rorts, can I certainly encourage you to join in our efforts to strengthen the integrity of the electoral roll?

Mr Gibbons—Why don’t you ask the Treasurer about the way—

Mr DEPUTY SPEAKER—Why don’t the member for Bendigo be silent and observe standing orders. The member for Parramatta has the call and should not provoke the gentleman on my left.

Mr ROSS CAMERON—Thank you, Mr Deputy Speaker, and I want to particularly acknowledge the member for Bendigo who was critical of the government in terms of lack of spending on transport infrastructure. I cannot allow such a comment to pass in the presence of my colleague without acknowledging his personal role, as the member for Robertson, in securing $80 million to build a third lane on the F3 freeway between the Hawkesbury River and Calga. Furthermore, people said occasionally to me, ‘Well, you are just a backbencher. Your task is simply to put up your hand at the right time. You will not be able to change anything.’ If anyone ever says that, I just say that the member for Robertson, after years of sustained campaigning, has virtually single-handedly through his tenacity and persistence and by the irritation he has caused to Telstra, forced them to back down and create a whole new pricing structure that will give virtually every person in his electorate a local call cost from Gosford back to Sydney. That is an example of the inspired commitment of one local member making a difference to his constituents, and that is the sort of representation that we believe in here in Parramatta.

Mr Sercombe—What have you done for Parramatta?

Mr ROSS CAMERON—The member for Maribyrnong interjects, ‘What have you done for Parramatta?’ and I want to respond to that right now. The member for Bendigo also spoke quite a bit about unemployment and what this government had or had not done for the unemployed and what we should be doing to have a strategy to lift unemployment. I just want to draw to the attention of the chamber the fact that when I was elected as the member for Parramatta in March 1996, unemployment for the March 1996 quarter stood at 12.3 per cent. To-
day, according to current data, national unemployment rates are seven per cent, an improve-
ment of four percentage points on the national rate. In fact, in Parramatta the rate was over 12
per cent. In Parramatta today, at the end of the March quarter 2001, unemployment stands at
2.9 per cent.

To the member for Bendigo, I say that is what we have done for the unemployed. We have
gone from, in fact, 12.3 per cent in Parramatta to 2.9 per cent, because we have this idea that
the way to create employment is not to create 43 new federal bureaucracies. That is not the
way to create employment. We are not like the cargo cult sitting around waiting for the Com-
monwealth to dump a call centre on Bendigo; we actually believe in encouraging small busi-
nesses. We believe that the 850,000 Australian small businesses are the ones best positioned
to employ new Australians and give them real jobs, not this kind of make work bureaucratic
blow-out, which is Labor’s employment strategy. So it is that we have seen this fantastic re-
duction, which represents about 6,000 people in my electorate who were formerly unem-
ployed but who are now in jobs.

In fact, I ask the Australian people to make a judgment, as they will later this year, about
the performance of the two parties. They will be making a choice between two leaders, be-
tween two parties and between two philosophies. I want to highlight some of the differences
in performance because we do have some data—not just my opinion or the deputy chair’s
opinion or the member for Robertson’s opinion—about the performance of Labor while they
were in office and the coalition while we were in office. I want to begin, since we are on the
Appropriation Bill today, with budget deficits.

Let us start with the fact that, in spite of the confident assurances given to the Australian
people that the budget was in surplus in 1996 when we were elected—we were swept into
office in the Howard landslide—we found that, in fact, the budget deficit was $10.3 billion.
That is an annual deficit; that is the deficit in just one year of expenditure over receipts for the
Commonwealth government. That was not a one-off, it was not a freak, it was not an aberra-
tion—it was part of a six-year racking up of $80 billion in debt by the Commonwealth gov-
ernment under Labor. This is Labor’s view of the doctrine of fairness: you just rack up bil-
lions and billions and billions of dollars for future generations of Australians to pay. This is
fairness. This is about building a fair society: just keep racking it up. Whenever you have an
idea about building a new bureaucracy, whenever you want something new, you just spend
more money because someone down the track, some unborn Australian citizen, is going to
wake up one morning and find that they are the ones carrying the can for this profligacy.

We had $80 billion debt in the last five years of Labor. What has been the coalition’s rec-
dord? In fact, we have paid off $60 billion of Labor’s debt, and we have delivered five con-
secutive budget surpluses. We have this idea that, like the Australian families in my electorate
of Parramatta and the member for Robertson’s electorate, we are under some kind of obliga-
tion to match revenue and expenditure. We do not believe that these nice sounding concepts
like social justice allow you to run roughshod over future unborn Australians. We believe
there is some discipline to be applied on government when spending taxpayers’ dollars be-
cause most of us, like the member for Robertson, come from small business backgrounds. We
have an understanding of what it means to actually put your home at risk to earn a dollar to
employ yourself and the people around you. We have not all been drawn from the sort of si-
necures paid for by large collectives which basically bear no correlation to the risk involved in
creating a dollar by small businesses.

Their record is $10 billion debt in the first year we came to office and $80 billion over five
years. Our record is five consecutive budget surpluses and the paying off of $60 billion of
Labor’s debt. That involves a saving in interest alone of $4 billion, which we are putting into
transport infrastructure, to improving the public health system, to record increases in education spending and to rebuilding Australia’s defence capability. That is what we are doing with the $4 billion in interest savings that we have made by paying off Labor’s debt. Secondly, look at taxes being paid. We have done that by not increasing taxes but by actually reducing them. A worker on average earnings under Labor was paying up to 43 cents in the dollar income tax. This is not Kerry Stokes, this is not Christopher Skase, this is not Alan Bond, this is not Jodee Rich; this is a worker on average earnings paying 43 cents in the dollar. Under John Howard and Peter Costello, 80 per cent of Australian taxpayers pay no more than 30 cents in the dollar tax.

This massive racking up of Commonwealth debt under Labor put huge pressure on interest rates. We saw interest rates peaking in the 1980s at 17 per cent. Today, under the coalition, interest rates have reached historically low levels, around 6.8 per cent. The average home mortgage payer on, say, $100,000 a year is saving between $300 and $350 a month of after-tax dollars because of the discipline that this government has demonstrated—

Mr Lloyd—That is almost $100 a week.

Mr ROSS CAMERON—That is almost $100 a week. Exactly. In terms of company tax: under Labor every Australian company was paying tax at 36 cents in the dollar; under the coalition, the company tax rate was reduced to 30 per cent. I have already mentioned that the national unemployment rate under Labor was over 11 per cent. Today, unemployment is standing below seven per cent. And remember, that four per cent represents literally tens of thousands of Australians who had a chance to get off welfare and get into work because of the policies of this government. Under Labor we saw the introduction of petrol excise indexation, linked to CPI, in August 1983. Under the coalition, fuel excise has been cut by 1½c and indexation of fuel excise has been abolished.

If we look at private health insurance, Labor ignored the private health system because philosophically they are opposed to the idea of people looking after themselves. They believe in the cargo cult. They believe everybody turns up in front of the big government, with the bowl out, like Oliver Twist, saying, ‘Can I have some more?’ We have decided to protect and maintain the public health system in part by taking the pressure off it so that people who are able to look after a greater share of their own health requirements have an incentive to do so. So we gave a 30 per cent private health insurance rebate. We saw private health insurance coverage go from 30 per cent of the population under Labor to 45.1 per cent today. That is a 15.1 per cent lifting of the burden on resources that were flushing through Medicare without discrimination under Labor’s policy. Health is one of the areas that has enjoyed the most rapid expenditure increase by this Commonwealth government within the context of consecutive surpluses. We are about to witness a 28 per cent increase in real terms over the next five years.

The ALP like to portray themselves as a party for the workers. The thing about Tony Blair is that he has had the guts as a leader to take on his own constituency. That is what Paul Keating said. Keating said, of Bob Hawke, that political leadership is not a matter of tripping over television cables in shopping centre arcades. He said that political leadership involves the courage to take on your own constituency. As much as I like the Leader of the Opposition as being an affable, engaging, likeable bloke, he just lacks that one quality. He is the ‘trip over the cables in the shopping centre’ kind of leader. He is the bloke who says, ‘Work out what people want and give it to them; worry about the cost later on.’

Mr Lloyd—He is a populist.

Mr ROSS CAMERON—He is a populist. Under 13 years of Labor government, if we look at real wages for the blue-collar worker, there was basically zero movement in weekly
ordinary time earnings—minus 0.3 per cent. In some years the figure was negative; in some it was positive. Under the coalition, there has been annual growth in weekly ordinary time earnings of 4.3 per cent over the last five years. That is the way you look after the workers—by building a productive, competitive industrial relations and microeconomic reform environment so that a small business person has a chance. You lower taxes so that they are not getting slugged every time they turn around. You lift productivity. We understood this, as Tony Blair did. The penny dropped for Blair and he said to the British trade unionists, ‘You’ve got to come in from the cold.’ He said, ‘It’s all very well to talk about job security, but in the same breath you’ve got to talk about job productivity.’ He said, ‘Unless we are productive and competitive as an economy, we can offer nothing to the workers.’ What we have offered is 4.3 per cent growth in wages because Australian enterprises are more productive under the coalition government.

I have already mentioned the Commonwealth government’s efforts to reduce our exposure to debt and those crippling interest bills which we were paying under Labor—dead money, just flushing it down the toilet, often to foreign bankers. Commonwealth generated government net debt under Labor in 1995 was 17.6 per cent of the economy as a whole. Under the coalition, in 2001, at the point of these appropriations, the figure is 6.4 per cent of gross domestic product. So it has fallen from 17.6 per cent to 6.4 per cent.

I want the Australian people to see this fundamental, stark contrast between the Labor rhetoric of fairness and social justice, which means a bureaucracy led recovery, massive increases in taxes, high interest rates and burgeoning government debt, and a coalition approach of having fiscal discipline, which means placing a value on each tax dollar generated by small businesses in my electorate and in the electorate of my colleague the member for Robertson. It means pushing down business costs, cutting company tax and personal tax; it means being prepared to take the hard decisions.

Tax reform was not easy; it was never going to be easy. One of the reasons why our productivity has consistently increased under the coalition is that we have taken on the hard issues. Waterfront reform: everyone has known for 25 years that it desperately needed to be done. The Maritime Workers Union was the most corrupt organisation in Australia, with the exception of the Builders Labourers Federation. As a former ticket holder of the Builders Labourers Federation, I know what claim I am making. We have tackled the hard issues. We have not sat around waiting for somebody else to provide solutions. We have not just hoped that the world economy would deliver some sort of benefit to us that we had not earned or deserved. I note that while the Australian economy has been posting these record growth rates, many of our Asian trading partners have been in recession or depression, whereas the Leader of the Opposition racked up massive debts while our trading partners were all surging ahead, which highlights the extent of the achievement.

The Prime Minister is criticised at times for not being flashy enough for the ALP, not trendy enough or not fashionable enough. He is not seen with a host of celebrities at A-list social events. He may not be leading the sartorial fashion trends, but the Prime Minister of Australia has this one quality which I will always respect: courage. Whatever other things people may say about him, he is a leader. That is why I am very proud to say that I am a member of his government and to endorse and support the appropriation bill that is before the chamber.

Ms GILLARD (Lalor) (4.50 p.m.)—The Appropriation Bill (No. 1) 2001-2002 that is before this parliament tells us one thing; that is, this is the government of the deathbed conversion, and this budget is its dying legacy, a last and desperate attempt to extend its own life by
raiding the coffers of future governments, and raiding the wallets of Australians yet to be born, as the member for Parramatta would describe them.

This is a budget that says to the country: never mind the government parsimony of the last five years; never mind the cuts to public services; forget about all the tax increases disguised as levies and surcharges; forget the smoke and mirrors on petrol pricing; forget BAS and BAS blips; forget the aged care scandals; forget the fact that the Australian dollar is 30 per cent lower than when the present Treasurer was in opposition and said that a lower dollar was an international indictment of Australia’s economic management; forget the blow-out in consumer debt; do not worry about the recent 35 per cent jump in bankruptcies; do not worry that productivity growth has stopped; do not worry that unemployment is on the rise. This government says, ‘Trust us. Trust us that the last five years won’t happen again. We’ve learnt our lesson. Trust us. Some day all these nicely massaged budget numbers will mean that you might just feel that your life is a bit better.’

The only trust that we can have in this government is that its general panic and ineptitude when its own hide is at risk will be matched by a return to complacency and smugness and the smirk when things appear to be going its way. Every government and every Treasurer tries to put the best gloss on the story they have to tell; that is only natural. But when it comes to tricks and sleight of hand, this government is in a class of its own. So we should not be surprised that, despite the great play made by this government and despite the claims of fiscal rectitude just made by the member for Parramatta, who spoke before me, this government has actually said—

Mr Lloyd—They were facts.

Ms GILLARD—I will tell you what the facts are: this government has made great play about the move to the introduction of accrual accounting, but in framing and selling this budget to the Australian community it prefers to ignore the fact that the budget in accrual terms will go into deficit in 2001-02. Instead, we are reassured that the budget is in surplus, using the previously maligned system of cash accounting. Suddenly that is back in favour because it gives the number the government wants. As I have noted in a previous speech, and to counter the claims of the member for Parramatta, Australia is not more productive under this government. Enterprises in Australia are not more productive under this government. If we look at the government’s general level of veracity on this question, when it comes to reporting the productivity performance of Australia in this budget, we find a real commentary on the level of veracity of this government. We are told in Budget Paper No. 1 that productivity growth has ‘slowed somewhat in recent quarters’, when on the figures presented, it would have been more honest to have said that productivity growth had come to a dead stop. The productivity growth figure in this budget is zero. This, of course, contrasts with the big gains in productivity in the 1990s, attributable to the industrial and macroeconomic reforms of the Labor years.

This government has only belatedly recognised the need to take specific measures to encourage ICT and other value adding industries that will make Australia competitive in the future. Productivity growth also faltered while business tried to come to grips with the vagaries of the BAS and the GST.

Mr Georgiou interjecting—

Ms GILLARD—I am coming to the question of unemployment, and I am sure the member for Kooyong will be interested to learn about it. The budget papers record that unemployment is expected to rise to an average level of seven per cent in 2001-02. This forecast acknowledges that the actual rate of unemployment will worsen in the short run. From what we know about the economic downturns of 1977-78, 1982-83 and 1989-90, apart from the fact that the
present Prime Minister was Treasurer for two of them, unemployment rates shoot up very quickly but take a long time to reduce. The government’s apparent elation, in relation to the rise in the number of unemployed to 675,000 announced on 7 June, was quite extraordinary. It was as if somehow a lift of a further 0.1 per cent in the unemployment rate to a 20-month high was a cause for celebration. Just how bad a figure was it expecting? Let us remember that the national lift equals a rise from 10.6 per cent to 12.4 per cent for those in Sunshine, in my electorate. Perhaps the government was just relieved that things were not deteriorating as rapidly as when Mr Howard was last at the economic helm in 1982-83.

This government, in terms of the figures in this budget, wants to make two contradictory claims. It wants to claim that the economy is already on the up and up, and justify the budget’s fiscal stimulus as an exercise in boosting flagging demand. Well, it can’t have it both ways. Either the economy is sick and needs an infusion of funds or it is already on the mend and doesn’t. One suspects, though, that the spending spree in this budget is not about putting an injection into the economy; the spending spree in this budget is about something else which was well summarised by Ross Gittins in the Melbourne Age on 26 May, when he wrote:

There is a much simpler and obvious explanation for the government’s spending spree that has nothing to do with the economy. The government faces an election this year and has been spending money like a drunken sailor to try to buy votes.

As we all know, the reaction to this budget has not been what some of the government’s more precariously placed marginal members had hoped. What leaves so many Australians cold is how little apparent difference the budget itself, entailing over $160 billion in Commonwealth government expenditure overall, and about $41.4 billion in Appropriation Bill (No. 1) for the ordinary annual services of government alone, makes to their everyday lives. This is particularly so for those who now live in the sprawling fringes of our cities. These areas have not always been neglected by the Commonwealth but are being ignored now.

A good start would involve assembling and publishing better data than we have at present. I am sure that it is a source of puzzlement to members on both sides why there is frequently such a gap between what the experts in Canberra and elsewhere say about the effects of economic decision making and the sometimes very hostile reactions to it in the wider community. Sometimes this is because we measure the wrong things or fail to take account of local factors or regional variations. Although some progress is being made, indexes of social disadvantage comparing local conditions do not really give policy makers a good enough picture of how where people live affects their life chances. If the government no longer bothers to compile CPI baskets of goods and services to match disparate purchasing patterns across the country, it should not be amazed that it cannot rebut claims that its new taxes have raised prices by more than the CPI.

In distributing funds to government programs, perhaps more thinking needs to be done about whether there is a systematic bias against some regions, including the outer portions of our major cities. Throwing money at various demographic groups does not automatically fix problems that are spatially related, nor does it guarantee that basic services are provided to all. For many years, the Commonwealth Grants Commission has sought to ensure that Commonwealth funds provide a threshold level of services to all Australians, wherever they live. But, against that test, this budget is a failure. The budget will not secure better access to day-to-day medical services in places like the city of Wyndham, which I represent in this parliament, where there is a chronic shortage of GPs. This budget will not make up for the loss of local banking facilities experienced in many parts of Australia—five in my electorate of Lalor alone in the last three years. It will not facilitate Internet access to those living in outer metro-
This budget will not achieve greater spatial equality in the distribution of our aged care services, this budget will not provide strategic infrastructure support of the sort needed to shore up local communities wanting to help themselves and this budget most certainly will not do much to lift the spirits of those in western Victoria, including those in the west of Melbourne, affected by job losses in the manufacturing sector in recent years. This budget leaves behind the outer metropolitan areas of our cities, including the seat that I represent, the electorate of Lalor.

In framing this budget, the government averted their eyes from the real disadvantage experienced by many Australians, including those in outer metropolitan areas in need, and they fixed their eyes firmly on one thing—that is, the opinion polls. As a result, it is being judged now and will be increasingly harshly judged over time as a cynical grab for votes by an increasingly desperate government.

Mr GEORGIOU (Kooyong) (5.00 p.m.)—The budget brought down by the Treasurer on the centenary of Australia’s formation as a nation continues the coalition’s commitment to maintain sound economic management and deliver real benefits to the Australian people. Since the election of the Howard government, the Australian economy, contrary to what is said by the member for Lalor, has performed outstandingly over an extended period. Growth through the period has averaged around four per cent per annum. Employment has expanded rapidly, with the Australian economy generating 825,000 jobs—double the rate of job generation under Labor. Real wages for the lowest paid have increased by more than nine per cent over the last four years, while under Labor—and it is not something they would care to remember—real wages actually fell in real terms. Inflation has been kept under control, at no stage overshooting the Reserve Bank’s target range. Interest rates have fallen, and the interest bill on the average home loan has been cut by $300 a month. The Commonwealth government has delivered ongoing budget surpluses and, at the time that the budget was brought down, it had already slashed its net debt position by around $50 billion, or 60 per cent.

When the coalition came to office, its economic strategy was straightforward. It was: to address the budget deficit inherited from Labor; to make a positive contribution to national savings; to relieve pressure on the current account, inflation and interest rates; to insulate Australia from adverse international economic shocks; and to give scope for future policy flexibility.

The importance of this strategy in meeting the unexpected was vindicated with the Asian financial crisis. While many of our northern neighbours and close trading partners went into a meltdown from which they are only now recovering, the crisis is represented by only a blip on the charts measuring Australia’s economic performance. The benefits of this policy flexibility, allowed by a strong financial and low inflation position, are exemplified by the government’s capacity to respond to weakening housing construction with the enhancement of the First Home Owner Grant scheme and the capacity possessed by the Reserve Bank to lower interest rates in response to economic slowdown.

This budget continues the coalition’s tradition of sound economic and fiscal management. It will strengthen the economy and pay additional dividends to the community without going into the red. It delivers the fifth consecutive cash surplus, and it continues the repayment of Labor’s debt. By June next year, almost $60 billion of the $80 billion of debt run up by Labor will have been repaid. Today the government’s annual interest bill is $4 billion less than it was when we were elected, and this means that there is $4 billion more every year that the government can use to reduce taxes, provide assistance to the less fortunate in our community and invest in the nation’s future. This budget will further bolster the economy by delivering a tax
cut of $5 billion. Business will benefit from another reduction in the company tax rate—from 34 to 30 per cent—and will also be able to claim full input tax credits on the purchase of motor vehicles. Financial institutions duty, which taxes 12 million Australians whenever they make a mortgage payment or deposit money in their bank accounts, will be abolished.

The proceeds of prudent economic management have made a number of key initiatives possible, including a $3 billion plan to build Australia’s skills, a more effective social safety net and a major redevelopment of our road network. There is greater funding for high priority health areas, a major strengthening of our defence capabilities and further investments in the Natural Heritage Trust initiative to fund community projects protecting Australia’s environment. Importantly, the centenary budget recognises the contribution senior Australians have made to our nation and the financial challenges many seniors face in their retirement—something I will come back to.

It is worthwhile noting that the budget has been rapidly followed by the announcement of the March quarter national accounts figures. These figures show, much to the Labor Party’s discomfort, that the economy grew by 1.1 per cent in the last quarter. This growth flowed from strong increases in household consumption, in services, in plant equipment, and net exports. This rebound in the economy demonstrates yet again the coalition’s capacity to construct strong economic fundamentals and provide effective economic management for the benefit of all Australians.

When one surveys the economic and political scene, it is clear that the Howard government’s record of economic management, which yields the capacity to deliver social programs and social dividends, represents a huge problem for the opposition. In the most basic terms, an opposition’s main tasks are twofold. The first is to diminish a government’s achievements by asserting with some degree of credibility that the opposition would have done better. The opposition’s second, and perhaps more important, task is to demonstrate with a degree of persuasiveness that it would do better if only it were elected.

The problem for Labor is that the ‘we would have done better’ theme is excruciatingly difficult for it to run. This is because the government’s economic record is so substantial and because Labor’s own record in government has been so tarnished. Labor’s massive accumulation of deficits, Labor’s record interest rates, Labor’s broken promises on tax cuts—all of these totally undermine any credibility in a Labor assertion that it would have done better had it been in power. That is why Labor was so devastated by the March national accounts figures. Labor, the creator of ‘the recession we had to have’, the generator of the highest unemployment rate since the Great Depression, was quite desperately hoping for a technical recession; instead it got one of the strongest growth rates in the developed world.

The disorienting impact that this had on Labor was quite palpable—all you had to do was look across the House during that week. The bottom line is that Labor finds it very hard to denigrate effectively the Howard government’s economic record. It finds it very hard because of the magnitude of the government’s achievements and the flimsiness of Labor’s economic credibility. Labor’s constant talking down of the economy, its constantly changing interpretations of economic events and their causes, its sheer determination to turn economic achievement into economic failure, do not serve the nation, and I believe that the Australian people understand this.

This leads me to the second part of Labor’s task—convincing people that Labor can do better if they are to be elected to government. I use the term ‘convincing people’ advisedly because oppositions do not have the capacity actually to do anything. Oppositions only have the capacity to talk; they cannot demonstrate things through action. The great task of the opposition is to make compelling declarations of intent and persuasively outline their plans and
priorities. This was the task that faced the Leader of the Opposition in his reply to the budget—a task that was particularly important in an election year.

I sat there expectantly at the beginning of the speech and I actually physically moved to the edge of my seat when the Leader of the Opposition said, ‘I’m going to do something unusual in this reply to a budget speech. I’m going to give you several fully costed, fully funded policies.’ This was supposed to map out a vision and a direction for Australia. Unfortunately, as sometimes happens, my expectations were dashed.

It may have been that Senator Conroy’s admissions that Labor had to increase taxes or cut programs cast a pall over the budget reply. It may have been that the anticipation of a technical recession took the edge off the Leader of the Opposition’s speech. Regardless of the causes, however, the bottom line is that what the Leader of the Opposition had to say was quite empty.

The Leader of the Opposition held forth at length about Labor’s commitment to health and education. The policies and the costings he unveiled failed totally to match his rhetoric. What they did reveal is that Labor’s cupboard is utterly bare and that after five years in opposition Labor is bereft of any inspiration as to what to offer the Australian people at the next election.

Let us compare this with the investments made by the coalition as part of its broad commitment to providing a health system that meets the needs of our community. They include: a $562 million rural health package to provide those in regional and remote areas with better face-to-face access to doctors and health services; $300 million over four years to encourage longer consultations with GPs by restructuring the time tiering structure; $120 million over four years on mental illness to engage doctors in longer consultation items so that they can provide adequate counselling and support to patients; $27 million over four years on cervical cancer to prevent an additional 40 per cent of cases by increasing the number of women screened; $49.8 million to ensure a national approach to improving the prevention, earlier diagnosis and management of people with diabetes; and, $48.4 million to increase the quality of clinical care provided by GPs for people with moderate and severe asthma. These are all initiatives that build on Australia’s existing world-class health system providing targeted improvements where they are most required. The contrast between the government’s initiatives and the opposition’s threadbare policy clothes is manifest.

In the area of education policy the Leader of the Opposition promised to spend $100 million over three years—$50 million on teacher refresher training and $50 million on improving government schools. The coalition is spending $80 million on teachers for the 21st century, an initiative to enhance the skills of Australian state school teachers. The government is reinvesting $143 million from the enrolment benchmark adjustment specifically on the development and improvement of government schools. Funding for government schools over the five years since this coalition was elected has increased by 42 per cent and in the coming year it will invest $669 million more than the previous government delivered in any one of its years in office. So much for Labor’s breakthrough in education.

What about roll-back? The only number mentioned for roll-back in the Leader of the Opposition’s speech is a magnificent $45 million over three years—75 cents per head of popula-
Absent from the Leader of the Opposition’s statement were any extended details about Labor’s tax plan. This is something that was not rectified during Mr Beazley’s interview with Laurie Oakes on the Sunday program. The only conclusion one could draw from this interview was that Senator Conroy was spot on but—to paraphrase the Leader of the Opposition—it may be undignified to say more about this interview.

The Leader of the Opposition stated that he was going to give some stark examples of the choices available at the next election. He had a chance to spell out a vision for health, education and taxation. He did no such thing. I looked at Labor’s web site where he said the 70 Labor policies were outlined. I think I did this in part in an attempt to fill the void of disappointment with the speech. Unfortunately, the web site failed to help. It contained no explanation of how a Labor government would manage the Australian economy. There was no explanation of the policy of roll-back and no details of how Labor would provide an adequate social safety net in managing the Australian welfare system. I think that may be enough about the Labor Party.

I now highlight the budget initiatives for older Australians because they mark a further stage in the improvement of their position under the Howard government. The initiatives are multiple. Income tax rebates will be increased for senior Australians of aged pension age and veterans of veteran pension age. As a result of this, eligible, single, older Australians who receive a pension or part pension or are self-funded retirees will not pay income tax nor Medicare levy unless their taxable income exceeds $20,000. Eligible couples whose income is evenly split will not pay income tax nor Medicare levy unless their combined income exceeds $32,612. There will also be a tax cut for pensioners and retirees whose income is above this level: up to $37,840 for singles and $58,244 for couples. Importantly, this measure has been backdated to 1 July 2000, so eligible pensioners and retirees will receive the benefit of the increased rebates in this year’s tax returns.

The eligibility for the Commonwealth seniors health card will be extended from 1 July this year—an additional 50,000 retirees will benefit from the annual income limits increasing from $41,000 to $50,000 for singles and from $68,000 to $80,000 for couples. After 1 July this year Commonwealth seniors health card holders will get the same concession on telephone costs as pensioners, and they will be entitled to a telephone allowance of $17.20 per quarter. There will be a special one-off payment of $300 made to around 2.2 million people who are of age pension age and who receive income support from a social security or veterans’ system on 22 May 2001. It is important to note that people of age pension age not receiving income support from the social security system, and whose taxable income does not exceed $20,000 for singles and $32,000 for couples, will be able to make an application for the payment through Centrelink from 1 July. Finally, the superannuation assets will be excluded from the social security means test for people over 55 but under pension age.

These measures are important but they should not be viewed in isolation because they are part of a plan implemented progressively by the government since it was elected in 1996 to recognise the contribution that senior Australians have made to our nation. This plan has included such initiatives as across-the-board income tax cuts, which have increased the tax threshold to $6,000 and ensured that people earning less than $50,000 per annum pay a marginal rate of no more than 30 per cent; the progressive introduction and extension of the tax rebates for senior Australians, ensuring equitable tax treatment for pensioners and self-funded retirees and completely removing from the tax system thousands of retirees with low taxable incomes; up to 30 per cent private health rebate for people who take out private health insur-
ance, easing the financial weight of holding such cover and ensuring continuance of a viable private health insurance system for the thousands of retirees who have subscribed to it for many years; and the significant easing of the pension income test, providing access for thousands of low income self-funded retirees to income support payments and associated benefits.

Legislation has guaranteed that the age pension is maintained at 25 per cent of male average weekly earnings and ensured that pensions are increased to compensate for the introduction of the GST and that they consistently remain at two per cent ahead of the cost of living in real terms. The financial institutions duty, a tax which falls on deposits in bank accounts and has always weighed heavily on senior Australians, has been abolished. Fully refundable imputation credits have been introduced so that retirees who have an excess of imputation credits from their investments and shares will be able to get a refund on these credits from the ATO. Stamp duties on listed shares and other quoted securities, which often generate income for retirees, have been abolished.

These measures do, I believe, represent a concerted effort on the part of the government since coming to office to improve the position of senior Australians. This is an effort that the budget reinforces and advances. I commend the bill.

Mr JENKINS (Scullin) (5.19 p.m.)—In speaking to Appropriation Bill (No. 1) 2001-2002 I wish, firstly, to make some general comments about the budget, and, secondly, to discuss a number of the ways in which this present parliament is able—or unable—to review executive actions. This is the ultimate in poll driven budgets. It is the type of budget you have when you abandon the pretence of any economic management and you go to your preferred pollster—in the case of the Prime Minister, as I understand it, the Mark Textors of the world—to decide what the priorities should be.

This budget is a cruel joke on the unemployed. Here we have an admission that the massive cuts to the training infrastructure since 1996 were bad public policy. But—wait for it—it seems that this government is not willing to admit that training matters, not until next year. The centrepiece of the budget, as the honourable member for Kooyong has highlighted, is measures designed to assist older Australians. The public is entitled to ask: are these credible? I am indebted to a colleague who worked for me and is now at the ANU, who reminds me that Jonathan Swift, the great Irish satirist and social reformer, once suggested that ‘happiness is the perpetual possession of being well deceived’. This could perhaps summarise the philosophy of the Howard government; perhaps the statement could even be said to characterise John Howard’s entire public life.

Older Australians, more than most, will be likely to remember the ‘fist full of dollars’ which the present Prime Minister, when he was Treasurer, promised as pre-election tax cuts, only to take them back virtually before all the votes had been counted. Therefore, older Australians would know that on these matters John Howard has form. The electorate can no longer be deceived. People know that the Howard-Costello government is mean and tricky. I suspect its own backbench knows that. Older Australians know that what is given this side of an election will be taken away after it. It reminds me of the budgets we saw during the Menzies era. You could look at those budgets and understand where you were in the political cycle. In a non-election year you would have increases in excise on tobacco, alcohol and other matters, and no increases to pensions. But you could bet your bottom dollar that in a Menzies budget in the run-up to the election there would be no increases in excises. And finally, in the third year of the cycle, would come the increases to the pensions.

It is interesting also to reflect upon how Robert Menzies talked about the ‘forgotten people’—that amorphous suburban middle class. Where were they in this year’s budget? Have they been forgotten? Would this budget make Robert Menzies turn in his grave? The budget
provides nothing for those middle income earners. Neither, more importantly, does it provide anything for low income earners who are not of pension age, whether they are on income provided from the public benefit or privately provided. I am sure that many members on both sides of the Main Committee would have had this question raised with them. I wish to quote from an email sent to me by a veteran:

Dear Harry

I would like you or one of the members of the Labor Party to ask the Howard Government in parliament, why service pensioners that are under the age of 65 were excluded from the $300 bonus paid to old age pensioners.

The only crime these exservice men and women committed was that they were either volunteered or were sent to serve their country, because of this service due to injury or illness they have been deemed by the repatriation process to be totally unemployable therefore entitled to disability service pension.

These men and women were ready to lay their lives on the line in the service of their country and because of this service were placed on disability service pensions, it would seem to many service pensioners like myself that the only ones the Howard Government cares about is looking after is the rich, big business and selling off the farm while throwing crumbs to pensioners and the rest.

Regrettably, many in the community feel that they were excluded from the budget’s admission of failure about the compensatory aspects of the GST tax package.

In the five minutes remaining to me, I want to talk about the way in which this parliament reviews the actions of the executive. My reason for doing this was highlighted by two committee reports tabled in the House yesterday morning. The first of these was a report on visits to immigration detention centres by the Human Rights Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade.

Regrettably, today we read in the paper the reaction of the Minister for Immigration and Multicultural Affairs. As well as perhaps briefly going to the issues that were raised by the committee, he chose to attack those who were on the committee, describing them as extraordinarily naive and not having enough life experiences, indicating that the report comes from a group of people who have not put in their hard yards.

I find it very regrettable that when a group of our colleagues from both chambers put in the effort of taking evidence, doing site inspections and coming to a conclusion about a matter of policy, they are vilified in the way that the minister has done on the basis of his perception that they did not do the hard yards. What is the basis of that? Basically it is because they disagree with the way in which he is administering this policy area.

Tonight does not give us the opportunity to discuss the detail of this report, but I would like to say that it is disappointing that a report like this gets 15 minutes for the tabling. We then have a response in the public media by the minister, but when will be the opportunity to discuss this as a matter of principle? The minister, whilst he did make a ministerial statement on the Flood inquiry, continually uses question time, in the guise of answering dorothy dix questions from his own side, to make ministerial statements on this area of public policy. Why will he not make the ministerial statement? Why will he not allow it to be debated by the House? Why will he not allow the House to review the actions of the executive in this area?

The second report tabled was that of the Joint Standing Committee on Electoral Matters from the inquiry into the integrity of the electoral roll. The whole genesis of this inquiry has not been one of the House’s greatest hours. This was a political witch-hunt from day one. It is not the sort of subject matter or type of inquiry that the House should contemplate. This was about a parliamentary committee setting out on something that was capital P ‘Political’ in nature.
I can stand before the Main Committee and say that I am willing to be involved in committees that review executive action and are political in nature. I was a member of the House of Representatives environment committee that reviewed the Auditor-General’s inquiry into the sports funding, and that was a very interesting inquiry. To go through the night until 3 or 4 o’clock in the morning, to sit in judgment about the executive actions of the responsible minister was the appropriate way in which perhaps, whether I liked the end result of the committee’s deliberations or not, the committee system is supposed to work. In that case Labor in government allowed that inquiry, cooperated with that inquiry and did not shirk the inquiry. It was an appropriate use of the parliamentary committee system to review executive action.

In conclusion, I wish to quickly go to another report, Health is life, a report on the inquiry into indigenous health by the House of Representatives Standing Committee on Family and Community Affairs. We have finally now, well after the time stipulated, had the response of the government to this report. But the government response was tabled in the House, there was no ministerial statement about it and there was no opportunity for this response to be debated. For 2½, nearly three, years, the committee went around Australia and came up with a series of recommendations, but it does not get the opportunity to review the executive action or the response that has been put in place. There should be opportunities; we need to look at the processes of the House to enable review.

I have just come up from the main chamber and from doing my duty in the chair. We had an opportunity today, coincidentally, to actually debate yesterday’s report of the Joint Standing Committee on Electoral Matters because a matter of public importance was proposed about it. I think that that was positive because we allowed a fuller 50-minute debate around matters raised by the committee report. That is what this House should be on about. We have a responsibility to assist executive government in the legislative process, but we also have a responsibility as members of this place, no matter what side of the chamber we are on, to review executive action. We need to think more about the ways in which we can do that.

Mr Nairn (Eden-Monaro) (5.30 p.m.)—I would like to speak today about the sound state our country is in as a result of five years of good economic management by the coalition government and how this benefits residents in my electorate of Eden-Monaro. The recent budget built on the important coalition initiatives of the last five years. The government now lives within its means and is paying back the $96 billion debt that the former Labor government left for us. As I drive around Eden-Monaro, many people ask me why it is so important that the budget remain in surplus and how it benefits them. Basically, a budget surplus is the difference between what the government raises in taxes and what it spends on services for the people. It is really just like a household budget: if you spend more than you earn, you run up debt on your credit cards and you end up paying more and more in interest and so have less to spend.

In the 90 years between Federation and 1990, Commonwealth debt totalled $16.9 billion. In the last five years of the Labor government, between 1991 and 1996, Labor racked up nearly another $80 billion in debt, leaving the people of Australia owing $96 billion. Back in 1995, the Commonwealth spent the same on interest payments as it did on schools and hospitals. It spent nearly as much on interest payments as it did on defence. Because the government was competing with home buyers and with business to borrow money, interest rates went through the roof, small businesses closed in their thousands and unemployment hit a record high. During that time I was running a small surveying business, and with rates as high as 22 per cent on our overdraft there was many a time that I thought we would not make it.

Just let me go back briefly to that debt because often you throw those figures around, like $96 billion, and I think out there in the broader public it just goes over people’s heads. They
think, ‘Oh, well, big figures; government always uses big figures.’ Let me put it into some perspective. The government as an entity turns over about $150 billion a year, so in 1996 there was a $96 billion debt to look after with a turnover of about $150 billion. For a small business turning over, say, $1.5 million a year, that would be like having an overdraft of $960,000—$960,000 to service a small business with a turnover of $1.5 million. I know there is nobody on the other side who has ever really been in those circumstances because of their mainly union background, but I can tell you that there is no way in the world that anybody in a small business that turns over $1.5 million a year would have the capacity to service an overdraft of $960,000. In fact, a bank would not let you get anywhere near an overdraft of $960,000. They would have stopped you well before the overdraft got anywhere near that.

That is one perspective on the sort of thing that we inherited in 1996, but let me take a second one: a family with an income of $30,000. It is like having a family income of $30,000 with a $20,000 bankcard bill. There is no way a family with an income of $30,000 could afford to meet the repayments on a $20,000 bankcard bill in addition to all their normal living expenses. It would not be possible. Once again, there is no way a bank would allow an individual or a family with an income of $30,000 to rack up a bankcard debt of $20,000, but that is the exact situation that we found when we came to government in 1996. I make those comparisons for people to understand the extent of the problem that we had at the time.

Since being elected, the coalition has worked harder and spent a bit less so that it could pay off the debt and decrease the interest repayments. The coalition brought the budget back into surplus in 1997 and, by the end of this financial year coming up, it will have paid $60 billion off Labor’s $96 billion debt. It is interesting to note that the last five budgets which have been handed down by the Howard government have all been in surplus, an occurrence which would never have happened under a Labor government. There is a saving of $4 billion in debt interest repayments each year and this money can instead be invested in more important things, like better hospitals and schools, for which spending has grown by around $4½ billion. Paying off the debt also keeps the pressure off interest rates for home buyers and small businesses. Australian home buyers now pay $300 less per month on the average home loan than when Labor lost office.

In addition, the fact that Australia weathered the Asian financial crisis illustrates the strength of our economy, resulting from the coalition’s sound economic management. In contrast, had Labor still been in power, running its huge budget deficits and high tax, high spending policies, there is no doubt that Australia would have been much more severely affected by the problems of other countries in our region.

Good economic management has created an economic environment which allows the government to pay back a social dividend. The recent budget contained a raft of benefits for local residents. These include, in Eden-Monaro, a one-off $25,000 tax-free compensation payment to approximately 26 Australian former prisoners of war and civilian internees and detainees of the Japanese. For those who are no longer alive, payment will be made to their surviving spouses. In Eden-Monaro the number of surviving spouses is estimated to be around three times the number of surviving POWs. This legislation was introduced into parliament on budget night so that the payment could be made before 30 June this year.

Families in Eden-Monaro will also benefit from the abolition of financial institution duties on 1 July this year. In fact, this will benefit the 12 million Australians who are currently taxed when they deposit money into their bank accounts, when they make payments on their credit cards and when they make mortgage payments. The abolition of FID will save those individuals and other taxpayers about $1.2 billion per year.
The owners of small boats and light aircraft will benefit from the abolition of radio licence fees. This measure is expected to encourage the further installation of lifesaving equipment, and thereby improve safety for recreational fishermen and the fishing industry. This was a measure on which Eden-Monaro small boat owners, of whom there are a large number, had lobbied me particularly strongly, therefore I am delighted that this has been delivered. Local environment groups in Eden-Monaro, which have so far been granted over $6.3 million of funding for environmental projects through the Natural Heritage Trust, will be able to continue their regeneration and conservation approaches through a five-year, $1 billion extension to the Natural Heritage Trust. Some of the significant projects that have been funded so far from the project include the Moruya recreational reserve effluent irrigation project, with $200,000 going into that; the Bega river system integrated management project, with over $123,000 going into that; and remnant vegetation action in the Snowy corridor, with nearly $180,000 going into that. Those are just a few of the total number of great projects that have been done by locals throughout my electorate.

Primary producers will benefit from a dramatic upgrade in the Australian Quarantine and Inspection Service, the Australian Customs Service, Australia Post and airports to strengthen Australia’s quarantine protection against foot-and-mouth disease and other risks to our environment and agriculture. In accordance with this, an additional $593 million over five years will be used to increase the inspection of mail and cargo entering Australia. Understandably, many local producers were quite concerned about the possibility of an outbreak of foot-and-mouth disease in Australia; however, with our country having been free of foot-and-mouth disease for 130 years, and with our livestock industries depending on that freedom, every effort is being made to prevent an outbreak here.

Many seniors will benefit from a tax-free $300 payment to people of age pension age at the time of the budget which was handed down on 22 May. To access this payment, a person must either be receiving income support or be a self-funded retiree who is not on income support or in the personal tax system and whose partner is not on income support or paying tax. That is subject to a taxable income threshold of up to $20,000 for singles and $32,612 combined for couples. The great thing about this payment is that, for those receiving income support, it will go into their bank accounts by the end of the month. Seniors also benefit from a raft of other measures, including the increase in the pensioner rebate and low income aged persons rebate, an extension of the Commonwealth seniors health card to another 50,000 older Australians, and an increase in the Medicare levy threshold.

Local businesses also benefit from a number of measures, including the allowance for registered businesses to claim full input tax credits on the purchase of motor vehicles as of midnight on budget night. This means that a local business that buys a $35,000 car now, instead of a month ago, will pay $3,200 less in tax. A business that buys a large interstate trucking rig with a value of $330,000 would save $30,000 in tax. These measures were announced in addition to the many programs and measures which have already been implemented by the coalition—projects like the 30 per cent rebate for private health insurance, which has been taken up by about a third of my constituents in Eden-Monaro, and the $1.2 billion Roads to Recovery package, of which $12.9 million was allocated to Eden-Monaro. I will revise that, Mr Deputy Speaker. The figure is $1.2 billion for the total Roads to Recovery package Australia wide; and $1.6 billion if you include the national highway as well. So there is $1.2 billion for the national Roads to Recovery package and $12.9 million, nearly $13 million, of that was allocated to Eden-Monaro.

Under Roads to Recovery, all councils in New South Wales will receive 72 per cent more than they currently receive from the federal government for roads over a four-year period.
That has certainly been very well received by the eight shires and one city council within the electorate of Eden-Monaro. With funds already flowing to local councils, road works have started in numerous locations.

Another project is Work for the Dole, under which 1,053 places have been created locally. This program has been expanded in the recent budget so that more job seekers will have the opportunity to gain work experience while giving something back to the community. There is also the abolition of automatic indexation on fuel excise, which was introduced by Labor back in 1983, and a crackdown on welfare rorting, which is saving $115,000 every fortnight in Eden-Monaro.

I think it is timely, given that we have now heard some very small details of Beazley’s planned roll-back and big-spend policies, that we pause and consider the contrast between Labor’s wild spending initiatives and union dominance and the Liberals’ understanding of the need to balance the budget books. Look at how Beazley intends to find the money to pay for his plans. I can assure honourable members that taxes will be increased again; that is how it will happen. An integral member of his team, the shadow minister for financial services, let it slip. We all heard that famous quote, ‘Look, we’ve got some hard decisions to make over the next couple of months. We’re going to have to make choices between are we going to cut programs or are we going to increase some taxes.’ That is something that a proposed minister for financial services should really know—how his team intend to get all the money they plan to spend.

The Australian Labor Party really are a party of deception and secrecy. They have not learned from their past mistakes. We all remember that during the 1993 election campaign Labor promised not to increase taxes. As soon as they were elected, away they went: 10 per cent to 12 per cent, 20 per cent to 22 per cent, 30 per cent to 32 per cent, the wholesale sales tax going up without any compensation for anybody. And they will do it again, a fact that has already been admitted by Senator Conroy.

The question is: which taxes will Labor increase? Will Labor increase the Medicare levy, or reintroduce indexation of petrol excise? I think that is the one that they really will do. Will Labor increase the rate of GST on some items? They were good at doing that on wholesale sales tax. Will Labor scrap the tax concessions in the budget won by self-funded retirees? Which programs will they scrap? Will Labor scrap Work for the Dole, which gives young Australians work experience and a strong work ethic? Will Labor scrap the Tough on Drugs program, which fights to keep our families and communities safe from the dangers of drug abuse? Will Labor scrap the black spot roads program? They scrapped that the last time they were in government; they got rid of that program quick smart. Or will they scrap the 30 per cent rebate on private health insurance? I think the first thing that they will do with the rebate on private health insurance is probably to place a means test on the 30 per cent, and then there will be a number of moves following that.

There is another way to look at all of this—what I call the Labor equation. I know that the other side were pretty lousy with their maths when they were in government and did not know the difference between a deficit and a surplus. I will just try to explain some mathematics to them and give them an equation. There is a choice of two equations: roll-back equals less money equals higher interest rates equals bigger home mortgages for families; or, alternatively, roll-back equals less money equals higher taxes equals less disposable income for families. It is one or the other, or a combination of the two.

In the first case, roll-back equals less money equals higher interest rates, we know that Murphy, the preferred modeller of Labor Party’s Treasurer Crean, has said that even a modest $4 billion roll-back will equal an interest rate jump of one per cent, which adds $80 to the
home mortgage and, similarly, to small businesses. That is the thing that small businesses absolutely fear, having gone through those horrendous years in the early 1990s when interest rates went so high. There were companies desperately trying to stay in business because we were in a recession that we ‘had to have’, plus having to pay well over 20 per cent on their overdrafts. And their overdrafts were going up monthly—I talk from experience—because we were in a recession and, therefore, business was very slow. With business slow, many businesses were trying to keep staff on as best they could so they were wearing losses on a month by month basis. Unfortunately, it was made worse by the fact that their overdraft interest rates were going up at the same time. That is the thing that small businesses particularly do not want to get back to. And families do not want to get back to higher mortgages. Yet an extra one per cent, which is a modest assessment of what roll-back might equate to, will equal $80 extra on a family’s mortgage.

There are, then, two equations. One is that roll-back equals less money equals higher interest rates equals bigger mortgages for families; the equivalent equation is that roll-back equals less money equals higher taxes equals less disposable income for families. We have to ask: which one is it to be? It is about time that Beazley and the person that represents Beazley in my area came clean on which equation they intend to apply, so that the people of Eden-Monaro can make an informed choice, come election time.

Mrs MAY (McPherson) (5.49 p.m.)—I am proud to rise tonight as a member of the Howard government, which has recently handed down its sixth budget for Australia, to speak on the Appropriation Bill (No. 1) 2001-2002. This budget continues to steer our nation on the right course—the course this government charted when we were elected five years ago.

This year’s budget will deliver a better quality of life for all Australians by keeping interest rates low, by cutting taxes and by rewarding those who work hard to get ahead. Importantly, my constituents in McPherson, and, indeed, residents right across the Gold Coast, know that our city is a big winner from this year’s budget—with extra support for residents and for important local industries. In delivering the 2001-02 budget, this government have continued to set themselves apart from the Labor Party. We are continuing to provide responsible economic management by repaying Labor’s massive debt spree and by investing in Australia’s future. But, in order to secure Australia’s future, we must keep the economy strong—because you must always ensure that the foundations are strong before you build a skyscraper. The coalition’s good economic management has meant that this year’s budget can cut taxes by $5 billion and invest in Australia’s most precious resource: our people.

The coalition has now paid back $60 billion of Labor’s $96 billion debt spree. That means that it has more money to invest in helping older Australians, small business, veterans, families, education, health and our environment. I particularly point out that not only is the government investing substantial amounts of taxpayers’ money in these vital areas but also it is investing this money in areas that were neglected by the previous Labor governments. Those are vital areas like information technology, education, small business assistance measures, on-the-ground environmental projects, reforming the welfare handout mentality, giving older Australians the support they deserve, increasing defence spending and many other smaller, but equally important, initiatives. The reason it is able to invest this money in these measures which benefit all Australians is because it has done the hard yards and managed the economy properly. It is a skill the Labor Party never managed to acquire, even after 13 years of practice, and Australia suffered because of it.

If the federal government do not deliver a strong, robust economy then it is the people of Australia who feel the burden; it is the small businesses of Australia who close their doors; it is the workers of Australia who lose their jobs; it is the families of Australia who sell their
homes; it is the dole queues of Australia which get longer; and it is the taxpayers of Australia
who pay for it all in the end. That is why one of the Howard government’s greatest achieve-
ments is our fifth consecutive budget surplus, which was announced in the 2001-02 budget.
Unlike the Labor Party, we are not racking up a credit card bill that we simply cannot pay,
then relying on Australian workers to fork out the money needed just to service the huge in-
terest bills and leaving it to their children to worry about actually paying off the real debt.

I hope that no Australian forgets that in the 90 years between Federation and 1990 Com-
monwealth debt totalled $16.9 billion. Then the Hawke and Keating labor governments came
along and racked up nearly $80 billion more on Australia’s Bankcard, leaving Australian
workers with a bill of $96 billion. The interest payments alone cost this country more than $8
billion a year, which is about the same amount as the federal government spent on schools and
hospitals, which is about the same amount spent assisting needy families and their children,
and which is about the same amount spent on defence. That is how much Labor forced tax-
payers to spend on servicing the interest payment on their debt spree: a crippling $8 billion a
year. In contrast, through hard work and through having a vision for the future, the Howard
government brought the budget back into surplus and has now paid back more than half of
Labor’s debt.

On the international scale, Australia now has one of the lowest net debt levels in the world
as a percentage of GDP, and it has a net debt level that is less than half the OECD average.
Today, the federal government spend well over three times the amount on schools and hospi-
tals that we spend on interest payments. We spend more than three times the amount on as-
sisting needy families and their children than we do on servicing Labor’s interest bill, and that
is the way it should be. The government should be spending taxpayers’ money on essential
services and infrastructure that benefits them all. Unfortunately, Labor has not learnt from its
mistakes. We still hear the Leader of the Opposition and many of his would-be ministers
talking about increasing spending and cutting taxes at the same time. As we saw recently, any
high school student could tell you that the maths simply does not add up.

Instead of getting back to their desks, doing a bit of work and coming up with some credi-
bility policy alternatives, the Labor Party simply hope to carp, whinge and scaremonger their
way onto this side of the House. So they continue to talk Australia down, both domestically
and internationally, in the vain hope that they will create enough disenchantment and enough
negativity in the community for them to slip into power. The Labor Party’s negative reaction
to this year’s budget, their attempts to obstruct much needed tax reform, their opposition to
government policies which have unquestionably delivered more jobs, higher wages and better
living standards, and their complete subservience to the union movement confirm that the
coalition is the only side of politics capable of forming a government and running this coun-
try.

Twelve months ago after the 2000-01 budget, I stood in this place and said that the only
thing worth noting about the opposition’s reaction to the budget was their complete lack of
alternative policies. At that time, I commented that it was a unique and somewhat curious
situation to be in, to be saying to the Australian people, ‘We are the alternative government,
vote for us. But if you do, we are not quite sure what we will do; we have not quite worked
out where we will take this country.’ I stand here 12 months later and nothing has changed.
We still have not even heard a rumour of a policy emanating from those on the opposite side
of the House. I would recommend that no-one hold their breath waiting. As usual, it has been
left up to the coalition to do the real work and, as usual, we have delivered.

I am particularly proud of the measures in this year’s budget which will assist those people
who contribute the most to the Gold Coast community—our families, our older residents, our
veterans and our small business owners. Of course, there is not time to touch on every initia-
tive that would benefit my constituents, so I would like to focus on a few areas that have par-
ticular relevance to the Gold Coast and which will contribute to our city forging ahead in the
coming years.

As I have stated in this place many times, the Gold Coast is the fastest growing region in
Australia. A major part of our population growth is made up of young families who have
moved to our city looking to buy or build their first home. As we all know, the mortgage bill
is usually the biggest one we pay each month, and it has been slashed as a result of this gov-
ernment’s continued good economic management. Home owners today are paying $300 less
per month for the average mortgage than they were paying when the Labor Party was booted
out in 1996. It is a very significant sum of extra money for a family to have in its pocket at the
end of the month. If you do the sums, it adds up to an additional $3,600 a year in after-tax
dollars.

The reduction in interest rates from the 17 and 18 per cent rates which crippled families
under the previous Labor government is one of the most tangible and practical assistance
measures that this government’s responsible management of the economy has brought about.
Combine the interest rate reductions with the introduction of the $7,000 first home owners
grant last July, and then the decision to double it to $14,000 earlier this year, and the Howard
government has given tens of thousands of Gold Coast first home buyers and home owners a
very generous helping hand. The first home owners grant has also given the Gold Coast
building industry—a vital part of our local economy—a good kick-start.

You only need to take a drive west of the Gold Coast Highway to see how many new
housing developments are going up around our city. Tens of thousands of homes are being
built every year. The Gold Coast has some of the largest home building and development
companies in Australia and, having spoken to some of these companies over the past few
months, I can report that they are over the moon with the government’s introduction of the
$14,000 first home owners grant, because it has given their industry a real boost.

The construction sector has always been one of the Gold Coast’s traditional industries, and
it remains valuable to our city. However, the Gold Coast is also forging a reputation as an ex-
panding information technology corridor. The Gold Coast City Council, in partnership with
private enterprise, has developed the ‘innovation city’ concept, which aims to build the Gold
Coast into the leading technology corridor in Australia, and we are well on our way.

The federal government now recognises the Gold Coast as one of the leading information
technology corridors in Australia. So when the Howard government made the largest ever
commitment to research and innovation in Australia’s history in this year’s budget through the
$2.9 billion Backing Australia’s Ability initiative, the Gold Coast was in a unique position to
capitalise on the raft of opportunities announced in the program. Backing Australia’s Ability
is a $2.9 billion initiative to build Australia into a smart nation and make us a leader in the
high-tech world of the future.

Due to the Gold Coast’s reputation as both an education hub and Australia’s fastest grow-
ing IT corridor, the multitude of education and IT initiatives contained in Backing Australia’s
Ability look like they were tailor made for our city. The initiative offers what the Gold Coast
requires to progress to the next level on the high-tech scale, from more targeted university
places for information technology to extra assistance for start-up companies and incentives for
businesses to invest in R&D. It is a major boost for our students, researchers, schools, univer-
sities and information technology businesses. The Howard government knows that innova-
tion, turning research and new ideas into more jobs and higher wages, is the key to Australia’s
future.
As part of this major initiative, a $130 million information technology centre of excellence is up for grabs. As a city we were quick to recognise that the centre of excellence could become the Gold Coast’s flagship facility and would cement our position as Australia’s version of Silicon Valley. Its focus on cutting-edge research would put our city on the global IT map. I am proud to say that the Gold Coast has grabbed this opportunity with both hands. I currently chair a committee within the Regional Economic Development Advisory Council that is utilising our business and academic resources, together with our information technology expertise, to put together a first-class bid for the IT centre of excellence.

I am pleased to say that the Gold Coast City Council has come on board and committed funding to put together our city’s submission. In fact, the Gold Coast has adopted a ‘whole of city approach’ to advancing our newest industry, and this level of across-the-board cooperation is one of our biggest assets. It is an attribute that sets us apart from other major cities such as Sydney and Melbourne, which are also bidding for this cutting edge IT centre. As a city we have been quick to realise the opportunities associated with the information economy and we will continue to forge ahead in the high-tech sector, thanks to initiatives such as Backing Australia’s Ability, which sees the federal government and the private sector working in partnership for the betterment of our nation.

As I mentioned, the Gold Coast is also known as an education hub. I am pleased to say that Backing Australia’s Ability will also be used to assist our education sector. Gold Coast public schools will get more money for science, maths and IT, and extra student places are now within reach for our local universities. The Backing Australia’s Ability initiative included $151 million to create 21,000 new full-time undergraduate places, with priority given to information technology and communications courses. Recent figures show a 17 per cent surge in the number of students wanting to study at Griffith University, which proves that the demand is there. Griffith University has identified that it requires an additional 3,000 student places to meet this demand. Put simply, Griffith University needs and deserves more publicly funded places.

A main priority of the Backing Australia’s Ability initiative is to increase the number of university graduates in areas with known skills shortages, such as the IT industry. Therefore, the opportunity to secure some of the additional student places needed through this initiative means that our local graduates would be skilled to fill the positions with major high-tech corporations like IBM, AAPT, Austar Communications, Eracom, Compaq and Electronic Arts, which have all located offices in our city. Initiatives like Backing Australia’s Ability are good for my city and our country because they do invest in our people.

The Howard government have forged a reputation for investing in people and their potential by introducing measures to reward initiative and ambition. In this year’s budget, we have taken this a step further, with the announcement of the $1.7 billion investment in the Australians Working Together package. This package demonstrates a practical commitment to help people move from welfare to work. It will continue to reform the dead-end handout mentality that Labor fostered during its 13 years in power by delivering some of the most far-reaching reforms to Australia’s welfare system in decades. Of course, the Howard government have already done a huge amount to reform attitudes towards the welfare system through our policy of mutual obligation and programs like Work for the Dole.

Our new Australians Working Together package will go a step further and replace the current, passive welfare system with an active participation network. The package will provide more support, encouragement and rewards for those people who receive welfare and who should be more involved in our community. Taxpayers work hard to build up our nation, and this program will ensure that unemployed people of all ages are building their potential by
either looking for work or acquiring new skills. The program expands the number of places available in employment services, like Jobsearch training, improves incentives for work by allowing the unemployed to keep more of their income support payments and, through the working credit initiative, provides $800 in training credits to people who have completed a Work for the Dole program or community work.

All these initiatives will benefit Australia and, in particular, they will benefit regions like the Gold Coast. Although the Gold Coast is a hardworking, aspirational city, it remains a tempting destination for people who do not want to work and who are in search of a beachside lifestyle. The ongoing reform of the welfare sector that the Howard government continues to deliver in this budget will ensure that the Gold Coast remains a cosmopolitan city that presents the right image to business investors and to tourists.

The 2001-02 budget continues the Howard government’s track record of looking toward the future rather than merely looking toward the next election. We have tackled the issues that were resigned to the bottom of Labor’s too-hard basket—issues such as comprehensive reform of the outdated, complicated tax system and the establishment of a new tax system to meet the demands of the 21st century; cutting income taxes for Australian workers and reducing company tax from 36 per cent to 30 per cent; reforming the welfare system to encourage people to be active participants in the community; tackling the budget deficit and delivering a budget surplus; lowering interest rates for home owners and businesses; reducing unemployment; developing a comprehensive plan for Australia’s technology sector to enable us to capitalise on the new economy; boosting the capability of Australia’s Defence Force and setting out a 10-year plan to protect our national interest; investing $2.5 billion in practical, on-the-ground, environmental projects in local communities and investing another $1.4 billion to improve water quality and to tackle salinity. The list goes on.

The Howard government have put Australia on the right track again. We have fixed the financial ruin that Labor left this country in after 13 years of splurging, and we have implemented a host of initiatives that will drive Australia forward on the world stage and deliver a better quality of life for all of us. I commend this budget to the chamber and look forward to standing on this side of the chamber next year to highlight the benefits of the coalition’s seventh budget.

Mrs IRWIN (Fowler) (6.07 p.m.)—This budget will become a nightmare for ordinary Australian families. They get nothing from this budget. There is nothing to reduce hospital waiting lists. There is nothing to improve their children’s schools. There is nothing to fix our roads to improve our nation’s productivity. There is nothing to boost our training and technology to give Australia a competitive advantage in the face of globalisation. Who are the people who are supposed to be the winners in this year’s budget?

When the newspaper headlines described this budget as one for the golden oldies, I thought I would check the reaction of some age pensioners in my electorate. My first call was to a dear old lady—and I use that term in the nicest way. She lives on her own in a pensioner unit. She is over 80 years old and got nothing from the government’s promised $1,000 GST compensation last year. So when I asked her what she was going to do with her $300 I was at first surprised when she said she was thinking about giving $20 to her neighbour. Her neighbour is a woman of 58. She suffered a stroke some years ago and is paralysed down one side of her body. She is on a disability pension and will get nothing from this budget. According to the Treasurer, she is not deserving. Her needs are no different from those of an age pensioner. In fact, because of her condition she faces higher expenses than most but she must pay GST on her gas bill to keep herself warm this winter, she must pay GST on her electricity bill, she must pay GST on her phone bill—even though the telephone is now the only way she can stay
in touch with her family. She may be needy but, according to the Treasurer, she is not de-
serving so she gets nothing. It is no wonder that so many age pensioners can see through this
government’s attempt to bribe them, because they still have the decency to know the differ-
ence between genuine help for the needy and a clumsy attempt to buy votes.

My next visit was to an age pensioner couple living in their own home, the home they built
40 years ago. When I asked for their reaction to their $600 jackpot, I was greeted with loud
laughter. ‘Just take a look at this!’ said the lovely gentleman, and he showed me the bill for
the recently completed renovation to their bathroom. There it was, the second last line on the
bill, ‘GST, $580.’ There are many struggling families in the Fowler electorate. There are more
children under five years old than there are people over 65. Families are struggling to pay the
rent or pay off a mortgage, something that most wealthy, self-funded retirees do not have to
worry about. Families are struggling to pay for their children’s clothes, school uniforms and
school books—all now with GST added. These are all things that wealthy, self-funded retirees
do not have to worry about.

Here we have a situation where a full-time employee on what is now the minimum wage of
$20,000 per year can expect to pay $2,380 in income tax while a single, self-funded retiree on
$20,000 per year pays nothing. A worker earning $32,612 per year can expect to pay $6,163
in income tax while a retired couple will pay nothing. When you consider that the tax break
extends as far as $58,200 for retired couples, this far exceeds the median income for families
with children at $52,000 per year. Wealthy retirees with cash assets can find lots of ways to
minimise their taxable incomes. Where does all this lead us?

The Treasurer must be the only person in Australia who has not noticed that we have an
ageing population and that the burden of supporting that population will fall on a smaller
and smaller proportion of the population in the coming years. If he has not noticed, this is the year
2001: the first baby boomers, born in 1946, are now turning 55. They can already access the
tax concessions granted to self-funded retirees in the Treasurer’s 1996 budget, and in 10 years
time they will be eligible for these over-generous tax concessions. ‘They deserve it,’ says the
Treasurer. He is quick to overlook the fact that many self-funded retirees over the age of 65
enjoyed generous tax concessions as they built their wealth through superannuation.

Who is going to pay for this? No doubt, many baby boomers will now factor the tax break
into their retirement planning. For some it will mean they can now retire earlier or reduce
their saving rate because they will not need as large a nest egg as they would have before the
changes. I hardly think that is a good thing for the economy. We could easily find in 10 years
time governments of either party looking to reverse these tax breaks, but that will not be easy.
By then nearly 40 per cent of voters will be over 55, and trying to take the tax breaks away
will be like trying to take a rattle from a baby. If you can remember the campaign waged
against the Labor government in the 1980s, when changes were made to the assets test for
pensioners, you might get some idea of how difficult it would be. Australia's future economic
prospects are not so rosy that you can afford to commit future governments to funding such
generous tax breaks for an unproductive sector of the community. This legacy of the Treasurer
and the government may be a poisoned chalice. This action by a government desperate to hold
onto power at any cost may come back to haunt the Treasurer.

Not surprisingly, a large group of self-funded retirees—that is, those between the ages of
55 and 65—will not receive these tax breaks. They, too, are not seen as deserving. Yet this
group of self-funded retirees contains some of those in most need. In particular, there are now
many self-funded retirees who did not leave the work force of their own accord. They have
been made redundant by the many structural changes that have swept through large govern-
ment organisations such as Telstra. At a time of life when they have less chance of finding
work, and receive no assistance to retrain for new jobs, they have been left on the employ-
ment scrap heap. They have had no choice but to take early retirement. Even after more than
30 years in the work force, they often do not have sufficient resources to last them for the rest
of their lives.

Many have been forced to run down their superannuation and redundancy payments by the
cruel action of this government, which denied them support payments in its 1996 budget. At
the same time the increased tax thresholds granted to self-funded retirees in 1996 did not al-
low for this group to top up its income with part-time work. They have been caught in two
traps. They were forced to raid their nest egg if they were under 55 at the time of their redun-
dancy and then they were locked out of the work force through a lack of training and tax in-
tcentives. For many their only option has been to sell the family home and move to cheaper
housing, often in coastal centres where employment opportunities are even more limited.
They now look forward to when they reach retirement age so that they can top up their mod-
est superannuation pension with a part age pension.

Clearly this government has no policy to address the problems faced by the nation in deal-
ing with an ageing population when it brings in one-off measures such as those contained in
this year’s budget, which do not target areas of need but simply try to buy votes. This is a
budget for the greedy, not for the needy. Why else would the Treasurer justify his handouts by
saying they were deserved—not needed, but deserved? As this budget clearly shows, this is a
short-sighted government which cannot see beyond the short term. Thankfully it has only a
short time left in office. I call on the Prime Minister to bring on the election because the Aus-
tralian people will remember this budget and they will cast their votes at the ballot box to
elect a Beazley Labor government.

Mr MOSSFIELD (Greenway) (6.17 p.m.)—I rise to speak on these appropriation bills and
I support the amendments moved by the shadow minister for finance and administration, the
member for Melbourne. I would refer to the year 2001 federal budget as a backflip budget. I
want to explain that term by referring to three specific areas, initially anyhow. Firstly, there is
superannuation as part of the asset tests; secondly, there is the $300 to pensioners, although it
should be around $1,000; and, thirdly, there is the enrolment benchmark adjustment.

I refer firstly to the decision in this budget to exclude superannuation entitlements as part
of asset tests for social security entitlements. The Labor Party strongly opposed the decision
to impose the inclusion of super and assets when it was introduced by this government in the
1996 budget. I said on that occasion that working people who had planned through their
working lives for a secure retirement would feel cheated by this coalition government’s deci-
sion to force them to access their superannuation payments prior to reaching retirement age.
Now, in this election year, the government are belatedly reversing this decision as they chase
the votes of older people, but I do not think older people will be fooled. This may not be a big
ticket item but it does show how mean and nasty this government’s decisions are. It shows
how wrong they were the first time around and how they would do whatever backflips were
necessary to chase votes. It shows how they let the people suffer for five years before admit-
ting their mistakes. It is far too little and far too late.

I ask the genuine question: how many older Australians who are now being offered this
miserly one-off $300 are on the age pension because they were forced to access their superan-
nuation entitlements before they reached retirement age? The $300 one-off payment for peo-
ples on age pensions will be seen for what it is by most age pensioners who missed out on the
$1,000 payment that the Prime Minister promised them to compensate for the GST. I would
suggest that they will see it as a gimmick. It has only been introduced now because, I would
suggest, the government is trying to suck up to older people to try to get their votes.
Just to give an example of what I believe would be the general feeling out in the community relating to that $300, I refer to an article that appeared in the *Sydney Morning Herald* by Annette Samson, which reads:

Many also feel that the $300 will do little towards solving the core financial problems faced by these poor retirees, the pincher effect of falling interest rates and the havoc this wreaks on the retired incomes and rising prices.

The Treasurer, in his budget speech, said:

The government will pay each person who receives a pension, or part pension, a non-taxable lump sum of $300.

This is not true, of course. Older Australians approaching pension age will not be eligible. Likewise, people on disability support pensions, single mothers and people on a carers pension—all of whom are affected by the GST—will get nothing. Many self-funded retirees will not benefit from the tax concessions. They will not be eligible for the rebate if they are under pension age or have an income greater than $38,840. As the *Daily Telegraph* pointed out in an article on 25 May, self-refunded retirees who were promised $1,397 tax cuts will receive, in most cases, as little as $355 because the government overstated the size of the tax cuts.

I refer to that particular article, but it is appropriate, in referring to the article in the *Daily Telegraph*, that I also refer to the other headline in that paper which refers to Labor’s position that Labor will not increase income tax. In that article, the position that the Labor Party has, as stated by Kim Beazley quite clearly, reads:

Firstly, a Labor government will not increase income tax or increase the tax burden on families; secondly, would cut spending on consultants and government advertising by $195 million over three years and spend it on fighting cancer and after-hour medicine; thirdly, would reduce grants to rich private schools by $105 million over three years and spend it on capital works for public schools and better teachers; fourthly, would scrap legislation now in the Senate to raise the tax deductibility threshold for political donations from $100 to $1,500 and use the $45 million saved to remove the GST on charities.

A very commendable piece of legislation that would be, I would suggest, and I think you would probably agree, Madam Deputy Speaker, on that issue. This government have a habit of overstating their giveaways and vastly understating the negative effects of their policies. The tax table issued by the Treasurer on budget night included income tax cuts that were delivered last July. This inflated the benefit of the budget tax cuts by up to 400 per cent. This is a staggering fiddle of the figures. Taxpayers Australia produced a table that was also referred to in the article that I have mentioned, and it shows that single self-refunded retirees earning $20,000 a year were told on budget night that their tax cut would be $2,688, but $1,149 of this applied from July last year. The concessions to older Australians put back only a fraction of the $750 million in cuts made by this government since 1996, when this government axed free dental treatment, cut back on free hearing aids and increased the costs of medicines bought on health cards.

Finally, on this issue, let me quote from a media release issued by UnitingCare:

Pension increases and tax relief for self-funded retirees is welcome but will not really address older people’s disadvantage such as that caused by the lack of dental health scheme. The $300 will go nowhere towards meeting such costs. This is just an attempt to buy back support from people who have lost badly because of the GST and earlier cutbacks.

I certainly concur with that statement. To reinforce that again, I refer to the article I have already mentioned by Annette Sampson, who wrote:

In its response to the Budget, released at a rally in Canberra yesterday, the Australian Pensioners’ and Superannuants’ Federation estimated that the central platform of the tax breaks, an increase in rebates available to older Australians, would benefit only about 25 per cent of self-funded retirees.
This budget fails to address another major area of public concern: that of people with disabilities. I have found that people with disabilities and their carers are probably the most deserving people in this community. The shadow minister for family services and the aged, Senator Chris Evans, pointed out that the budget fine print reveals that a staggering $101 million will be spent on administrative costs for the various initiatives, leaving a mere $76 million to be spent directly on disability services.

I have found in dealing with constituents who come into my office—and I believe most members would find this—that the most needy cases are families who have children with disabilities. I have referred to the Goswell family before in my speeches in this place and I will raise their case again. Children are treated differently from adults when it comes to the social security safety net. A disabled adult will get care but a child must be profoundly disabled, as defined by a narrow and senseless set of questions that ignore so many symptoms and situations. The Goswell family must continue for another nine years, until their son Ryan becomes an adult, to get the assistance that they so desperately need.

The backflip in this budget continues with the enrolment benchmark adjustment. This is another reverse decision, no doubt influenced by the upcoming election. The sole purpose of the EBA was to reduce funding to government schools by using an insidious formula that nobody apart from the minister thought was very reasonable. Just to give you an example, in my state of New South Wales 230 fewer students in the government sector cost the state system $16.6 million in government funding.

As it stands, the year 2001 budget reannounced the innovations statement that put back $3 billion of the $5 billion the Howard government has cut from universities and from research and development. And most of this is in three or four years time. It announced $230 million in new funding for TAFE after cutting $240 million from TAFE and VET over the years 1996 and 1997. It announced 670 extra university places a year when the number of Australian students at university fell by more than 3,000 last year. In short, the government only goes part of the way to putting back what it ripped out of the system with its slash and burn budgets of 1996 and 1997. The government expects people to be so blinded by the dazzling spending in this budget that they will forget the hurt and the cuts that have previously been made. The people are not blind; they know what is going on. They know that the government slashed billions and now expects the people to jump for joy at millions. The people will not buy it. They no longer believe in this government or in anything it says.

I would like to finish my remarks on a subject I have spoken on a number of times in this place before, and that is the Western Sydney orbital. We saw in the budget some $220 million for the Scoresby Freeway in Melbourne alone, with the promise that it would remain a freeway. In my own area, there is only $41 million for the first stage of the Western Sydney orbital, which the government has decided will attract a toll of at least $5. The Western Sydney orbital will form a vital section of the national highway and it will be the only section that attracts a toll. The Scoresby Freeway has the advantage of running through three marginal government seats, including Aston. This is just another clear indication of the pork-barrelling that this budget is all about: blatant, political spending designed with nothing in mind other than shoring up votes. This government has indeed sunk to the very depths.

To continue my argument, I will give a bit of background relating to the Western Sydney orbital. The Whitlam government declared a number of capital city roads as national highways. The Special Premiers Conference in 1991 agreed that the federal government would have responsibility for funding national highways linking national cities. The Keating government allocated funds for the Western Sydney orbital in its 1995 budget. The Beazley opposition promised to build the orbital in a 1998 election policy speech. However, in neither of
those cases has there ever been a mention of the toll. This 39-kilometre stretch of orbital will form a vital section of the 18,500-kilometre national highway, yet it will be the only section that will attract a toll. Sydney already has four tolls, three of them feeding the west. We do not need any more. An extra toll will create an inequitable burden on the residents of Western Sydney.

Sitting suspended from 6.30 p.m. to 8.01 p.m.

Mr RONALDSON (Ballarat) (8.01 p.m.)—Ballarat is a marvellous centre—

Mrs Moylan—And an excellent member it has too.

Mr RONALDSON—Thank you very much, the member for Pearce, for that compliment. It is a great electorate and one that I have been very proud to represent now for some 11½ years. It will be a great challenge for me but I am confident that Russell Mark, the Liberal Party candidate, will be successful at the forthcoming election and I look forward to Russell making his impact on the Australian parliament when he gets here. He is very much the underdog. The Labor Party thinks they have the seat in the bag but they are on notice that it is not going to be as easy as they reckon it might be.

I want to talk about a number of things tonight. I want to give a very quick overview from the people in the Ballarat electorate in relation to the budget. The first thing I am very pleased about is the funding for the construction of a Department of Defence MUD, otherwise known as a multi-user depot. Construction will commence this financial year, as some $4 million was allocated this year, and then the balance of that, $1.8 million, will come in the financial year after that.

An extra $35 million to provide extra places at regional universities and campuses is, again, welcome. We have three fantastic universities in Ballarat: the Australian Catholic University Aquinas campus, the Ballarat University and the School of Forestry, which is attached to the University of Melbourne out at Creswick—three fine institutions producing the next generation of Australia’s leaders, and I am very proud of the work that they do. A further $1 billion into the Natural Heritage Trust on top of the—

Mr Horne—That is pork-barrelling.

Mr RONALDSON—The honourable member has just interjected that it is pork-barrelling. If it were not for the fact that the honourable member was at a retiring members seminar with me at lunchtime, I would give him the mauling that he deserves for that comment. I do not think he actually means it—I will give him the benefit of the doubt—because I could go through a large number of groups that have received funding under the Natural Heritage Trust. There is not one bit of pork-barrelling in there at all.

I am disappointed that the honourable member would actually choose to slur what I think are the greatest community based rural organisations in this country, landcare groups. I know that the honourable members on my right are great supporters of the landcare network throughout Australia. Landcare groups are Australia’s true environmentalists. They are Australia’s true conservationists. They are community based organisations that are about practical environmental works. They are about the practical use of practical funds that were delivered by this government from the part proceeds of the sale of Telstra. There are a large number of landcare groups.

Tomorrow I will be hosting a lunch for the Project Platypus Committee, which is coming to Canberra to show the work that they have been doing. There is the Lexton Landcare Group, the Leigh Catchment Group, the East Moorabool Landcare Group, the Ullina Landcare Group, the Cresswick-Bald Hills Landcare Group and the Blamped Kooroocheang Landcare Group. The list goes on and on and on. This is not pork-barrelling. This is about practical en...
environmental funds going into areas of desperate need. I will take the honourable member to some parts of my electorate where the erosion is deeper than a four-storey building. I will show the honourable member the degree of degradation in rural Australia, degradation caused by inappropriate land management practices, added to by the failure of this country—until five years ago—to start doing something about practical environmental works.

The Natural Heritage Trust is about restoring this country for the benefit of our kids and our grandkids. This country has a fragile environment, Mr Deputy Speaker Causley, as you would well know from the electorate that you represent. We need to protect it. The Natural Heritage Trust Fund has done that. I very much welcome the extra $1 billion. This was a good budget for older Australians; it was a good budget for self-funded retirees.

Mrs Moylan—Very welcome.

Mr RONALDSON—It was very welcome. I notice a comment from Mr Harold Bodinnar, a director of Bodinnar Financial Planners. His comment was, ‘This is the best budget ever for retirees.’ Hear, hear to Mr Bodinnar.

There are two other matters that I want to raise specifically in relation to the budget, one of which relates to the Japanese POWs. Honourable members may or may not be aware that a group in Ballarat is building the Australian Prisoner of War Memorial. Some 40,000-odd Australians were prisoners of war. Some 8,000 Australians died in captivity. This is an ambitious project. The organisers know that it is an ambitious project. The cost of the project is about $1.8 million. The tragedy for them—and I think the tragedy for this nation—is that we have not got an appropriate memorial for those people who made such an extraordinary sacrifice. The thing that impresses me most about the POWs is that, when you speak to them, the one thing they do not do is talk about their experiences. They do not go around asking for sympathy for the absolute horrors that they went through. I hope this memorial does get built. The Commonwealth government has put in money, plus tax deductibility. The state government has put in money. It is an extremely ambitious project, and I would ask honourable members to go back to their own communities and support this enormous fundraising effort. Yes, it is being built in Ballarat; yes, I am heavily promoting it. But I think this is an apolitical project, and this memorial simply must be built.

The other matter I want to raise relates to the flow-through of funds to the Roads to Recovery program. Is that pork-barrelling—Roads to Recovery?

Mr Horne—Yes, no doubt about it.

Mr RONALDSON—I am almost tempted to give Russell Mark a ring and say, ‘Listen, Russell, I wouldn’t mind doing another term, old boy,’ because the comments made tonight are almost worth going to an election on: that the Natural Heritage Trust is pork-barrelling and that the Roads to Recovery is pork-barrelling. I have got a bit of time for the honourable member opposite, I have got to say. He has got a good sense of humour and he is a good fellow.

Mrs Moylan—Which one?

Mr RONALDSON—I meant both of them are not bad blokes. But only someone from metropolitan Sydney could describe the Roads to Recovery program as pork-barrelling. There is some $25 million going into my electorate under the Roads to Recovery program. I have not heard one negative comment from anyone, let alone the Labor candidate, but in due deference to my honourable friend I am going to go back over the weekend and ask her whether she agrees with his comment that it is pork-barrelling. I have to say that I very much hope she agrees with him. I presume that is the official Labor line and that, if it is, she will be required to agree with him.
Mr Deputy Speaker Causley, local roads, as you would be acutely aware, are actually the lifeblood of rural communities. They are what makes rural communities tick. They are the passageway for the movement of agricultural produce. They transport our rural young people to and from school; they transport their parents from either farms or smaller rural centres to larger centres. The local road infrastructure in this country was at a point of almost total collapse. The honourable member may not be aware of this, and I am prepared to accept that coming from metropolitan Sydney he is probably not aware of it, but the more you let local roads deteriorate—if they get to 20 or 30 years old, Mr Deputy Speaker, as you would be aware—the cost is multiplied four or five times. The best and biggest single investment you can make in relation to local road infrastructure is to maintain those local roads, because the longer they go without maintenance, the greater percentage-wise is the cost of restoring them.

As you would be acutely aware, Mr Deputy Speaker, councils were grading roads because they had got to the stage where they could not be economically repaired with the road funding budgets that were available. This is not pork-barrelling; this is investment in safety, because these roads are carrying kids in buses and cars. It is not pork-barrelling; it is about the safety aspect. I am attacking certain people for calling Roads to Recovery pork-barrelling.

I thought the follow-up since the budget had actually been quite interesting. At the risk of sounding as if I am too close to the Labor Party, Steve Conroy is a Victorian and I have been on an overseas trip with Steve and I like him. But by gee he let the cat out of the bag. The member for Pearce is sitting here shaking her head in utter disbelief—

Mrs Moylan—Absolutely.

Mr RONALDSON—that the cat was let out of the bag following a question from a 14-year-old student. What a perceptive young man. As the Treasurer said, he actually got out of the Labor Party what we have not been able to do during question time.

Mrs Moylan—Out of the mouths of babes.

Mr RONALDSON—Out of the mouths of babes—exactly! Funds for roll-back and Knowledge Nation and these other programs that the Labor Party keep on talking about are going to come from one of two sources. It is a choice the Labor Party are going to make: their words, not mine. In the words of Senator Conroy, ‘We are going to have to make choices between cutting programs and increasing some taxes.’ That is what roll-back is about. Chris Murphy, the favoured son of the Labor Party, has again let the cat out of the bag by saying that $4 billion of roll-back is going to mean a two per cent increase in interest rates.

I still have vivid memories of Sturt Street in Ballarat during the early 1990s when every second shop was empty. In those days, small business people in my electorate were paying interest rates upwards of 24 per cent—totally unsustainable. Many of those businesses were family businesses, many had family members working in them, obviously, and many of those family businesses went broke. I do not think the small business community are going to elect a party that is going to deliver higher interest rates. I think they know that, at the end of the day, the nation wants them—the engine room of the Australian community—to invest and employ, and the one thing that is going to kill that is higher interest rates.

When we were first elected, 70 per cent of the education budget in all its facets—training et cetera—was going to the 30 per cent of people who went to university, that is, to higher education. The single biggest issue facing this country in 1996—in fact, when I was first elected in 1990—was this massive skill shortage, a quite dangerous and devastating skill shortage. In the last year of the previous government there were some 60,000 young people in apprenticeships. This year there are 300,000 young people in apprenticeships. I will give you some figures. The number of young people in training in the Ballarat region as at 31 December 1995
was 1,140; on 31 December 2000 it was 2,729. That is 2,729, up from 1,140 at the end of the Keating-Beazley government. The number of apprenticeship and training commencements in the 12 months to 31 December 1995 was 536; in the 12 months prior to 31 December 2000 it was 1,721—three times as many as in the dying days of the Keating-Beazley government. They are pretty devastating figures. This is a group of young people who had been hung out to dry; a group of young people that the Labor Party had just left untouched. They tried towards the end of their term to introduce a program called Working Nation, which was a diabolical disaster, extraordinarily expensive and did not deliver any outcomes at all.

Mrs Moylan—They never bothered to consult the business community.

Mr RONALDSON—The business community was not consulted.

Mr Horne—You have finally taken up elements of Working Nation in this budget.

Mr RONALDSON—I will take the interjection because I agree that no-one is the fount of all knowledge, but my complaint about the last years of the former government is that it had forgotten the people who were going to drive this country in the future. You had forgotten apprentices and trainees; you had just wiped them off the map. I think those figures are a clear indication that if you are prepared to invest in this nation’s young people they will reward you. I get very angry when I pick up a newspaper and I see an article saying, ‘Australia’s young people don’t care.’ That is absolute patent nonsense. If they are given the opportunity, as this government has given them, they will respond, because I think they are as motivated as we were. They have the drive that we had—actually, they may be a bit more articulate than we were—and these kids will take up the challenge if they are given the opportunity to do so. I am tempted to ask for an extension of time because I have a lot more to say, but I could not do that anyway. This is a good budget and I very much welcome it.

Mr HOLLIS (Throsby) (8.21 p.m.)—It is always a pleasure to follow the honourable member for Ballarat. He actually was waving around a list and took objection to us on this side using the word ‘pork’. He threatened to read out from the list. Interestingly, he did not, because even he was too embarrassed at what he would have seen. We are not disputing the worth of the projects. What we are disputing is the distribution of the projects. It is quite interesting: why are all these needy projects in coalition seats? There are none in Labor seats, but I have never had any funding from any of these projects either. The honourable member, like so many members on that side, is in denial.

You have to ask: what are governments trying to do with budgets? It is a reckoning of the past year and an outline of what a government hopes to achieve in the next 12 months. This is the 18th budget debate that I have participated in and, of them all, this one is the least inspiring. It is the least inspiring because it is a grab bag of political desperation. This government is trying to fund its way back into office at taxpayers’ expense. It is prepared to blandly spend $20 million a month to ensure electoral success. If it thinks the Australian people will buy this, it has another think coming. It is really insulting to the intelligence of Australians.

I remember that prior to the 1996 election I was speaking to my colleague Ben Humphries, who was then the member for Griffith, and I said to him, ‘How are we going in Brisbane, Ben?’ and he said, ‘Absolute disaster and we’ve just had a bit of a disaster in the state election. They’re waiting there on the verandah with baseball bats. They’re not saying anything, they’re waiting with baseball bats’—and they were waiting with baseball bats. To my friends opposite I say: those baseball bats have come back, not only in Brisbane but throughout Australia. People are seething and waiting to use them on you and, as they did to us in 1996, they will use them on you in this coming election.
Much can be done with $20 million instead of giving it away to proprietors of the electronic and print media. For example, just last Thursday I met with a group of the Spanish community at Barnardos at Warrawong. Let me tell you some of the issues raised at the meeting that $20 million could go towards fixing up. It could go to help with transport costs or it could easily fix up the problem of the elderly lady in need of knee replacement surgery. As she was telling me about her difficulty she was crying in pain and frustration. I would rather that she had some portion of that $20 million to relieve her pain or to relieve the pain of pensioners instead of it lining the coffers of the media proprietors. How many knee replacements could be performed with $20 million?

Two elderly men raised with me the issue of the long wait for dental treatment. These men had difficulty in eating. This is the legacy of the Howard government abolishing the Commonwealth Dental Health Program in 1996. Twenty million dollars would make a start on cutting back waiting lists so that the two elderly men from the Spanish community in my electorate could be treated. Others raised with me their difficulties with Medicare and chemist costs, yet the government happily spends $20 million a month. Smugly, the Prime Minister says he will not change. This is vote buying at its worst, at taxpayers’ expense.

Depending on when the election is called, there will be a huge amount of money spent leading up to December. There could be an advertising bill of $120 million. This is a national disgrace and I do not know how those opposite can defend it. The government has been so careless with taxpayers’ money. Who can forget the extravagant use of hundreds of millions of dollars to promote the GST? Remember how we were all told how much better off we would be? Tell this to the local panel beater in Albion Park who called on me last week complaining about how the GST and its paperwork requirements were killing his business. He does not believe those $20 million adverts and he knows he is paying for the government propaganda. Tell it to the local vet who called on me a few days ago to raise a superannuation complaint. He rang the office of my colleague and, incidentally, my local member, the member for Gilmore, to register a similar complaint. He got short shrift there. He told me that a staff member—not the member herself—was none too impressed with his complaint and dismissed it with a line about a return to the wholesale sales tax days. He does not believe that the GST has helped his business and he does not believe those ads that he knows he is paying for.

There has been talk of tax reform in this country for a long time and we on this side recognise the anomalies of the wholesale sales tax, but what we did not need, and continue to oppose, is the GST. We were prepared to engage in meaningful reform of the taxation system. We are constantly told by the Prime Minister that this massive amount of taxpayers’ money has been used to inform people of the changes in the budget. I thought that was one of the roles of the local member. Members opposite must run their offices very differently from me and members on this side of the House. When we were in government, after each budget, I would put out a newsletter called You and the budget detailing the implications of the budget, and I would go out to every household in my electorate. When specific interest groups such as veterans were affected by budget changes, I would write to the local sub-branch of the RSL telling them about the changes and how they were going to impact on them, enclosing relevant information and indicating my preparedness to meet and address meetings of that group.

With the generous printing and postal allowance we get in this place it should not be hard for us to communicate about budget changes to our constituents. Incidentally, we get a postal allowance to contact each constituent at least twice a year. What the government is doing is double-dipping at the expense of the taxpayer.
Recently, my neighbour and, as I said before, my local federal member—the member for Gilmore—wrote an article in the *Illawarra Mercury* explaining the role of an MP. It was about how an MP should be a good listener and a good replier to correspondence, and how those members should be judged. In a letter to the editor of the *Illawarra Mercury* last Monday, Mr Ken O’Hara from Gerringong explained that the member for Gilmore also had an obligation to explain unpopular government policy.

After the budget week ended less than a fortnight ago, no-one in this place in touch with their electorate can claim it was a hit in their local community. There is one thing that is terminal for any political party, especially one that occupies the Treasury benches: if you stop listening to the electorate for long enough, the electorate will one day give up listening to you. The electorate has stopped listening to this government. It is not believed. It is not trusted. There is no confidence in it. When first elected, the Howard government and every single member of the backbench delighted in waving the axe to community services, hospitals, education, child care and training programs. They all delighted in cutting back $10 billion in public funding. To do this now, we were all told, would save Australia. All on the other side were chortling and laughing about the revolution they had just undertaken. You remember the ads and the hundreds of millions of dollars spent trying to convince the majority of Australians that this GST would work wonders? How wrong they were.

Then there was the graph that showed the level of Australia’s foreign debt. Do you remember the 1996 debt truck that drove around the country? It is broken down now. I am not quite sure where they have it hidden; they have it hidden somewhere, but it is under massive repair. What is the level of Australia’s foreign debt today? It is a record $317 billion, which is $16,547 for every single Australian. Do the members on the other side bring that up? No way!

*Mr Ronaldson interjecting—*

**Mr HOLLIS**—‘The best budget,’ said the honourable member for Ballarat. It is the best grab bag, I would say. It is the best snatch of taxpayers’ money—it is an unholy snatch and grab of taxpayers’ money. They are trying to snatch their way back into their seats with taxpayers’ funds. I must say that I am sorry for the other side. The baseball bats have been dusted off—they are shined up and waiting there—and they will be used on you. It is not the best budget ever. The Australian population will not buy that, and you will find just how angry they are when they take the baseball bats to you. As they took them to us in 1996 so they will take them to you in 2001, and you really do deserve it.

*Mrs ELSON (Forde) (8.31 p.m.)—*It is with pride and a sense of real achievement that members on this side of the House rise to speak about the 2001-02 budget. Indeed, all Australians can take pride in the cumulative achievements reflected in this budget—all, of course, except those opposite, who constantly talk down our nation and belittle our achievements for their own petty political purposes. I know that many people in my electorate, and right across Australia, are a little sick and tired of the preaching of doom and gloom in the Labor Party. They oppose everything for the sake of opposition. They stand for nothing and they are willing to say anything to try to win a few votes, with no regard for whether it is correct and certainly with no regard for what is in the nation’s best interest. The yardstick of motivation for all members of this parliament, regardless of their politics, should be Australia’s best interest.

The Howard government have always been driven by what is best in the nation’s interest. We have committed to paying back Labor’s debt, not because of some narrow economic ideology but because it is in the nation’s best interest. It is in the nation’s interest for Australia to live within its means and to be debt free so that future generations are not burdened by debt and the ongoing annual interest payments that go with it. With this budget, the Howard government will have paid back $60 billion of the $96 billion debt that Labor left behind. That
means that Australian taxpayers now save a massive $4 billion in interest payments each and every year. That means another $4 billion that we can now spend on hospitals, on creating safer roads, on delivering better services and support for those who need it most.

As I have said before in this place, it is only with a strong economy that we can deliver a better social policy. In this budget, responsible economic management has allowed us to deliver a range of benefits to Australian families as well as to recognise and reward the many older Australians who have worked so hard to create the Australia we know today. The budget complements and builds on the many positive policies our government have introduced over the past five years. For example, this budget delivers an extra $238 million for government schools over the next four years. It provides another $1.5 billion to employers to create even more apprenticeships and traineeships, which will give our young Australians a real head start. This budget provides an extra $900 million to make Medicare even stronger and to deliver better health services for all Australians, including a new national diabetes program and greater support for many Australians affected by asthma.

There is a new $120 million program to improve care for those who suffer mental illness. This budget cuts taxes once again; in fact, in just a few weeks financial institutions duty and stamp duty on shares will be things of the past—they will no longer exist; abolished by this government, as we promised. That is the biggest contrast between the coalition in government and the Labor Party in government, and that is really the choice that Australians will face later this year. It is about how we both perform in government, and it is about track records.

It is not about what the Labor Party say they will do in opposition, because we all know they will say and do anything to get back into government. It is about what they delivered when they were in government—and just what did they deliver? They delivered record debt. In fact, they racked up $80 billion in their last five years. They delivered record unemployment, which reached 11.2 per cent compared to seven per cent that we have delivered. They delivered record high inflation, while we have delivered the longest period of low inflation in 30 years. These things are crucial to the wellbeing of our nation and therefore our people. Most importantly, especially in the long term, is that the Howard government has begun to reverse the culture of welfare dependency that flourished under Labor.

We are consistently encouraging and rewarding self-reliance. Our Work for the Dole program, which is further extended in this budget, and the whole notion of mutual obligation have helped create opportunities and really made a difference in the lives of so many job seekers and their families. Importantly, this has helped foster a great understanding and appreciation between Australian taxpayers and those Australians generally requiring their support through the social security system. It is about a partnership, and I really see that when I visit the local Work for the Dole teams in my electorate. They have been fabulously successful. There is a real sense of genuine partnership and there is mutual respect and appreciation on both sides.

What most members opposite and some journos fail to appreciate is that there is really a genuine social change taking place in the Australian community. Of course, it is not something recognised by the knockers and complainers and the special interest groups who do not like the fact that our government has directed funding straight to the local communities where it is needed most, rather than to the peak bodies in capital cities. Beyond the negativity of Labor and the national press, out there in our local communities there is a positive social change and there is a great deal of goodwill, drive and belief in the system.

Just a week after the budget was delivered I was pleased to welcome the Prime Minister to my electorate. As well as meeting with volunteers and community groups in the rural township of Boonah, he launched the National Youth at the Centre project, which our government
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helped fund through our stronger families and communities strategy. It is a project that is
aimed at helping young Australians create their own opportunities to allow them to stay in
rural communities. It is about encouraging self-reliance and a long-term view to assessing
regional and rural Australia.

The Prime Minister then met with the Beaudesert Heritage Rail Support Group. This dedi-
cated band of volunteers is spearheading a project to create a tourist rail service on a local line
that has been closed for many years. This will generate jobs and bolster our growing tourist
industry. Our government has provided them with $5 million to make it happen. The group
aims to eventually restore commuter services and improve public transport options, delivering
real benefits to our rural community. Again, it is about encouraging self-reliance, helping
communities to help themselves.

Finally, the Prime Minister launched the Yatala web site, which is an important marketing
tool to attract more businesses to our growing Yatala enterprise industrial area. Again, we
backed the project with direct funding through our local area consultative committee and it is
about practical support for initiatives to create jobs and opportunities. There are thousands of
similar community based projects going on around the nation as a result of the policies which
our government has introduced and which Labor has opposed at every turn.

It has astounded me that Labor have had the gall to complain about the budget because it
did not create massive surpluses for them to play with come election time. Yet, after every
previous budget, they have accused us of being surplus driven and claimed that the huge sur-
pluses were not necessary. The primary reason we have had to work hard to secure the budget
surplus is so that we can use those surpluses to pay back the massive debt that Labor left be-
hind, and that is where every cent of this has gone. We can reduce the money wasted on inter-
est payments so we do not burden our kids with huge debt, so that we do not have pressure on
interest rates and families are forced to pay back more on their mortgage rates.

This is not about economics; it has never been about economics. It is about people and the
fact that they suffer when you have a government that cannot manage the economy. People
suffer when interest rates hit 17 per cent, people suffer when unemployment hits more than 11
per cent and people suffer when inflation forces up the cost of living and savings are eroded.
It is really that simple. Conversely, as we have seen with this budget, when you have respon-
sible economic management, you can afford to deliver real benefits. We have delivered a spe-
cial bonus to more than two million Australian age pensioners—a $300 payment. Of course
we would like to deliver more to this deserving and special group of Australians and, with
continued responsible economic management, we ought to be able to do so in the future. We
have extended the Commonwealth seniors card yet again so that more self-funded retirees can
have access to subsidised prescriptions—real benefits made possible through our economic
management. We have reduced taxes for self-funded retirees, again encouraging self-reliance.

There is not time today to list all of the many benefits that this budget delivers. I welcome
the payment to POWs or their spouses. I welcome the increased defence spending, which in-
cludes a commitment to defence intelligence training at the Canungra Land Warfare Centre in
my electorate. I welcome the increased funding for rural health services. I welcome the in-
creased support to protect our farmers from pests and diseases such as foot-and-mouth. And I
welcome the extension of the Natural Heritage Trust to protect our environment. The list goes
on and on, all only made possible through our continued responsible economic management.
This budget builds on the positive policies and achievements of the past five years. It over-
whelmingly meets the crucial test of being in the nation’s best interests. I am pleased to sup-
port this legislation, and I commend these bills to the chamber.
This budget is a budget for the past. It is a budget aimed at changing decisions of this government—decisions this government has now realised may not have been as well placed as it thought. This is not a budget about our future. This budget gives no clear view of where the government sees our community in the future. This budget gives no clear direction or leadership into the future. The only future this budget is aimed at is the future of this government and its re-election prospects.

Since coming to government in 1996, five very long years ago, the Prime Minister and his colleagues have implemented some dramatic changes which have affected every stratum of our community. A great deal of hurt has been felt with those changes, a great deal of upheaval. What has all this meant? A great divide now exists in our society, I believe. It goes beyond the haves and have-nots in a strictly financial sense, although that in itself is bad enough. Who can access legal services and who cannot? Who can access aged care services and who cannot? Who can access adequate health care and who cannot? Who can access a good education and who cannot? How can we guarantee the quality of these programs and the delivery of these services? This is where this government is leading us—down the great divide of equity, of fairness and of justice.

In the limited time available to me, I want to draw attention to some of that change, hurt and upheaval and to some of the situations that are creating that great social divide. I turn first to our older Australians. How cruel can it be when language used on budget night suggests one thing but actually suggests another the next day. The government can claim it was all in the print and no-one was misled. We recall very clearly another great example of this use of language, when the Prime Minister promised every older Australian a one-off $1,000 cash bonus—no fine print to read that time, just a blatant misuse of language, and the older Australians who contacted me made it very clear how they felt about that particular episode. The big mistake is the belief that you can act in this way again and get away with it. I believe that their memory out there is long and that they will not forget this. In this case, however, it is the fine print you need to read, because that is where we find out who really does gain and who does not. Time does not allow me to go through all of this in detail; suffice it to say that, whilst many in our community will receive some relief, many will not. If you are not in the right category, if you are not the right age, you will not receive $300 or possibly a Commonwealth seniors health card or possibly a telephone allowance. As for the changes to effective tax thresholds, you will read lots and lots of fine print to work out if and how that might assist you.

These people do not need misleading messages. They want to be treated honestly and openly. With the impact of the GST on them, they all—I repeat: all—could have done with some assistance. In the area of aged care facilities and places this budget is extremely disappointing. The aged care budget over the past three years was increased by between eight and 10 per cent. The government’s future budgets show increases of just three to five per cent. The need for beds and care is not decreasing; it is increasing. We need to see at least indexed increases, if not higher increases, if we are even to hope to cope with the growing needs of our frail aged. In the ACT alone we have seen waiting times extend far beyond the acceptable. In 1997-98 just three per cent of persons assessed as needing a nursing home bed had to wait more than three months. By 2000 that number had increased to 21 per cent. This is intolerable. Governments have to do more than make budget night announcements about how good they are for older Australians. Obviously words are cheap.

I now want to talk about the area of disability. It is pretty divisive when you tell one sector of the community that they deserve $300 while at the same time ignoring another equally important group of people. My office receives a great many calls from people on disability sup-
port pensions who are finding it difficult to survive. They are having to deal with their disability and what life throws at them and are virtually being told that they do not deserve any additional assistance—the only conclusion that they could draw. For any of these people attempting to enter or re-enter the work force, the government announced the package A Better Deal for People with Disabilities; but of the funding only six per cent is available now, with nearly 90 per cent being held back until July 2002. However, not all of this $177 million package will go to helping these people get work, as $65 million of it will go to making the current medical assessment procedure for disability support pension applicants more rigorous. Consider that against the noises that for some months now have come from this government regarding people on DSP income—noises cloaked in the term ‘welfare reform’—and we are justified in questioning this government’s motives in the welfare area, particularly that of reform.

I also want to talk briefly about legal aid. You could be led to believe that it is good news that this year’s budget allows Commonwealth funding for legal aid to remain static. The true picture is that this is against a background of massive cuts in previous years. What was honestly needed was a reinvestment in legal aid to allow Australians who are unable to afford the cost of legal services to access our legal system equitably and fairly. In the last year of the previous Labor government, Commonwealth spending on legal aid was $160 million; in 2001-02 that figure will be $114 million, plus some $5 million not spent in previous years. That is $46 million less than was spent before this government came to power. In real terms, that means there will be $67 million less this year than there was in 1996. This withdrawal of funding is reflected in the inability of the Family Court to carry out its duties; in the decimation of the Family Court Counselling Service, particularly in regional and rural areas; in overworked and stressed officers who work in community legal centres and legal aid offices; and in the number of people and families being turned away due to lack of funding. This does not reflect a fair and equitable society; it reflects that great divide in our society.

In the brief time left to me, I would like to talk about indigenous health. We all would agree that one of our most important areas of concern is that of indigenous health. The committee report Health is life was tabled in June of last year in the House. The government response to this report was long in coming, and I was foolishly hopeful that a reason for that delay could have been this year’s budget—in other words, that we would see some announcements in the budget reflecting the government’s response to that report. How wrong I was. It is so disappointing to see this lack of response. The committee produced a report that we hoped would set a new direction for addressing these issues. There were 35 recommendations unanimously agreed to, looking at a broad range of issues and actions. Nine of the recommendations have been accepted; the rest have been agreed in principle, noted or, in one case, rejected. At least we have not had the minister accuse the committee of swanning around and not doing the hard yards—and I am thankful for that. A section of the recommendations referred to housing: the need to address the backlog, and the need to find ways of maintaining housing and other infrastructure improvements, possibly involving training.

I see in the budget that some $75 million over four years has been allocated for indigenous housing, which has been divided between the ATSIC Community Housing and Infrastructure Program and the Commonwealth-state housing agreements. But how disappointing to see that only $3 million of this additional funding will be available over the next 12 months. What hope do we have of addressing the backlog in the supply of appropriate housing with this sort of commitment? And this is just one example that I can briefly refer to. This issue is of enormous importance. Not only does it go to the very heart of practical reconciliation; it goes to simple justice and fairness. A great deal of time, work, money and heart on the part of the people who appeared before the committee went into that inquiry. The worst possible out-
come is for the report and the government response to languish on a bookshelf somewhere. Those people who contributed do not deserve that, our indigenous community at large does not deserve that and I do not believe our country deserves that. This budget could have seen the beginning of a new approach; I deeply regret that that new approach is not evident.

The social divide to which I referred earlier is real. It affects many people in many ways. The government is there to govern for all Australians and to take into consideration their needs and aspirations. Reacting to polls by spending money at the rate that we have seen in the last few months on areas we were earlier told could not have been addressed is no way to govern this community. It is no way to compile a responsible budget. This budget is such a disappointment, and such a lost opportunity for so many in our community.

Ms HALL (Shortland) (8.50 p.m.)—Each year governments present their vision to the Australian people, and a strategy as to how they will implement that vision. The vision is the broad-brush approach—the government’s opportunity to let the Australian people know what they have planned for our nation and its people. The strategy is transmitted through the allocation of various amounts of money to different programs—programs that will determine the direction in which our economy goes and the type of society we will live in. Allocations of money in the budget determine whether we are a society that invests in the future of all Australians through education or whether education of different standards is available to different students depending on their ability to pay. The allocation of the health dollar is determined by the government—whether we are going to put money into public health or into private health, whether we are going to foster our public health system to enable all people to access quality health care or whether we are going to have a two-tier system similar to that of the United States where if you have money you can afford health care and if you do not you are in a difficult situation. Financial security, jobs, skills and the types of safety nets that you have in place are all determined by the budget. It is an opportunity for the government to show the Australian people just what type of government they want to be and what type of future we in Australia should have.

I have a vision and, of course, my vision is somewhat different from the government’s. My vision is for an inclusive society where everyone has the opportunity to enjoy a good standard of living, a society where there is fairness and justice for all—not for just a few and not for just those who can afford to pay. My vision is not for a society where some Australians are marginalised while others enjoy great wealth but rather for a society where everyone who lives in that society shares the cake, a society where people who live in residential and caravan parks pay the same GST on their rental as a person who rents a luxury apartment at Double Bay, a society that does not marginalise people who receive a lower income. This is achieved through a visionary budget, not a budget like this one. This budget is a budget that lacks real vision. It is a budget that has only one vision: to see that the government gets re-elected at the next election. It is a vote buying budget—one that does not set a direction for a strong, sound future in which all Australians can share. It is a budget that spends six times more on advertising private health insurance than on anti-smoking campaigns. Here we have a government that makes a commitment to advertising and re-election at the expense of the health of our Australian community.

While I am talking about health, I want to say that it is one area where I feel the government could have really shown some leadership. In regional areas like my own, and in outer metropolitan areas, there has been a problem with doctors bulk-billing. I know the AMA lobbied the government quite strongly about putting in place a better system whereby doctors would be more inclined to bulk-bill so the people of Australia could afford to get free medical service of the type that Medicare is supposed to provide.
Unfortunately, that did not happen and the people of my area are continuing to have to pay when they go to the doctor. If a pensioner does not have the money to present to the doctor when they attend that doctor’s surgery, they are unable to access that service. Similarly, if they cannot get that refund very quickly they are unable to buy the medication. I do not think that is the sort of society we should have here in Australia. I think it should be an inclusive society where if a person is sick they can go to the doctor and know that their bill will be covered. They should know that they can then go off and buy their prescription—and not find that rules have been changed so that, if they go along to get a cholesterol lowering prescription that their doctor has prescribed for them, they then find out that instead of getting it through the PBS they are having to pay somewhere between $39 and $114. It is just not good enough.

We need a system in place whereby we start to invest in our hospitals and we start to ensure that all Australians can access quality care in our hospitals. We need the Medicare after hours program, as has been outlined by Kim Beazley. Very importantly, we need a return to the dental health system. I have people come to see me on a regular basis in my office who have been waiting between four and five years to access dental care. That is not good enough. It becomes a primary health care problem and can even be life threatening if a person’s dental care is allowed to deteriorate to a point where it affects their general health.

This government’s record on education is appalling. Instead of investing in government schools and education for all Australian students it has chosen to invest more to shift the balance between government schools and private schools. This is impacting on the 70 per cent of children who attend government schools. The majority of children attend government schools. In my area there are no category 1 private schools. There are none in the whole of the Newcastle or Central Coast areas. The students attending the public schools in my area really object very strongly to money being invested in the wealthy private schools in Sydney and Melbourne. Education is the keystone of the future of Australia. We need to have an education system that ensures that all children have the opportunity to share in the wealth of our country in the future. We need our education to be looking towards the future and able to predict the kind of skills that will be needed in the future and the knowledge that will be needed. It is only those countries that educate their children and their young people to be able to embrace the challenges of the future that will succeed. Unfortunately, under this government funds have actually been reduced in that area. The opportunity is there but the opportunity is only there for a very few people, those people who can afford it.

We need to ensure that all Australians can have a better standard of living. Under this government there has developed a great divide between those that have and those that have not. As I mentioned earlier, there is no group where this is more apparent than the people who live in residential caravan parks. This government has imposed a GST on those people, people who are generally on a fixed income, people who are pensioners and people who really struggle. This government is allowing park owners to charge a 5½ per cent GST on their rental while somebody who lives in a luxury apartment pays no GST on their rental.

The GST has created great hardship for people in the community and in the electorate that I represent. Pensioners are struggling. They are finding it very hard to exist under this government’s draconian policies. In this budget there was an attempt to buy back those pensioners and to buy back the votes of those people that have been disadvantaged by the policies of this government. This government has missed the opportunity to set a vision for the future and create a society where everybody can share in the benefits and the wealth of this country. This is a budget that is a failure—a budget that is designed only to get the government re-elected by buying votes. It is a very cynical budget and one that is a great disappointment to all Australians.
Ms O’BYRNE (Bass) (9.00 p.m.)—The Treasurer has delivered us a budget that is perfectly in character with the Australian people’s understanding of this government. It is mean, it is tricky and it is sadly what we have come to expect. It is misleading and is aimed at members of the community who need our respect and should not be subject to duplicity. It is yet another example of the Liberal government’s inability to tell the pensioners and retirees of Australia the truth.

In his characteristic meanness, the Treasurer has refused to properly compensate pensioners and retirees for the cost of the GST and then, to add insult to injury, he tries to trick older Australians into believing that he has. By using inferences and misleading statements, the Treasurer is leaving older Australians wondering where they stand. The day after the budget was handed down the ‘Treasurer promised the National Press Club audience that those eligible for the $300 bonus would receive an annual payment, not a one-off payment but an annual payment. In fact, he repeated this untruth again and again. It brings back memories of the pensioners who were all promised $1,000—I am sure you remember that, Mr Deputy Speaker. The following day the Treasurer told the parliament:

Every Australian pensioner and every Australian part-pensioner next month will be receiving a $300 bonus.

Very tricky, Mr Treasurer, because you know perfectly well that only people of age pension age will receive the bonus—smokes and mirrors, meanness and tricks. My office has been flooded with calls from disability support pensioners and people on carers pensions dismayed that they will get absolutely nothing.

Unfortunately, the deceit continues when it comes to self-funded retirees. Far from compensating self-funded retirees for the GST slug, this government has tried to pull the wool over their eyes. Only one in four of Australia’s 470,000 self-funded retirees will receive any additional benefit from the taxation changes in this budget—nothing for the self-funded retirees under the age of 65, and 65 per cent of the self-funded retirees who are over 65 completely miss out on the promised tax break.

This budget also demonstrates this government’s lack of commitment to regional Australia. It is a truly city-centric budget with very little benefit for rural and regional areas. In this government’s scramble to win over older Australians, it has entirely forgotten that rural and regional Australia is hurting. Measures to revitalise the regions must be at the heart of policy making for regional Australia. Unfortunately, the government has completely ignored the people in our regions. It has sent a very clear message to those people who make their homes in areas other than Melbourne and Sydney. That message is, ‘You do not matter. Your concerns are not important to us and don’t bother asking for anything, because you simply will not get it.’ It is often said that it is the bush that is the backbone of our country. It is impossible to keep this backbone strong without the support that it needs.

The government is weakening regional Australia by measures such as selling off Telstra. This budget confirms that the rest of Telstra will be sold in two years, which will lead to sub-standard services and reduced employment opportunities for regional Australia. Just a few months ago, I spoke to the 35 NDC staff in Launceston who lost their jobs, and this is added to the 400-odd jobs that have already gone because of the government’s attacks on Telstra. Telstra must remain in government hands to guarantee jobs and services to the regions. Time and time again we hear that the things that are important to regional Australia are jobs, health and education—vital for regions and vital for families. The government has an obligation to provide policies that directly assist job creation and sustainability in the regions and equity in access to health and education services.
This government’s lack of interest in the people of Tasmania is demonstrated in the cut in the specific payments to states. There is a cut of over $20 million in payments to Tasmania in this budget, which is in contrast to other states which seem to get an increase. Perhaps the Treasurer took advice from the Minister for Health and Aged Care on this particular issue. After all, we all know how he feels about Tasmanians. What we are faced with is a government which has run out of ideas and is scrambling to claw back some of the votes that it has lost. It has the lack of foresight to deliver a budget that ignores rural and regional Australia, young people, women, people with disabilities, carers, teachers, schoolchildren, parents, people on low incomes, families, veterans, self-funded retirees below retirement age and small business operators. While still reeling from the introduction of the GST, how can all of these Australians bear to be ignored again?

There are a number of important initiatives and programs that the government has decided not to fund within this budget. One of the most important of these is the Commonwealth Dental Health Program. It is a program that is annually ignored by the current government. This scheme, an initiative of the Labor government, was an outstanding success in delivering improved dental outcomes for thousands of Australians. With the cancellation of this scheme, access for Australians on low incomes to dentists has all but been removed. This lack of access is of great concern to people in my electorate, and I know that they are not alone. Many people now are unable to access even the most basic of dental treatments.

The Commonwealth Dental Health Program was introduced by the Labor government in 1994. It came about as a result of the recommendations of the 1991 National Health Strategy that noted the social inequities in oral health status and access to dental care among Australian adults. The specific aims of the program were to reduce barriers, including economic, geographical and attitudinal barriers to dental care for eligible adults; to ensure equitable access of eligible persons to appropriate dental services; to improve the availability of effective and efficient dental interventions for eligible persons, with an emphasis on prevention and early management of dental problems; and to achieve a high standard of program maintenance, service delivery, monitoring, evaluation and accountability. It was very successful in reducing waiting times and allowing access to good dental treatment. The program was able to ensure that many people’s dental health was maintained so that they did not have to have their teeth removed. Under the program, four million people were eligible for treatment, and in 1994-95 more than 500,000 people were treated. The effect of the Commonwealth Dental Health Program on waiting lists for treatment was also profound. Dr Robert Butler, Executive Director of the Australian Dental Association, argued that the introduction of the program:

... produced an incredibly beneficial effect on its waiting lists. In a very, very short time these waiting lists that I have referred to as being about two years in the dental hospitals were down to below six months. That was a very, very rapid reduction.

In 1996 this penny-pinching and short-sighted Liberal government abolished all Commonwealth funding, despite the opposition’s and community’s protests. We have a responsibility to disadvantaged people in our society and one wonders exactly what senior members of this government think about them.

It is the essential building blocks of our community that this government has walked away from in this budget—the building blocks of health and education. Australia’s future is inextricably bound up in our education system. The success of our education system is going to have the largest impact upon our success or otherwise as a nation. Unfortunately, this fact is one being either ignored or dismissed by the government in the budget.

Increases in funding to category 1 private schools, which Tasmania has absolutely none of, such as King’s College and Geelong Grammar—schools that have a level of infrastructure
that not only rivals but also surpasses that of many towns in the electorate of Bass—is unfair. These category 1 schools are not the schools that need the largest increases. The largest increase should go to those struggling public schools that educate the majority of our young Australians.

The Leader of the Opposition is right when he says that we need to create a knowledge nation, a nation that is conscious of ensuring that all Australians have the opportunity to maximise their potential and active engagement in society. We need as a nation a plan that will maximise the potential of all Australians. That can only be achieved through a concerted national effort on education. Primary schools, high schools, vocational education programs, the TAFE sector and universities—these are the places that we need to focus our efforts on, and the budget does not do that. We also need to ensure that those who are currently unemployed are provided with the appropriate training that they need to re-enter the work force. This budget makes some steps in that direction, although it is a feeble shadowing of Labor’s plans in this area. It is a belated recognition from the government that its inadequate Work for the Dole program simply is not working. These are the things that we need to be looking at if we are to become a knowledge nation. We need education and training that is accessible to all Australians to assist everyone in maximising their potential. But to do this we need a government that will deliver a budget that has at its core a plan for the future of Australia, and that is what this budget lacks.

This budget picks up on another important Labor idea in the area of health. The delivery of health services, in a much reduced form compared with Labor’s proposal, is once again a recognition from the government that it is Labor that is leading the public debate in Australia, that it is Labor that is the party of innovative ideas and that it is Labor that has a plan for the future of Australia. I need to emphasis that it is a plan that is much broader than simply introducing a new tax.

Over the last six years, some budgets are remembered for the opportunities that have been missed; some budgets are remembered for the introduction of a new tax on nearly everything we buy. But the lasting note of the budget that the government has delivered to the House in 2001 is that it will be a budget that is forgotten—forgotten because it achieves nothing for the Australian community, except as an exercise in deceit, and forgotten because, at its core, there is no understanding of the future needs of Australia.

Ms CORCORAN (Isaacs) (9.10 p.m.)—I rise tonight to put on record the disappointment and outrage the people of Isaacs are feeling about this budget. The budget fails my constituents in many ways. I will talk about just three of them. I will talk firstly about the GST impact on families, on small businesses and on community groups. Secondly, I will talk about education and, lastly, about the youth of our community. None of these areas of need are addressed in this budget.

The GST has hit most Australians, but it is particularly disgraceful that those who are most vulnerable, the low income earners, are coping the brunt of this cost burden. Small businesses are also coping more than their fair share of the hurt in terms of cost and GST complexity. The government itself acknowledges that in the budget low income earners are bearing an unfair share of GST costs, because some of them have been given a bit of a break. For example, age pensioners are to get $300 but others on low incomes are not helped at all. How can the government look at someone receiving a disability pension or a carers pension and say that that person does not deserve the same break as an age pensioner; or doesn’t a person on a sole parent benefit or an unemployed person deserve a break? I am also interested in how this government can look a pensioner in the eye and offer them $300, although I will admit it is
better than nothing. Three hundred dollars is not enough to cover the additional GST costs, even for one year. The $300 is just a one-off payment, yet the GST costs go on forever.

ACOSS President, Michael Raper, exposed the further unfairness of this measure in the *Canberra Times* on 12 June 2001. He pointed out that the inequity just gets worse in the long run. Poorer pensioners either get nothing or the $300 just once. But self-funded retirees and part-age pensioners receive various new tax rebates and allowances worth about $900 a year, depending on their income, and these benefits go on forever. I have been approached by a number of people on pensions who are upset about the unfairness of the $300 for some pensioners but not for others. Some have expressed amazed disbelief at this budget announcement and have sought confirmation that this could actually be true.

Now to small businesses: time and time again we were told the GST would make the tax system simpler, but small businesses in Isaacs are telling me over and over again that they are being crushed by this tax—and the evidence is out there. It shows that small business people are doing it hard, some so hard that they have been forced out of business and are now swelling the unemployment queues. Many small businesses in my electorate tell me the GST is an enormous headache. A whitegoods store owner tells me that the GST is a nightmare for her. The time she spends on bookwork has doubled, and this time comes out of her family and leisure time. The fall in consumer confidence has severely affected her sales and she is now close to closing her business.

My local fish and chip shop provides further proof of GST damage. Chatting over the counter the other night, I noticed that this lady who has looked after me and provided our Friday night meal for many years was looking very tired. I asked her if she was okay. She shook her head and in a very heavily and wearily resigned manner, which is most uncharacteristic of her, she told me exactly what she thought of the GST. In summary, my fish and chip shop lady told me that the GST is just too much. She told me that her running costs have gone up and she now spends twice the amount she used to on accountant’s fees. She told me she spends hours on her books, and that is before she can get them to her accountant. My fish and chip lady is not happy, and she is typical of many small business operators in Isaacs.

Many small businesses have actually hit the wall. Kate Marshall on 22 May in the *Australian Financial Review* reported on a Dun and Bradstreet survey. This survey showed that bankruptcies have increased by 22.2 per cent in the first quarter of 2001 over the final quarter of 2000. Even worse, compared with the same quarter in 2000, they are up by 32.9 per cent. These are indeed dramatic figures, but these figures do not surprise Dun and Bradstreet’s Christine Christian:

Ms Christian said she was “not at all surprised” by the survey’s findings, which were consistent with expectations that the first wave of GST casualties would start to emerge in February, about three months after the first business activity statement.

“What we are talking about here are individuals and small business operators who can no longer meet their debt obligations—the milk bar, butcher and hardware shop owners for example,” she said.

She also predicted that the picture would get worse. “We haven’t seen the end of the bankruptcy increase, at least for the next few months,” she said.

Community groups are telling me about the GST impacts on their operations, and I am talking about community houses, kindergartens, clubs, environmental groups and so on. Their bookkeeping has grown enormously and many experience difficulty finding anyone prepared to take on the job of treasurer. These groups should be allowed to focus on the services that they offer. Instead they are forced to spend more and more of their time on GST paperwork.
I will talk about education for a few minutes. Education is the key to a good society. Kenneth Davidson in the *Age* of 11 June 2001 has lots to say, as he often does, about education. Let me quote just a few words:

The OECD points out that economic inequality goes hand in hand with inequality in education access and adult literacy, and that studies suggest that the most cost-effective way of increasing overall standards is to concentrate on pockets of disadvantage: “Countries that have managed to reach the highest levels of adult literacy by international standards (notably the Nordic countries and the Czech Republic) appear to have done so in part by reducing the inequality between different social groups in terms of literacy.”

I have visited many schools in Isaacs, government and non-government, and I have taken note of what is common and strong in each of these schools. What is common and strong is the commitment of teaching staff to their students. This commitment and energy comes over loud and clear, regardless of the school. The difference between the schools is physical resources. In Isaacs we have some category 1 schools, a new and very small Turkish school with minimal facilities, a number of Catholic primary and secondary schools and, of course, a large number of government primary and secondary schools. I am struck by the huge differences amongst these schools. It is not the staff. It is not the students. It is the physical resources—the buildings and equipment—that are the obvious difference. It is my belief that a responsible government must allocate taxpayers’ money to those in most need first. I am not saying that category 1 schools in my electorate do not deserve government funding. I am saying that other schools need funding more.

My final point is about young people. Where do they appear in this budget? While big business can look forward to some $5 billion in tax cuts, it is hard to find anything for young people struggling to make a transition from school to work or further study or to begin independent lives. The truthful answer is that there is virtually nothing in this budget for young people—and this is not surprising. This government has never demonstrated a commitment to young people. On the contrary its actions always serve to contain, to reduce or even to punish them. Let me outline just four of the many ways this government has hit our young people in recent times. Firstly, the GST, again: its impact on young people has far exceeded the minor compensation young people received. Generally they are low income earners and tend to spend on goods and services which jumped sharply in price with the GST. Secondly, this government has increased the age of independence for students from 22 years to 25 years and for young unemployed people from 18 years to 22 years, making it more difficult for these young people to establish their independence. Thirdly, it has introduced a punishing, breaching regime for social security recipients, the impacts of which are criticised in the government’s own Youth Pathways Action Plan Taskforce report. Fourthly, it has abolished labour market programs that so often paved the way into employment for young people. Youth unemployment is running at four times the rate of the general population.

In conclusion, this budget is seen in Isaacs for what it is: an appallingly blatant attempt to buy votes. It provides no leadership and no assistance to the lowest income earners and nothing for young people, and it does nothing to ease the burden of the GST.

Mr BYRNE (Holt) (9.18 p.m.)—I rise to speak tonight on the Appropriation Bill (No. 1) 2001-2002 with particular emphasis on defence appropriations. The important thing that we should focus on when discussing the budget is accountability for money appropriated, particularly for defence. We should focus like a laser beam on where the appropriations go and how expenditure of these appropriations is monitored. This is what the taxpayers want, justifiably.
It is our jointly held belief that expenditure of taxpayers’ money should occur in a way that is accountable and transparent. Unfortunately, in this portfolio there is a body of evidence that in certain areas money is being spent in ways which are not accountable or transparent. It is our duty as representatives of the people to ensure that a light is shone in areas such as these where there is not sufficient accountability, and I will do so tonight.

Tonight I will detail, as I have indeed touched on previously, evidence of systemic corruption and incompetence by a government agency, the Defence Estate Organisation, and its head contractor, Asset Services. I will also, if time permits, detail threats, harassment and intimidation experienced by those who spoke out about the corruption which appears to be endemic within the Defence Estate Organisation, particularly with respect to the area of building contracts and maintenance.

The system employed is so corrupt and out of control that millions of taxpayers’ dollars are being squandered by a mates network that exists within the DEO and Asset Services. This matter was first brought to my attention at a meeting that I had with the managing director of a Dandenong based company, Ridgewell Pty Ltd, which is a building subcontractor. The company was established in 1987 and employs 36 subcontractors. It is a company which has undertaken much work for the Defence Estate Organisation in the past. Indeed, it has been requested to undertake work at the Portsea safe haven for Kosovo refugees because the company was considered so good at its work. Mr Ashman, who is the managing director, came to my office as his company was imperilled due to harassment and victimisation experienced for detailing his concerns about the DEO and Asset Services and the way that tenders for work on DEO properties, particularly HMAS Cerberus, were undertaken. It actually went so far that Mr Tony Sullivan, the state manager of Asset Services, sent a personal letter to apologise for the threats made by his employees. Further, when Ridgewell made a claim in February 2000 for cost delays, he was told he would be sent bankrupt by Asset Services if he took it any further.

Mr Ashman has had first-hand experience of a tender process which appears to be completely out of control. Most tenders are poorly presented without the proper scope of works and detailed drawings for contractors to work off. This is costing the taxpayers millions of dollars. His particular experience was as follows: his company, Ridgewell Pty Ltd, entered into a contract with Asset Services for remedial works to the junior sailors gallery cafeteria building at HMAS Cerberus in November 1999. After he signed his contract he experienced a continuous alteration to the scope of works by Asset Services, taking 12 months to clarify. This delayed the completion of the works required. To compound this frustration, there was then a non-payment of delay costs by Asset Services to Ridgewell totalling some $91,250 as of 11 May 2001. For raising this issue, all that he and the company received was victimisation and intimidation of Ridgewell staff by Asset Services and threats from Asset Services’ senior managers to prevent Ridgewell from being awarded future contracts for services if Ridgewell pursued claims for delay costs. A request by Asset Services for Mr Ashman to sign a blank contract to cover up previous mismanagement by the head contractor and DEO was obviously ignored by Mr Ashman and refused, and for that he was the subject of further intimidation. He was then requested to sign a new novated contract for the DEO removing Asset Services as the head managing contractor for a sign-on fee of $24,950. My source within the department informs me that this is the standard sign-on fee when things have been bungled and then everyone is part of the mess.

Sadly, the experience of Ridgewell is not unique. I was lucky enough to come across a gentleman who provided me with further information which completely corroborated the information that Mr Ashman from Ridgewell had provided. I am sad to inform this chamber at
this moment that this gentleman appears to have been removed from the Defence Materiel Organisation today due to the fact that he is not prepared to see this cosy gravy train continue. The victimisation of those who speak out is an outrage and should not be allowed to continue. Those who support the best interests of our community seem to be blackballed by the senior executives of the DEO and Asset Services. I will further detail matters relating to this harassment at another time.

The latest in the ongoing harassment experienced by Mr Ashman is that he has been asked to remove his sheds, which have been there for some period of time, from Cerberus. It appears that this is deliberate as the sheds are used by Mr Ashman’s subcontractors when undertaking work contracts. The person who requested this is a Mr Peter Smith, formerly an employee of Asset Services who now works for the Defence Estate Organisation—of course, there is no conflict of interest there! It is alleged Mr Smith phoned Mr Ashman and threatened him, but to cover his tracks he sent a nicely worded letter.

Additionally, Mr Ashman received about a tender about two weeks ago which appears to have been as loosely constructed as the others. Firstly, the tender for works on the No. 10 block Cerberus tiling contract was given to Mr Ashman on a Thursday afternoon. The tender closed on the following Monday morning. He had to price this contract over the weekend. There were no drawings of the work to be undertaken, nor was the scope of the works finalised.

Normal tenders in this process close on Tuesday at the very earliest or more normally on a Thursday. It is well known that contractors know better than to ask for further information from Asset Services about tenders after they are set because, if they do seek information for these tenders, they are deemed not to be team players and a nuisance. However, we now know that the winners of tenders can be predicted because of connections with either Asset Services or the DEO. The successful tenderer in the case that I just mentioned was a Mr Noel Beech, a former Asset Services employee and the man who was brought in to take over the maintenance work of Ridgewell when the company was blackballed for speaking out. Mr Beech was seen to be having a personal inspection of block 10 the morning after the tender closed at 9.30 a.m. No other tenderer was given such an inspection. Why was Mr Beech there?

The problem appears to be that many contracts, apart from Ridgewell, have been mismanaged continuously. I will give you an example of the hospital at HMAS Cerberus shortly. It appears as though the roofs of virtually all the buildings at Cerberus need to be tied to dead weights because they keep on flying off. The whole floor of the hospital which had been constructed had to be jackhammered up because of the contractors’ and consultants’ muck-ups. These consultants were never asked to repair their mess but instead were asked back on a new tender to have another go. The roof of the hospital has now had to be replaced three times. The last time, it blew off in 29-knot winds. In total, there have been 12 scopes of works for this particular hospital contract. To date, the costs of the works of the hospital have been $9 million without the new tenders being included—which are approximately $3 million. So, we have $12 million worth of contracts.

I understand that the rectification works are being undertaken by a contractor, a Mr Beech, who I have just mentioned and who was an employee of Asset Services. With respect to Mr Beech, remember that he was a 2IC at Asset Services. Can someone explain to me how we appear to have managed a close-down of the Portsea barracks yet I now find out that Mr Beech has just won a selected tender for $90,000 to undertake further work at the barracks? One must ask this question: is he fixing up another problem covered over or is it just a tender to keep a mate happy?
On the basis of the evidence before me and numerous others, it appears that contractors who have not met their obligations are not asked to draw upon their warranties to fix their mistakes but instead are given a new contract to fix up their problems. Sadly, the taxpayer is paying for this malfeasance. The problem with the hospital is an ongoing one that the minister, Mr Reith, is well aware of, having had many of his Flinders subcontractors raise the issue directly with him.

One of the weirdest foul-ups in this whole process was a building, which was a school of languages, that was built in a hole in Laverton air base. It was meant to flood only once in every 25 years according to Kinhill engineers. Sadly, Kinhill, which have former Defence Force personnel on their staff, got it wrong. Carpets had to be replaced at a cost of $40,000 after it flooded and pumps had to be installed to remove the water from the site. Also, another contract was farmed out at the taxpayer’s expense to fix the problem.

You would think that there would be some inquiry into a farce like this, but what has happened is this: the senior manager of corporate services and infrastructure, who oversaw the project and who built the school in the location, obtained a promotion on the basis of this fine work, even though this person had no architectural expertise, which is normally required for a position of this nature. But why would you need this when you are putting buildings in holes that flood? It is also an absolute scandal that those responsible for the rots, the incompetence and the harassment receive bonuses for these works that have been completed. Don’t you think that, if this occurs, what happens is that there is a structural incentive to cover over problems to ensure that works are supposedly completed? Where is the independent ongoing assessment of this shonky process? Just see what happens when decent people like Ron Ashman, who was threatened and told he would never get another tender from Defence because he requested delay costs for DEO and Asset Services stuff-ups and for detailing that variations requested by Asset Services do not even appear to be documented draw attention to those things, as in the case of Ridgewell.

There are other examples that I could raise with respect to this but I will finish the speech on this, given I have run out of time. This is an unacceptable situation. I call upon the minister to seriously investigate the claims made by Ridgewell and to ensure that transparency and accountability are restored to the contract process undertaken by the Defence Estate Organisation and its head contractor, Asset Services. I will continue to rise to speak on this matter time after time until this atrocious situation is rectified.
only is democracy a worthwhile objective in itself; if it is successfully entrenched and implanted in the countries across our region and elsewhere in the world, it is the best guarantee we have, in the long term, of strategic stability. Democracies, historically, do not invade one another. Authoritarian regimes tend to invade one another. Democracy or the promotion thereof is a worthwhile foreign policy objective in itself. Secondly, however, it is important because, through the AEC’s functions worldwide in ensuring that electoral processes in emerging democracies are perfected to the extent that they can be perfected, the good name of the Commonwealth of Australia is advanced around the world—a name that has been, I regret to report to the House, severely impugned because of the current government’s withdrawal from the whole fabric of multilateralism and from its involvement in the United Nation’s framework.

In order to promote democracy, the AEC has to maintain a capacity to provide the sort of assistance that emerging democracies need. It is of interest that the Australian Electoral Commission is probably one of only two electoral bodies around the world which are significant full-time electoral bodies. Most democracies manage their electoral processes through part-time bodies and by the recruitment of volunteers at election time. Only a shell organisation remains between elections. This is not the case in Australia or in Canada. Even when compared with the electoral body in Canada, the Australian Electoral Commission, I am advised, is the largest full-time electoral organisation in the Western world.

If we look to examples of where the Australian Electoral Commission has worked in the field in promoting the establishment of proper electoral systems in emerging democracies, the list is an impressive one, starting in 1989 with Namibia. After decades of internecine violence in the postcolonial period of Namibia’s experience, we had the emergence of a successful set of democratic arrangements in the late 1980s and early 1990s. The AEC was there. In 1990-91, largely through the intervention of foreign minister Evans at the time, we had the Cambodian peace process. Again, Cambodian democracy was established as a consequence of the direct involvement of the Australian Electoral Commission through its work on the ground drafting the electoral law and also in implementing that law when it came time for the ballots to be conducted.

When it came to 1994, in what was probably the election of the century, that of the newly emerging democracy in South Africa, once again the Australian Electoral Commission was in the field. And again, most recently in our own region in 1999, the AEC was involved in the newly emerging democracy of Indonesia—an election in which I had the honour of participating as an election observer. Much more important than the role played by parliamentary observers was that of the Australian Electoral Commission, again ensuring that the tallying process at the tally room in Jakarta was done proficiently, professionally and accurately, and it did so to the approbation of the relevant international scrutiny bodies which were participating in that election process.

Since then we have had AEC participation in emerging democracies in the Western Sahara, through the Commonwealth in Mozambique and in Commonwealth observer groups in Bangladesh, Ghana, Malawi, again in South Africa, Tanzania and Zanzibar. When we look around the world today, again we see the Australian Electoral Commission at work. There are four current formal operations worldwide where our AEC is out there at the forefront of entrenching democratic processes in emerging democracies. In our neighbouring country of East Timor, Australia has been honoured with the appointment of Michael Maley as one of the five UN electoral commissioners appointed for the specific conduct of the upcoming national elections for the newly emerging republic of East Timor. That reflects well on him personally, but it also reflects well on the professionalism of the Australian Electoral Commission itself.
Once its work in the conduct of that election is complete, it is the AEC’s intention to leave behind an entire building, fully resourced for the future conduct of elections as well—not your classic UN operation, which is walk in, do your work and walk out, taking all the equipment and resources that you brought in in the first place. That is East Timor.

Also in our neighbourhood we have the AEC at work now with election capacity building in PNG. In Fiji the AEC was involved in the 1997 elections and also in preparation, post-coup, for the 2001 elections. In the Solomons, a country in our region which has experienced considerable political instability in recent times, the Australian Electoral Commission is again engaged in a scoping exercise with the electoral authorities of the Solomons in order to establish what processes will be possible for the normalisation of that country’s electoral arrangements. Also, the Australian Electoral Commission acts as the secretariat of an organisation called PIANZEA, the Pacific Islands and New Zealand Electoral Association, providing a broad consultancy resource to the Pacific Island states, in particular, as they embark upon their electoral processes and find themselves in need, from time to time, of specific resources to support that. That is the AEC’s official engagement.

Beyond that we have its unofficial engagements elsewhere in the world. In Timor, we have two election officers from the AEC seconded to the United Nations operation there. We also have AEC officers, either in a formal capacity—that is, on leave without pay—or as retired officers, serving in Georgia, Tajikistan, again in Indonesia, Kosovo and Belgrade. Beyond that, the AEC, together with various other international organisations, is currently putting together an electoral administrators’ course, the purpose of which is to provide a specific course of training for election and electoral officials in emerging democracies so that, once an expert team of advisers has come in, there is a freestanding course which can be utilised by local officials to take on that work of electoral reform once the external advisers have been withdrawn.

For the Australian Electoral Commission to sustain an operation of this nature, it requires a huge resource base. As I mentioned before, some 700 staff are employed by the Australian Electoral Commission, and this is necessary in order to have the freestanding capacity to suddenly detach some of those staff and allocate them to specific emerging democratic needs right across the emerging democratic world.

Australian Electoral Commission staff have two reputations worldwide. One is that they are regarded worldwide as very practical—that is, they have a capacity to adjust to local circumstances. They do not come in with a preset idea of what particular form or system might be needed in a particular country. They adapt democratic processes to the particular level of sophistication which exists in the particular country to which they have been assigned—unlike, I might say, representatives from those countries that send election observers who are often replete with university qualifications but lacking on-the-ground practical experience in physically conducting a fair ballot. AEC staff and Australian electoral staff are renowned worldwide for that skill.

The second skill they bring to bear is that they do not go into a country into which they have been invited and provide an ongoing moral lecture about the deficiencies of the local electoral system as it exists when they arrive. Unlike other organisations, I dare say particularly from the United States, they see their objective as a very specific and practical one; that is, to put in place a system which will work. Australian Electoral Commission staff are in demand worldwide. They work in conjunction with organisations like IDEA based in Stockholm and IFES, the International Federation of Election Specialists.

The work which they undertake is difficult and dangerous, and it is important that we recognise that the work which is undertaken in the field by these individuals is not something
which is a Sunday school picnic; it can require a great amount of courage. The AEC’s work in this area should be supported. It requires budgetary support in excess of that which is provided in these appropriations so that its work in pursuit of Australia’s long-term foreign policy interests can be guaranteed.

Dr THEOPHANOUS (Calwell) (9.40 p.m.)—In my speech today on the budget, I want to focus on the issue of the unfairness of the GST and the way in which dealing with the GST has been put together in the budget context. Even if one accepts that the GST is necessary, that it has been put in place and nothing can be done about the actual GST, there is a great deal that can be done in terms of ensuring that its impact on ordinary families and especially on low-income earners should not be tough, excessive and regressive.

Unfortunately, the federal budget, which had the opportunity this year to correct some of the problems that were identified with the GST, failed to do so. It failed to give sufficient compensation for the regressive nature of the GST. In fact, it made the distribution in income and wealth and the gap between rich and poor wider. In that sense, it was not a very socially just budget.

I believe that there are very serious social justice consequences of the GST and that they have not been adequately addressed by the government’s 2001 budget. This budget unfortunately contains very little for families and the unemployed. It does nothing to address the burden imposed on them by the GST and it does not directly encourage the creation of new jobs. It fails the challenge to spend more on education and training.

The GST has had a much more negative impact than was promised by the Liberal-National government. Last year, when it was brought in, I complained in parliament that the tax cuts given as compensation are not enough for the vast majority of the people in Australia. For most Australians, the increase in the cost of living as a result of the GST turned out to be much higher than the amount provided by the tax cuts. The government could have acted in this budget to address this problem by giving more money to struggling families. It failed to do so. This means that the standard of living will continue to fall and that poverty will be on the rise. I will have more to say on this later.

Rather than giving very large tax breaks to many wealthy companies that do not need them, the Howard government should have directed this money to average wage earners and the poor. Pensioners were hit very hard by the GST last year and they expected to receive $1,000 compensation from the government. The vast majority did not receive this money and they rebelled politically against the coalition parties. The government has now belatedly offered them a one-off payment of $300 for this year. Pensioners will welcome this $6 a week, but it certainly does not pay for the additional costs imposed by the GST.

In the 2001 budget, the government itself predicts that there will be no improvement in the employment situation, yet the government could have achieved a much more positive outcome if it had directed tax concessions to specific industries such as manufacturing and high technology. The across-the-board company tax cut will mean only that money is wasted on company speculation rather than on the actual production of goods and services.

Furthermore, the government has missed the opportunity to introduce a specific industry policy which would have encouraged jobs and investment in Australia. In fact, in the areas of education and training the government has no overall vision. There is very little additional money for the expansion of TAFE and university education, even though there is growing demand for these courses. There is also very little to assist in overcoming the problems of primary and secondary education. Many of our schools have specific problems which need to be addressed. We need to have more equality in educational outcomes, especially for our young people. We need more support for families, more employment and education, and more
targeted assistance to the poorest sectors of our community. The pity is that the coalition government could have achieved these goals and not wasted money on further unnecessary concessions to wealthy companies.

A national newspaper poll in the *Sunday Telegraph*, a Quadrant survey, has shown that 84 per cent of Australians surveyed felt that they had been neglected by the Howard government in the latest budget. Complaints about inadequate federal funding have poured in—for example, lack of funding is leading to extremely poor tertiary education participation rates in country areas. There is too little provision for the downturn in the United States. In many ways the 2001-02 budget has received more negative attention for what it did not include. There was nothing for small business and nothing for families or mortgage holders. It is believed that most people thought that the most important issues for the budget were health and education, but where are these issues covered in the budget? Many groups are unhappy with what they term ‘‘bandaid’’ measures against Australia’s serious problems. That is what was found by the poll.

Thus the budget has missed a golden opportunity to overcome the negative impacts of the GST and provide greater fairness in Australian society. I believe that the unfairness of the GST is also an outcome of Australia’s inadequate parliamentary processes. Had there been a sensible discussion of these issues through a proper examination by both houses before the GST was introduced, this situation in all probability would not be so dire. As with many other important matters, the Howard government avoided a debate on this issue. It has not explained why a much fairer distribution of the tax cuts was not implemented. In my opinion the compensation package of the new tax system is one of the worst thought-out policies we have seen in this country. The Prime Minister prides himself on tax reform and bringing in the GST. But if you look at the structure of the compensation packages, what was given in terms of low and middle income earners compared to wealthy people was certainly unfair. That unfairness was the basis of the original tax package and could have been fixed up. One would have thought that it might have been fixed up by a fairer distribution in this year’s budget. That did not occur.

Even if we accept that the GST is an irreversible reality, we have failed to address this very important issue. What are some of the consequences of this? Some of the consequences are increasing poverty and inequality in Australian society. In recent times a number of important reports have highlighted the increasing poverty and inequality in Australia and the need for drastic action to hold this trend. The release of the federal budget was looked to by a wide range of groups and organisations in the hope that there would be some real means of addressing these issues. It was very disappointing that there were so few measures of assistance, especially to the poor.

Two recent key reports have further analysed the crisis and emphasised the need for urgent action. Consider first the St Vincent de Paul Society report entitled *Two Australias* that predicts massive social division emerging in our country. The report indicates that the most important problem facing Australia is the increasing gap between the wealthy and the poor and disadvantaged. The gap is so wide that, unless action is implemented now to gradually reduce it, the emergence of two nations with conflicting aspirations and cultures will advance almost irrevocably. That is what the report says. Left alone, the future costs and difficulties in closing the gap may be too big to be resolved by moderate or generally acceptable means.

The report found that globalisation had helped generate more than $830 billion in net wealth over the past 10 years but that this wealth had remained in very specific locations and in the hands of a few people. The growth in wealth has, with minor exceptions, accrued to well defined areas of Australia’s capital cities and a relatively limited number of wealthy
households. It has not benefited middle income Australia to anywhere near the same extent as it has the wealthy. It certainly has not trickled down to the poor as was promised.

This occurs because globalisation as a free market force does not concern itself with wealth distribution. This is the government’s responsibility. In fact, globalisation has in many ways exacerbated the situation by encouraging the demise of many manufacturing and rural industries not replaced by globalised ones. Hence it has resulted in serious long-term unemployment in a large number of regional locations, both urban and rural. In these localities, heavy unemployment and underemployment, poor housing, decaying infrastructure, ill health, higher mortality rates, poor educational and training facilities and programs, and high levels of crime are festering and growing. Numerous welfare policies and programs by all governments, which in themselves are laudable, have had no substantial impact on the gap largely because they have been ad hoc and not geared to any long-term strategy to overcome poverty.

The report from St Vincent de Paul presents a number of long-term and immediate recommendations to the government to arrest this huge and growing problem and solve it in the longer term. The St Vincent de Paul report stressed the need for such medium and long-term solutions. The report stressed that the discrepancies in income levels, qualities of life and standards of living amongst Australians over the past two decades demand that if we are not to degenerate into a divided society of the haves and the have nots, we must bring about, without delay, a significant period of convergence. This report has been backed by a number of other groups, including the Australian Council of Social Service, the Brotherhood of St Laurence and the Wesley Mission. The Australian Democrats welfare spokesperson, Senator Andrew Bartlett, commented with regard to the two reports that the government’s approach was heading in the opposite direction to the St Vincent de Paul Society’s recommendations:

For all the government’s talk of welfare reform, it is their policies which lead to disadvantaged Australians losing income, being forced out of housing, and having to rely on charitable institutions, such as St Vincent de Paul to survive.

I know a lot about this, because in my electorate there are pockets of very serious poverty. There is a Uniting Church Care Centre where on some days of the month they run out of food to give to poor people. This is happening in a society where other people are making multi-billions in profits. I am not saying that they are not entitled to make decent profits—but let us be very clear—but the government’s recent budget with its total reduction of company taxation for the most wealthy companies, including foreign and multinational companies, rather than looking at giving some redistribution of tax to the poor, to low income people and even to middle income people, has resulted in increasing this terrible gap. It is having a very important impact in electorates such as mine, especially in the poorer sectors.

If we had been more clever we would have designed a compensation system in terms of the GST and tax reform which would have foreseen and dealt with this issue. I am very disappointed that the federal Treasury did not foresee this and did not act in the proper way. They could have had an industry policy. They could have reduced company taxation for those companies that are investing in genuine production and employing people. But why should we give taxation cuts to speculative companies that move money around and do nothing in terms of production—why should the budget do that? I have even asked this question of the head of the Treasury, and I do not think that there are answers to these questions. The budget should have been designed much better in terms of dealing with this potential poverty crisis which is increasing in our society.

The only solution offered by the Liberal-National government to the poverty crisis has been the rewriting of policies on social welfare, directing people to work for their subsistence benefits. With so many organisations such as the Brotherhood of St Laurence Social Policy
Research Centre focusing on the issue of poverty in our society, it is astounding that the government does not have a more substantial policy to deal with this situation in Australia. Perhaps, as some have suggested, the government just does not want to know about the poverty issue. This point was emphasised in another damning report released recently by the Uniting Church, as a member of the national Coalition Against Poverty. In its report entitled *The Other Centenary: One Hundred Years of Poverty Lines and Inequality*, the Uniting Church says:

... it is hardly surprising that some have said: ‘Disagreement over the measurement of trends in poverty has been most helpful to those who wish to see poverty kept off the policy agenda’.

In other words, there has been more debate about what constitutes poverty and where the poverty line should be drawn than about how we can solve and resolve the poverty issue. Quoting Seebolm Rowntrees’ *Poverty: A Study of Town Life*, the report stated:

There is surely a need for greater concentration of thought by the nation upon the well-being of its own people, for no civilization can be sound or stable which has at its base this mass of stunted human life—referring to the poor. Discussing the need for a system that identifies and measures those in poverty, the report then notes that the 1966 Henderson poverty line was very important because it would be a spur to activity that went beyond poverty alleviation per se and would address issues concerning the type of society in which people lived. The report stated:

Poverty lines, therefore, represented a technical means of introducing a far wider debate concerning social and economic well-being more generally. Whether this remains the case today is a moot point.

The Uniting Church report goes on to quote Peter Saunders, one of Australia’s leading poverty researchers. Saunders says:

... what many see as disturbing about the vigorous poverty debate that has taken place over the last few years is that it has focused not on the causes of poverty, nor its consequences and what should be done about them, but rather has become almost entirely pre-occupied with the measurement of poverty.

However, he also argued:

... if we did not have a poverty line to help to give order and coherence to the debate, we would almost certainly have had to invent one. Unfortunately, however, the debate has become bogged down in the minutiae of the poverty statistics.

As UnitingCare Victoria says:

In this world view the poor are identified by their lack of conformity to social norms, their lack of initiative and their inability to be ‘active citizens’ like the rest of society. Not only are such arguments undercut by the very research undertaken by the Department of Family and Community Services for the welfare reform process which found people living on benefits and pensions to be extremely active members of the community through volunteer work—but they are also undercut by research which demonstrates that possession of a job does not automatically guarantee to lift people out of poverty.

And that is true. One can have a significant income as a low income earner but, because of the tax being paid and the lack of any other benefits, especially if one has a family, a situation can arise where there is a poverty trap even for people who are actually working.

The government needs to address these issues. The government should have addressed these issues in this budget. It should have addressed these issues instead of giving up to $5,000 million in company taxation concessions, at least half of which could have been avoided, with the other half being targeted towards goals that would have created jobs, giving us an end to these issues of poverty and ending the inequalities in our society. It is so disappointing that this budget—which possibly could be the last budget of the coalition—did not address these issues of poverty or these questions of inequality but rather sought to give so much to the wealthy. I believe that this budget should have been structured in a very different way, and I am very sorry that that opportunity has been lost. *(Time expired)*
Ms ROXON (Gellibrand) (10.00 p.m.)—In speaking on the Appropriation Bill (No. 1) 2001-2002 tonight I would like to take the opportunity to look at the negligent priorities of this federal government in the area of education. Their negligence in this area is palpable. The Treasurer hardly even mentioned the word ‘education’ at all in his budget speech and certainly did not talk about primary and secondary education, the area that I would like to focus on.

In my electorate of Gellibrand I have 42 primary schools: 23 of them are government, 16 are Catholic and three are independent; there are 10 secondary schools, seven that are government and three that are Catholic; and there are three government special schools. There are 55 schools in total and, without exception, the public schools as well as the Catholic and independent schools are modest and certainly not elite schools or elite private schools in any way.

In the past six months, I have visited over 30 of these schools to meet with students, to talk to the principals, to discuss the Centenary of Federation, politics and education generally and, of course, to present awards at graduation ceremonies. During these events I have had the opportunity to see the great work that these schools do for the children and the students in my electorate. I have been very heartened, and often inspired, by the commitment of teachers and principals to give the students the best education and best support they can and to send them off into the world with as many opportunities open to them as possible. I have seen what commitment and enthusiasm of staff can deliver and would like to mention just a few highlights that I have seen in visiting these schools.

Some of them are small examples but they are significant. For example, Footscray City College has only last year and this year introduced a politics class. Caroline Chisholm Catholic College in Braybrook is a leader in electronics. In the year 2000, the school achieved exceptional results in the VCE subject, systems and technology (electronics), whereby six students achieved a score in excess of 80 per cent. No other school in the state had more than six students achieve this result, despite some schools having much higher enrolments in VCE.

Sunshine Secondary College has been getting recognition for its science and environmental focus, in particular its ozone-monitoring program led by teacher Rob Sanders, who has just received a chemistry teacher of the year award. Marian College has been particularly interested in empowerment for girls, especially through its community focused social justice and democracy program. The drama and music performances from Bayside Secondary College have impressed, and the selection of two students from Bayside to attend the United Nations Youth Association conference in Sydney has been a cause for celebration. Gilmore Girls College has had a great success with its year 10 debating team. The bands, both boy and girl bands, being set up by Braybrook College are also getting some recognition.

Williamstown High School has a trades orientation program run in conjunction with Victoria University and provides pre-apprenticeship opportunities for year 10 students, both boys and girls, who continue their studies in English and maths but through the resources of Victoria University have exposure to a wide range of trades. The course has about 40 students from a number of schools in my electorate.

I mention these types of projects not because they list the best academic results of each school or are necessarily major educational breakthroughs, but they are important small examples that help make the point that these schools are doing very good work in addition to meeting the standard requirements, especially in these types of extracurricular and non-standard course work areas. They do this, to their credit, despite fairly meagre funding and at the same time coping with very high levels of students from non-English-speaking backgrounds, in some cases very recent arrivals as families from overseas. They do this although a number of schools, particularly the primary schools, have raised very real concerns with me...
about students coming to school not having had breakfast and not bringing lunch. I had many examples of schools with difficulties getting students to pay for buses to take them to school sports days and others who had attendance problems where students could not afford a coloured skivvy or pants as part of the uniform so they were too embarrassed to attend.

These issues matter. They matter incredibly for each student because every such hindrance affects the child’s ongoing interest in and view of school and of education. The interest of these students at school and their success at it fundamentally shapes their futures and it is these small examples—these seemingly insignificant examples—that can be the cause of barriers that then hold children back for the rest of their lives. It is this that makes me as a Labor member of parliament so angry with this government and its budget.

How can they really justify spending such a large amount of money, $60 million a year by the year 2004, on just 58 schools—58 of the wealthiest schools in this country—when so many families and students struggle to pay for lunch or $10 for a skivvy so they don’t get teased at school by the other kids? Isn’t it bordering on criminal to give any extra money to a school that has its own rifle range, let alone ovals, swimming pool, tennis and basketball courts, when some students in my local schools do not play sport because they cannot pay the few dollars for the bus fare to get them to the local council ground where their school plays?

At the end of the day, these are the issues that do matter to Labor and are nowhere to be seen on this government’s radar screen. It is what Labor’s Knowledge Nation stands for. Knowledge Nation is not just concerned with the high end of tertiary education but also concerned with getting the basic educational tools right. We want to make sure that students get their basic education and a decent chance at life, which might include an opportunity to go on to university. We can fix universities all we like—and I know that many of us believe they need some fixing—but we need to give kids the skills to get there first!

I wrote recently to all the schools in my electorate asking them to tell me what they see as education priorities for their school and the region as a whole. I guess I did this as a bit of a direct democracy experiment, offering them the opportunity to have their say in their words, although through me, in this parliament. A common issue raised was staffing, particularly by the primary schools. Denis O’Dowd from the Altona East Primary School said:

Staffing ratios need to be addressed with the principal not being included in the count.

Sister Doris Testa from St Paul’s Primary School said:

Class sizes—averages are useless indicators, the real story is in the school based allocations.

Joe Vella from Albion Primary School reports ‘a serious teacher shortage’ and Tilly Barger from Williamstown Primary raised the issue of ‘needing more curriculum days to provide professional development for teachers.’ Persuasively, Michael Kerin of Bayside Secondary College states:

We love our college—vibrant, multicultural, college that it is. We don’t turn anybody away. Wonderful, hardworking, talented group of staff not only teaching in specific Key Learning Areas, but also dealing with a myriad of societal problems. We need more teachers to decrease student numbers in the classroom and improve the teacher workload.

These are the issues that Labor have heard repeated across the country. It is the reason that we would choose to redirect money from wealthy category 1 schools towards initiatives like providing 1,000 teacher scholarships in specific disciplines of need. Such scholarships will give the best students upon graduation relief from their HECS debts for each year they remain in teaching—not only a way to get good students into teaching but a great incentive to keep them there. It is for this reason that we would use some of this money for the creation over
three years of 10,000 professional development courses to improve the skills of teachers, especially where they are currently forced to teach outside their key areas.

Another area raised by many of the responses to my request was the issue of maintenance and capital works. Labor has committed to invest an extra $100 million in capital works in public schools with half coming from contributions from the states to improve classrooms, libraries and science laboratories. Quotes from my survey responses reinforce the urgent need for such funding in schools in Gellibrand even for the most basic of facilities.

Denis O’Dowd from the Altona East Primary School said that the school ‘is in a desperate need of repairs to numerous windows in various buildings’. Michael Quinn from the Caroline Chisholm Catholic College said that the priorities for his school are ‘better computer funding, capital grants funding and improved security’. Michael Kerin from Bayside Secondary College said:

We need a mass infusion of dollars into facilities—maintenance and converting rooms into a modern teaching room. Our rooms were built in the 1950s and are too small!

These are hardly extravagant demands. Can we not expect schools to have windows and rooms that fit students? These principals do not even dare to dream of funding for extra facilities that are regarded as ordinary by the wealthier private schools. We must acknowledge these basic needs and the rights of students to expect that they will be met by government.

Similarly, I think anyone who read the Sunday Age on 3 June would have shared my horror at the number of school children thought to be going to school hungry every day. As I have mentioned, such examples have been raised with me locally as well. Part of this article included the results of a survey of low income families which found that 65 per cent spent up to 10 per cent of their household income on education expenses. More than half of the respondents with school age children found that education expenses had risen by 10 per cent to 20 per cent in the last year, and half had not had a holiday with their children, or alone, in the last 10 years.

These pressures are added to, according to Graham Noonan from Sunshine Primary, by the ‘GST on everything’ despite government assurances during their federal election campaign that education would be GST free. Given that I have received so many comments from principals in my electorate I will seek to continue these comments at some later stage.

Mr SIDEBOTTOM (Braddon) (10.10 p.m.)—When the recent budget was handed down I am sure the Treasurer and his ilk were scanning the headlines the day after to see how his budget had gone down in the media, and he probably expected newspapers around the country to home in on his sales pitch to age pensioners and independent retirees. He was probably desperately hoping that they would, anyway. You see, this government badly needed, and still does, a positive headline—and that is the job of its media spin-doctors and this massive advertising campaign that it has continued.

I have to say that, after a cursory glance at the papers the morning after, they would have felt pretty happy with themselves. They would have loved some of the headlines like ‘The Cheque is in the Mail’ from the Australian newspaper—what do you expect? This one from the Herald Sun: ‘Old Gold Costello’s $2.3 Billion Bid to Win Back Grey Australia.’ The Financial Review gave us ‘Howard Election Punt,’ and the Sydney Morning Herald chimed in with ‘The Golden Oldies Gamble.’ Among others were ‘Wooing the Lost Voters’ from the Launceston Examiner, while the Hobart Mercury headline screamed ‘Golden Oldies’.

Yet I am happy to say not all the newspapers got sucked in, and I know many age pensioners have not been either. That is the message coming through loud and clear from my electorate, and I know it is the case also from many of my colleagues. I think our daily newspaper
the Advocate got it just about right. Its banner headline on the front page was—and I do take notice of my local—‘Vote Grab, Budget Aims to Quell Rising Anger’. I say my local newspaper has got it right because I think that is about how many age pensioners in my electorate saw the budget. As often is the case, my local newspaper is a good barometer of local feeling.

I can tell you too, as a lot of pensioners have told me already, many of them have seen right through the headlines. Judging from their response to the budget, age pensioners on the north-west coast of Tasmania are yet to forgive the federal government for the agony of the GST, and poll after poll is certainly demonstrating that. My office in fact was swamped with calls from pensioners in the wake of this budget. They claimed that they had been short-changed again. I cannot argue with that, and I am sure many cannot in this room. Age pensioners and for that matter independent retirees deserve anything they can get, and they deserve more from this budget.

I welcome any additional money that older Australians get as compensation for the GST, and Labor did not impede its path through this parliament. However, the problem with the one-off GST compensation payment is that it was only $300. Let us cast our minds back prior to the last election—and I know the Prime Minister does not like to do this—when the Prime Minister himself promised that every Australian over the age of 60 would receive a $1,000 GST bonus. He said that, despite price rises, he anticipated because of the GST pensioners would be looked after by the one-off $1,000 payment. That is what the Prime Minister said prior to the 1998 election:

You get a $1,000 savings bonus for all people over the age of 60.

He said that on Perth radio, 6PR on 25 August 1998. I remember it, and the Prime Minister said, just so you did not miss it, on 18 August 1998 at the Carseldine Retirement Village, which I visited in Brisbane:

... for every person 60 and over there will be a savings bonus, a one-off tax-free payment of $1,000 ...

End of quote, end of story so he thought, and he was wrong. Many pensioners I know that have contacted me have received nothing. They were not aware of the tricky fine print attached to the $1,000 promise, and we all know about the reactions to that. The reality for many age pensioners with this budget is that they are still $700 short of the $1,000 GST compensation that they thought they were promised back in August 1998. So it seems this naked vote buying exercise by the Treasurer, this $300 payment, may backfire on the government. In fact, it already has. It did even before the budget was announced. The $300 one-off payment was conveniently leaked to the media the week before the budget, but an unsuspecting Prime Minister was caught out.

The Prime Minister ran into trouble on a visit to the Erina Fair shopping centre in Sydney, where he encountered an angry pensioner, Mr Basil Kane. Kane has struck! He is very able! To quote the Sun Herald newspaper of 20 May:

Aggrieved pensioner Basil Kane was deeply unhappy with the news of the $300 handout for pensioners.

The paper reported:

Mr Kane, 75, gained national prominence after a confrontation with the Prime Minister John Howard over the impact of the GST on pensioners.

I remember seeing it graphically on the television news that night. The question Mr Kane asked the Prime Minister was straight to the point and it was caught on camera. Mr Kane asked the Prime Minister, ‘Why did you lie to me?’ It was a simple enough question but he did not get a straight answer—surprise, surprise. That is because this government does not have the answers. It does not have the answers and it does not have a vision beyond the next
It is playing catch-up politics. Take the Treasurer’s budget night speech, bland as it was and if you were able to remain awake while it happened. He said in regard to the government’s so-called acknowledgment of older Australians:

The government is making this payment because the economy can benefit from it, the Budget can afford it this financial year and, most of all, our older Australians deserve it.

As I have said, there is no doubt that older Australians deserve it, but what makes them more deserving now than they were when the GST was introduced?

By contrast, the Treasurer’s budget speech also told people with disabilities and their carers that they did not deserve any extra assistance. This sector of our community has been ignored by the Howard government. Remember, the Treasurer has argued on budget night and since that the one-off $300 payment would be made to age pensioners because ‘the economy can benefit from it’ and ‘the Budget can afford it’. If this is an affordable and beneficial measure, why has the government denied the same temporary relief to Australians struggling on a disability support pension or carers payment? It is a simple question. It is a question of equity. People with a disability and carers face a raft of extra expenses and the GST has hit them very hard. We cannot deny this. It is a fact. We have a group of individuals surviving on fixed incomes of less than $200 per week who now face a GST on everything from life’s essentials to wheelchair repairs. I acknowledge their plight. I only hope that the government will.

The government, though, is focusing its attention on the age pensioners. But who could blame older Australians for being suspicious of this budget? Again, I do not begrudge the payment to older Australians and the other tax relief measures for pensioners and self-funded retirees. I say again that they deserve it. But the government’s response is little more than a sop to angry voters. The government really made a mistake and it has misjudged the fallout from the agony that the GST has caused age pensioners and self-funded retirees. That is why it has become increasingly obvious that this buyback budget is a flawed strategy.

I would like to share with you a letter sent to the Treasurer, with a copy sent to me, from one of my constituents who, I might add, I do not suspect is a great sympathiser for my side of politics. This was addressed to the Treasurer:

Dear Sir,

It was with great pleasure that I listened to your budget speech to the House on Tuesday of last week. At last there appeared to be relief for independent retirees by means of lifting the threshold for paying income tax to $20000, and the subsequent lessening of the Medicare levy. My pleasure was very short lived as the following morning I found that there was such a thing as a ‘non-independent retiree’, and these apparent ‘non-persons’ do not qualify for any of the goodies in your tax package. Just because people are no longer engaged in earning their living fulltime—even though they are entitled to access their superannuation money from the age of 55 onwards—it seems they are not considered to be of sufficient value to the community to warrant the same tax relief that other senior Australians are now entitled to.

There are many people in the community who for any number of reasons are no longer fully engaged in wage earning occupations. Perhaps the government would prefer them to register for work and hold out their hand for the dole to which they would almost certainly be entitled and so become yet another burden on the tax paying citizens, instead of supporting themselves as so many currently do.

I am disillusioned with what appears to be yet further evidence of this ‘tricky’ government. I am seriously considering my options for the coming election.

This is a good sign but, unfortunately, this is an angry voter who feels dudged by a government that said that they were prepared to assist people, particularly in the wake of the GST. Nobody can deny that the polls are clearly indicating that people do not believe the GST has
been good to them, nor do they believe that the GST has been good to this country. It is clear evidence that people are disillusioned.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.20 p.m.)—by leave—I have to come to the chamber to speak again in summing up this Appropriation Bill (No. 1) 2001-2002. I am pleased to bring to a close this debate on the budget appropriation bills. I have noticed that over 70 speakers have participated in this debate, illustrating the importance the bill continues to place on debate on the national economy and its management by the government. The debate itself was—as is the practice—wide ranging. The views expressed ranged from fulsome support of many of the government’s programs to constructive and objective comments and suggestions. Regrettably, the debate sometimes deteriorated to political negative comment, particularly by members of the Australian Labor Party. I wish to thank all honourable members who have contributed. You will understand that I cannot, in the time available to me, comment on each contribution that has been made. The appropriation bills, together with other legislation that was introduced on budget night, embody the government’s objectives for the 2001-02 budget, including maintaining the government’s record of reducing debt, keeping conditions in place to continue low levels of unemployment, low inflation and low interest rates, maintaining our program of tax reform, building more effective and fairer health and welfare systems, and addressing the needs of older Australians, indigenous Australians and rural and regional Australians.

On fiscal aggregates, we are expecting to bring in a cash surplus of $1.5 billion in 2001-02, following an expected outcome of $2.3 billion in 2000-01. This is the fifth consecutive cash surplus that this government has delivered—an outstanding result, as I am sure you will agree. In 2001-02, we are expecting the net debt position to be $37.7 billion and the Commonwealth net debt to be completely eliminated by 2004-05. The Howard government does not believe in passing the burden of responsibility on to future generations. We set out to address the net debt position we inherited from Labor in 1996 when we were first swept into office. We have restored the finances of the government to a better footing. It has not been easy. Initially, spending had to be cut across a wide range of activities. However, we had to take these hard decisions to ensure that we were not placing an unfair burden on future taxpayers and to enhance the prospects for strong and sustainable economic growth now and into the future of the economy.

There can be no doubt that the strength of our budget position over the last few years has contributed to the strength of the economy, which has, in turn, contributed to the budget bottom line, creating a virtuous cycle. We have had 13 consecutive quarters of GDP growth at or above an annual rate of four per cent at a time when most commentators believed that our potential growth rate was closer to three per cent. In this period, we saw unemployment fall from around 8½ per cent in 1996 to as low as six per cent late last year. At the same time, inflation was kept low and interest rates have moved lower, significantly improving the business climate by reducing funding costs and eliminating uncertainty.

Now, with the March quarter national accounts, we have confirmation that the moderation in growth late last year was largely attributable to transitory factors. Despite the weaker international environment, we were able to post very healthy growth of 1.1 per cent for the quarter. What this means is that we suffered a slight hiccup late last year, but the economy should now continue to post sound growth. A quick recovery is expected in 2001-02 to growth of around 3½ per cent. Inflation and unemployment are expected to remain at historically low levels. It indicates that the economy is more flexible and resilient. This economic strength owes much to the economic reforms that this government has put in place. The government will be further contributing to the strength of the economy through initiatives totalling $3 billion over five
years, announced in Backing Australia’s Ability in January this year, to invest in generating ideas, commercially applying ideas and developing and retaining Australia’s skills, and additional funding of $1.6 billion over five years to rebuild Australia’s road network.

I will now outline the further benefits of tax reform. The government has moved to further reduce taxes with the bringing forward of full input tax credits for motor vehicles from 1 July 2002; the drop in the company tax rate from 34 per cent to 30 per cent from 1 July 2001, among the lowest rates in the world; the abolition of financial institutions duty applied by state and territory governments, saving about $1.2 billion for individuals and companies; and the abolition of state stamp duties on marketable securities, saving around $675 million for investors and removing an impediment to investment in equity market development in Australia. In addition to these major changes, there will be a range of other alterations, including the simplified tax system, uniform capital allowances system and thin capitalisation arrangements.

The government will be building a more effective and fairer welfare system. The government will invest $1.7 billion over four years in the Australians Working Together package—Helping People Move Forward. The package is about striking the right balance between incentives, obligations and assistance. Australians Working Together will provide more choices and opportunities for people to help them move forward. We need to recognise and develop each individual’s capacities and skills and we will put in place a system that better responds to a person’s circumstances. Our economy and society are changing rapidly and we need to ensure that the safety net keeps pace and people are not left behind. We will provide new funding for employment and community services to expand the assistance available to Australians looking for work. Extra help will be provided for parents, mature age people, indigenous Australians and people with disabilities. The package provides new incentives for people to take up full-time, part-time or irregular casual jobs by allowing them to keep more of their income support payments when they start work.

I turn to how the government will be acknowledging older Australians. The government will ensure that older Australians receive the services and care befitting of the investment they have made in building our society. We are increasing the maximum pensioner and low income aged persons rebate by raising the tax-free threshold for pensioners and low income aged persons. We will also be improving access to the Commonwealth seniors health card and extending the telephone allowance to all people who hold a seniors health card. The government will ensure quality care for older Australians through a range of elements to ensure residents, carers, families and the general community have confidence in the quality of care provided to frail older Australians. We are also providing $58.1 million over four years to improve aged care services. The government also recognise the sacrifice and suffering of Australian prisoners of war and civilian captives of the Japanese in World War II. We will be making a one-off payment of $25,000 to these veterans and, for those who are no longer alive, to their surviving spouses.

I will now discuss enhancing Australia’s health system. The government will also be investing an additional $900 million in our health system to improve the health of all Australians. With this investment, we are enhancing Medicare, increasing health services in rural and regional Australia and introducing a range of initiatives to treat common health problems that affect Australian families. The government are committed to improving Medicare for the benefit of Australians. This budget increases rebates for GP services and provides support for the longer consultancy times required by patients with chronic and complex conditions. Rural and regional Australia and other areas of need will benefit from increased access to medical
services. We will provide $104.3 million over four years to allow GPs in rural areas to employ additional practice nurses.

In a related measure, 100 nursing scholarships of $10,000 per annum will be provided to rural students who study at a rural campus, and additional scholarships will be provided for indigenous students or Aboriginal health workers who want to upgrade their qualifications. We will also provide $43.4 million over four years to fund up to 32 new after hours medical service sites.

The budget also includes a range of more general health measures to respond to community health needs in priority areas, including additional funding of $48.4 million for general practitioners to proactively manage asthma, $120.4 million over four years to improve the quality of care provided by general practice to people with a mental illness, $49.8 million over four years to develop an integrated national diabetes program, $71.9 million over four years to increase rates of participation for women in cervical screening, and $115.7 million over four years for a new alcohol education and rehabilitation foundation addressing indigenous disadvantage.

This government is committed to the reconciliation process with indigenous Australians. This budget includes new spending of around $284 million over the next four years to build on the government’s strategic approach to reducing indigenous disadvantage through practical reconciliation. This approach is based on community involvement and focuses on the key areas of health, housing, employment and education, where indigenous Australians are particularly disadvantaged.

The budget also includes further measures to assist Australians in rural and regional areas. Due to concerns about foot-and-mouth disease in Europe, the government will provide the strongest level of quarantine protection ever, at a cost of $596 million over five years. We will boost the dairy structural adjustment package announced last year by $142 million, with the additional assistance targeted at those producers in the communities hardest hit by the reductions in the market price of milk. We have also provided $216 million for relief for people affected by floods in northern New South Wales and southern Queensland.

I mentioned earlier that a wide ranging debate is common when parliament considers appropriation legislation. Another common occurrence is a proposal by the opposition to seek to amend the second reading motion, and this amendment was moved by the honourable member for Melbourne. Mr Deputy Speaker, you will not be surprised to learn that the government does not support the amendment moved by the opposition. I do not wish to refer at this stage—

Mrs Irwin—That is disappointing.

Mr SLIPPER—The member opposite might well be disappointed, but she has to understand that the opposition is just playing a political stunt and does not really believe that there is any chance that its amendment will be accepted. I do not have time to refer to each component in the amendment, but I want to state that this budget continues the government’s record of quality financial and economic management. It also demonstrates the commitment of the government to enhancing our social and economic infrastructure, to a fairer welfare system for those Australians in need, to recognising the particular contributions made by older Australians and by Australians at war, and to a better standard of living and better future economic prospects for all Australians.

Appropriation Bill (No. 1) 2001-2002 is part of a fiscally responsible budget that delivers the government’s fifth consecutive cash surplus and provides for further reductions in government debt. This budget builds on the government’s reforms over the last six years to ensure
a strong Australian economy and a strong nation for future generations. I am very pleased to commend the bill to the chamber.

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

Consideration in Detail

Mr DEPUTY SPEAKER (Mr Nehl)—The Main Committee will now consider the bill in detail. In accordance with standing order 226, the committee will first consider the schedule of the bill.

Debate—by leave—adjourned.

Main Committee adjourned at 10.36 p.m.
The following answers to questions were circulated:

**Inland Marketing Corporation: Funding**

(Question No. 2020)

**Mr Martin Ferguson** asked the Minister for Transport and Regional Services, upon notice, on 4 October 2000:

1. Under which program did the government grant $4.5m over three years to the Inland Marketing Corporation and for what purpose is the grant to be used.
2. Does the grant of $4.5m reflect a change in Government Policy from one of opposition to the Inland Marketing Corporation’s proposed major airport development at Parkes, NSW, to one of support for the proposed Inland Marketing Corporation’s proposed airport; if so, what was the basis of this change in policy.

**Mr Anderson**—The answer to the honourable member’s question is as follows:

1. Funding for the Inland Marketing Corporation has been sourced from uncommitted funds in the Agriculture Advancing Australia (AAA)—FarmBis Australia and the Farm Innovation Program, both of which are administered by Agriculture Fisheries and Forestry—Australia. Funds have also been sourced from the Regional Solutions Program which is administered by the Department of Transport and Regional Services.

   The key activities to be undertaken under the grant are:
   (a) Local product development.
   (b) Facilitating new marketing opportunities.
   (c) Improving supply chain efficiencies.
   (d) Market research, communication and administration.

2. The Grant of $4.5 million to the Inland Marketing Corporation does not reflect a change in Government Policy with regard to the major airport development at Parkes. Commonwealth funding for the Inland Marketing Corporation is provided for a range of activities that does not include the development of the Parkes Airport.

**Federal Magistrates Service: Circuits**

(Question No. 2122)

**Mr McClelland** asked the Attorney-General, upon notice, on 2 November 2000:

1. Is the Federal Magistrates Service currently conducting circuits; if so, (a) what are those circuits, (b) how frequent are those circuits and (c) how long does the Service sit in each location on the circuit.
2. Will the Federal Magistrates Service conduct circuits in the future; if so, (a) what will be those circuits, (b) how frequent will those circuits be and (c) how long will the Service sit in each location on the circuit.
3. Does the work of the Federal Magistrates Service rely on community-based family and relationship counselling services.
4. How is the operation of those services co-ordinated with the operation of the Service.
5. What are the financial arrangements between the court and community-based organisations with respect to the provision of family and relationship counselling services, including whether there is an agreed fee schedule.

**Mr Williams**—The answer to the honourable member’s question is as follows:

1. The Federal Magistrates Service has conducted circuits to a number of areas as follows:
<table>
<thead>
<tr>
<th>Location</th>
<th>July 2000-June 2001</th>
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<tbody>
<tr>
<td>Northern Territory</td>
<td></td>
</tr>
<tr>
<td>Darwin1</td>
<td>6-10 November, 5-9 February, 2-6 April, 14-18 May</td>
</tr>
<tr>
<td>Queensland</td>
<td></td>
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<tr>
<td>Cairns</td>
<td>18-22 September, 13-17 November, 22-23 January, 19-23 March, 30 April-4 May</td>
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<tr>
<td>Mackay</td>
<td>16-20 October, 5-9 March, 28 May-1 June</td>
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<tr>
<td>Rockhampton1</td>
<td>9-10 October, 19-23 February, 9-12 April</td>
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<tr>
<td>South Australia</td>
<td></td>
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<tr>
<td>Berri</td>
<td>29 March</td>
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<tr>
<td>Whyalla</td>
<td>2-6 April</td>
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<tr>
<td>Tasmania</td>
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<tr>
<td>Devonport</td>
<td>12-16 February, 26-30 March, 14-18 May</td>
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<tr>
<td>Hobart1</td>
<td>21-25 August, 14-15 September, 8-12 January, 28 February-2 March, 5-9 March, 30 April-4 May, 28 May-1 June, 4-8 June</td>
</tr>
<tr>
<td>Launceston</td>
<td>20-24 November, 15-19 January, 5-9 February, 13-15 March, 2-6 April, 9-12 April, 17-20 April, 7-11 May</td>
</tr>
<tr>
<td>Victoria</td>
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<tr>
<td>Albury (NSW)</td>
<td>21-25 May 2000, 1 day per week since 13 October</td>
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<tr>
<td>Dandenong</td>
<td>15-19, 22-25 January, 5-9, 26 February-2 March, 5-9 March, 9-12, 23-24, 26-27 April, 7-11, 28 May-1 June</td>
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<tr>
<td>Bendigo</td>
<td>19-23 February, 14-18 May, 12-16 February, 2-6 April, 18-22 June</td>
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<td>Castlemaine</td>
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<td>Geelong</td>
<td>29 January-2 February, 17-20 April, 4-8 June</td>
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<td>Gippsland,</td>
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<td>Morwell</td>
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<td>Sale</td>
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<td>Shepparton</td>
<td>19-23 March</td>
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<td>Hamilton</td>
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<td>Warrnambool,</td>
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<td>Hamilton</td>
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<tr>
<td>Western Australia</td>
<td></td>
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<tr>
<td>Perth</td>
<td>30 April-4 May</td>
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1. Video link has also been used to conduct a range of matters that do not require a face to face hearing and to facilitate the hearing of any pre-trial issues prior to circuits.

(2) The table below sets out the circuits that the Federal Magistrates Service proposes to conduct in its family law jurisdiction in the second half 2001. At this stage it is not making arrangements for circuits for general federal law matters apart from proposed circuits to Western Australia.

<table>
<thead>
<tr>
<th>Location</th>
<th>June-December 2001</th>
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<tr>
<td>Queensland1</td>
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<tr>
<td>Rockhampton</td>
<td>18-22 June</td>
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<tr>
<td>South Australia</td>
<td></td>
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<tr>
<td>Berri</td>
<td>21-22 June, 25-26 October</td>
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<td>Mount Gambier</td>
<td>2-5 October</td>
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<td>Port Augusta</td>
<td>19-20 November</td>
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<td>Port Lincoln</td>
<td>24-25 May</td>
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<tr>
<td>Port Pirie</td>
<td>14-15 June</td>
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<tr>
<td>Whyalla</td>
<td>2-6 April, 17-21 September</td>
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<td>Tasmania</td>
<td></td>
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<tr>
<td>Devonport</td>
<td>25-29 June, 6-10 August, 17-21 September</td>
</tr>
<tr>
<td>Launceston</td>
<td>11-15 June, 2-6, 16-20 July, 30 July-3 August, 20-24 August, 24-28 September, 1-5, 22-26 October, 5-9 November, 17-21 December</td>
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</tbody>
</table>
1. Arrangements for the second half of 2001 for Queensland have not been finalised.

2. The Federal Magistrates Service only has jurisdiction to deal with general federal law matters in Western Australia.

This timetable is provisional and may be amended to take into account developments in the Federal Magistrates Service.

Arrangements for proposed circuits for New South Wales are still being finalised.

Arrangements for the Northern Territory are still being finalised and may be amended to take into account the proposed appointment of an additional federal magistrate in Darwin/Adelaide.

The circuits planned are generally of one week’s duration. These circuits are being designed to ensure regular follow-up visits. The actual frequency of circuits will vary according to a range of factors. It is envisaged that both videolink and telelink facilities will be used to deal with pre-hearing issues—this should ensure effective use of circuit time.

3. At present the Federal Magistrates Service is making significant use of the mediation services provided by the Family Court. This will continue pursuant to a Memorandum of Understanding between the Federal Magistrates Service and the Family Court. The Service will also use community-based providers to provide mediation and counselling services where appropriate.

4. The Federal Magistrates Service has recently appointed a primary dispute resolution co-ordinator. The main task of the co-ordinator over the next 6 months will be to set up arrangements with community-based family and relationship counselling providers to provide services directly to the Federal Magistrates Service. It is too early at this stage to indicate how these services will be coordinated with the operation of the Federal Magistrates Service.

5. See response to question 4. The financial arrangements between the Federal Magistrates Service and community-based organisations will be determined as part of the overall arrangements for providing services to the Service. It is expected that these arrangements will include fee schedules.

**United Nations: Human Rights**

(Question No. 2381)

Dr Theophanous asked the Prime Minister, upon notice, on 28 February 2001:

1. What have been the consequences on both a national and international scale of the Government’s decision to withdraw Australian support for UN Treaty Bodies and Human Rights Committees.
(2) Has he been in receipt of any official requests for a review of this decision from either international or national bodies; if so, (a) what have been the nature of the requests and (b) has he given any consideration to a change in Australia’s position on this matter.

Mr Howard—The answer to the honourable member’s question is as follows:

(1) The government has made no such decision.

(2) On 29 August 2000, the government announced a comprehensive series of measures to improve the effectiveness of United Nations committees in promoting consistent international observance of human rights, in accordance with the commitment of Australia and other states to that objective. The Australian measures also aimed to establish a more productive working relationship between states parties to relevant international human rights instruments and the UN committee structure.

I have not been approached personally by other leaders or by the United Nations for a review of this decision. There is broad international support, including from UN Secretary-General Kofi Annan and from UN High Commissioner for Human Rights Mary Robinson for action to improve the effectiveness of the UN treaty bodies and associated human rights committees.

A recently-released study entitled The UN Human Rights Treaty System: Universality at the Crossroads reflects many of the same concerns as those advanced by the Australian government and calls for wide-ranging reform. Its author—Canadian academic Professor Anne Bayefsky—collaborated closely with the UN in its preparation. Broadly speaking, she depicts a system overburdened with an enormous backlog of national reporting and inefficiently structured, with resultant duplication of effort. The report also claims the system is often characterised by an excessive focus on high-performing states and inconsistency of treatment of states.

The government has received support for its stance from other individuals and organisations. Equally, however, the government has been approached by some non-government organisations and individuals expressing concern over some elements of the government’s position on the reform of the UN treaty bodies.

I am advised that representatives of the European Union have formally expressed concern to the Minister for Foreign Affairs over elements of the government’s reform proposals and sought review of these.

(a) Approaches from non-government organisations have generally taken the form of letters addressed to the Prime Minister or senior ministers.

(b) The government is not inclined to change its principled position on the need for reform. It announced on 5 April 2001 a specific initiative to improve the effectiveness of the UN’s support for international human rights and its interaction with member states.

Natural Heritage Trust: Funding
(Question No. 2424)

Mr Andren asked the Minister representing the Minister for the Environment and Heritage, upon notice, on 5 March 2001:

(1) Is the Commonwealth’s funding for the Natural Heritage Trust (NHT) budgeted to end on 30 June 2002.

(2) Will the Commonwealth provide funding for NHT beyond June 2002, as an ongoing budget measure, without funding the Trust from the further sale of public assets including Telstra.

(3) What is the current processing assessment cost per project funded under the NHT.

Mr Truss—The Minister for the Environment and Heritage has provided the following answer to the honourable member’s question:

(1) No.

(2) Yes. The Natural Heritage Trust has been extended for five years, from 2002-03 to 2006-07, involving new funding of $1.032 billion. In addition, as required by the Natural Heritage Trust of Australia Act 1997 (section 42), the Natural Heritage Trust of Australia Reserve must maintain, in perpetuity, a minimum balance. The base amount for the financial year that begins on 1 July 2001
is $300 million. This minimum balance will generate income from interest which can be spent according to the purposes of the Reserve.

(3) It is not possible to provide an average project assessment cost as the assessment processes for delivering the various components of the Natural Heritage Trust reflect the differences between programs. For example the average cost to Environment Australia to assess community grant programs (such as Bushcare, Wetlands and Waterwatch programs) is $350 per project. The average cost to Environment Australia for national programs (such as Endangered species, Indigenous management of protected areas, Feral animal control, National reserves, National river health and National weeds programs) is $1465 per project.

**Employment: Public Sector**

(Question No. 2515)

Mr Gibbons asked the Prime Minister, upon notice, on 5 April 2001:

What has happened to the level of public sector employment in (a) Bendigo and (b) the Loddon Mallee statistical region since the Coalition came to office in 1996.

Mr Howard—The answer to the honourable member’s question is as follows:

I am advised by my department that the information sought by the honourable member is not available for the following reasons:

The honourable member has asked for information in relation to ‘public sector employment’ which takes in employment not only at the Commonwealth level but also at the State and local levels. My department does not hold information on Victorian public sector employment at the State and local levels. In relation to that part of the honourable member’s question touching only on the Commonwealth, the description ‘public sector employment’ encompasses not only employment under the Public Service Act 1999 in the Australian Public Service (APS), on which statistics are collected by the Public Service and Merit Protection Commission (PSMPC), but also extends to employment in the defence forces, statutory authorities and government business enterprises, the numbers for which are not collected centrally.

The PSMPC, consistent with its mandate, only collects data on APS employment. In relation to APS employment, between 1995-96 and 1998-99 the PSMPC collected location data based on the state location of the pay centre from which the employee was being paid rather than the location in which they were employed. In 1999-2000, the collection method changed to the number of persons at individual workplaces, ordered against postcodes supplied by employing bodies. This data, aggregated at the state level, is publicly available in the PSMPC’s Statistical Bulletin for each of the financial years. However, the PSMPC is aware that this information is not comprehensive for each post code as a number of agencies have provided employee location data only down to the state level. The PSMPC does not collect data specifically relating to APS employment in the Loddon Mallee statistical region.

**Human Rights: China**

(Question No. 2534)

Mr McClelland asked the Minister for Foreign Affairs, upon notice, on 22 May 2001:

(1) Did a majority of the members of the UN Commission on Human Rights at its 57th Session at Geneva on 18 April 2001 to take no action on the resolution sponsored by the US concerning China?

(2) What was the text of the resolution?

(3) Who were the other sponsors of the resolution, if any?

(4) What resolutions at the session were sponsored or co-sponsored by Australia?

(5) What are the names and positions of the persons who represented Australia at the session?

Mr Downer—The answer to the honourable member’s question is as follows:

(1) No. The vote on the no action motion was 23 in favour, 17 against, and 12 abstentions. Due to the number of abstentions, a majority did not vote in favour of the motion, however the motion was passed.

(2) The text of the resolution was as follows:
Situation of human rights in China

The Commission on Human Rights,

Reaffirming that all Member States have an obligation to promote and protect human rights and fundamental freedoms as stated in the Charter of the United Nations and as elaborated in the Universal Declaration of Human Rights and other human rights instruments to which they are a party,

Mindful that China is a party to the International Convention on the Elimination of All Forms of Racial Discrimination, the Convention on the Elimination of All Forms of Discrimination against Women, the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, the International Covenant on Economic, Social and Cultural Rights, the Convention on the Rights of the Child, and the Convention relating to the Status of Refugees and its Protocol,

Recognizing the significant transformation that Chinese society has undergone since the introduction of the reform policies, including the reduction of government interference in the everyday lives of most citizens, and the successful efforts of the Government of China in economic development and in reducing the numbers of Chinese living in extreme poverty, thus enhancing the enjoyment of economic and social rights,

Taking note of the report of the Special Rapporteur on extrajudicial, summary or arbitrary executions (E/CN.4/2001/9 and Add.1), the report of the Special Rapporteur on the question of torture (E/CN.4/2001/66), the report of the Working Group on Enforced or Involuntary Disappearances (E/CN.4/2001/68) and the associated note by the secretariat on the question of enforced or involuntary disappearances (E/CN.4/2001/69), and the report of and the opinions adopted by the Working Group on Arbitrary Detention (E/CN.4/2001/14 and Add.1),

1. Welcomes:
   (a) The readiness of the Government of China to exchange information on human rights issues and engage in various cooperative activities in the area of human rights;
   (b) Continued efforts to increase the transparency of the judicial system and respect for the rule of law;
   (c) China’s continued expressed intent to proceed promptly with ratification of the International Covenant on Civil and Political Rights;
   (d) Continuing efforts at poverty alleviation and economic development that have improved economic and social rights for many Chinese citizens;

2. Expresses its concern:
   (a) At continuing reports of failure to protect internationally recognized human rights and fundamental freedoms in China and, in particular, at severe restrictions on the rights of citizens to the freedoms of assembly, association, expression, conscience and religion, and due legal process and a fair trial, as well as at reports of harsh sentences for some seeking to exercise their rights;
   (b) At increased restrictions on the exercise of cultural, linguistic, religious and other fundamental freedoms of Tibetans and others;
   (c) At the continuing arrests and harsh sentencing during the past year of members of the China Democracy Party and others who sought to exercise their internationally recognized rights of association, expression and participation in political life;
   (d) At the severe measures taken to restrict the peaceful activities of Buddhists, Muslims, Christians and others who sought to exercise their internationally recognized rights of freedom of religion or belief or conscience and of peaceful assembly;
   (e) At the increasingly severe measures taken against adherents of movements such as Falun Gong who, in pursuing non-violent activities, sought to exercise their internationally recognized rights of freedom of conscience, belief and peaceful assembly;

3. Calls upon the Government of China:
   (a) To ensure the observance of all human rights, including workers’ rights, in accordance with its obligations under the human rights conventions to which it is a party and as a member
of the International Labour Organization, and to ratify in the near future the International Covenant on Civil and Political Rights;

(b) To take further measures to improve the impartial administration of justice and the rule of law;

(c) To accelerate efforts to reform, with a view to rapid elimination, the re-education through labour system and forced labour;

(d) To release political prisoners, including persons imprisoned for the non-violent expression of their political, religious or social views;

(e) To permit the peaceful activities of Buddhists, Muslims, Christians and others who seek to exercise their internationally recognized rights of freedom of religion or belief or conscience and of peaceful assembly;

(f) To preserve and protect the distinct cultural, ethnic, linguistic and religious identity of Tibetans and others;

(g) To develop, with countries or regional groupings that seek them, productive bilateral dialogues and related technical assistance programmes, with the involvement of relevant experts, with a view to reaching further positive developments before the next session of the Commission;

(h) To cooperate with all thematic special rapporteurs and working groups of the Commission and to give consideration to their recommendations;

4. Decides to continue its consideration of the situation of human rights in China at its fifty-eighth session.

(3) There were no other sponsors of the resolution.

(4) Australia was the principal sponsor of two resolutions—2001/72, the Role of Good Governance in the Promotion of Human Rights and 2001/80, National Institutions for the Promotion and Protection of Human Rights. Australia also co-sponsored forty-one other resolutions, as follows:

<table>
<thead>
<tr>
<th>Resolution No.</th>
<th>Resolution Name</th>
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<tbody>
<tr>
<td>2001/05</td>
<td>Racism, racial discrimination, xenophobia and related intolerance</td>
</tr>
<tr>
<td>2001/11</td>
<td>Cooperation with representatives of United Nations human rights bodies</td>
</tr>
<tr>
<td>2001/12</td>
<td>The situation of human rights in parts of Southeastern Europe</td>
</tr>
<tr>
<td>2001/14</td>
<td>Situation of human rights in Iraq</td>
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<tr>
<td>2001/15</td>
<td>Situation of human rights in Myanmar</td>
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<tr>
<td>2001/16</td>
<td>Situation of human rights in Cuba</td>
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<tr>
<td>2001/17</td>
<td>Situation of Human Rights in the Islamic Republic of Iran</td>
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<tr>
<td>2001/18</td>
<td>Situation of Human Rights in the Sudan</td>
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<tr>
<td>2001/19</td>
<td>Situation of human rights in the Democratic Republic of the Congo</td>
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<tr>
<td>2001/20</td>
<td>Situation of human rights in Sierra Leone</td>
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<tr>
<td>2001/24</td>
<td>Situation in the Republic of Chechnya of the Russian Federation</td>
</tr>
<tr>
<td>2001/29</td>
<td>The right to education</td>
</tr>
<tr>
<td>2001/31</td>
<td>Human rights and extreme poverty</td>
</tr>
<tr>
<td>2001/33</td>
<td>Access to medication in the context of pandemics such as HIV/AIDS</td>
</tr>
<tr>
<td>2001/34</td>
<td>Women’s equal ownership of, access to and control over land and the equal rights to own property and to adequate housing</td>
</tr>
<tr>
<td>2001/38</td>
<td>Hostage-taking</td>
</tr>
<tr>
<td>2001/39</td>
<td>Independence and impartiality of the judiciary, jurors and assessors and the independence of lawyers</td>
</tr>
<tr>
<td>2001/41</td>
<td>Dialogue on the ways and means to promote and consolidate democracy</td>
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<tr>
<td>2001/42</td>
<td>Elimination of all forms of religious intolerance</td>
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<tr>
<td>2001/44</td>
<td>Draft Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment</td>
</tr>
<tr>
<td>2001/45</td>
<td>Extrajudicial, summary or arbitrary executions</td>
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<tr>
<td>2001/49</td>
<td>Elimination of violence against women</td>
</tr>
<tr>
<td>2001/50</td>
<td>Integrating the human rights of women throughout the United Nations system</td>
</tr>
<tr>
<td>Resolution No.</td>
<td>Resolution Name</td>
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<tr>
<td>2001/51</td>
<td>The protection of human rights in the context of human immunodeficiency virus (HIV) and acquired immune deficiency syndrome (AIDS)</td>
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<tr>
<td>2001/54</td>
<td>Internally displaced persons</td>
</tr>
<tr>
<td>2001/55</td>
<td>Rights of persons belonging to national or ethnic, religious and linguistic minorities</td>
</tr>
<tr>
<td>2001/58</td>
<td>Working Group of the Commission on Human Rights to elaborate a draft declaration in accordance with paragraph 5 of General Assembly resolution 49/214 of 23 December 1994</td>
</tr>
<tr>
<td>2001/60</td>
<td>Work of the Sub-Commission on the Promotion and Protection of Human Rights</td>
</tr>
<tr>
<td>2001/61</td>
<td>United Nations Decade for Human Rights Education</td>
</tr>
<tr>
<td>2001/62</td>
<td>Torture and other cruel, inhuman or degrading treatment or punishment</td>
</tr>
<tr>
<td>2001/63</td>
<td>Development of public information activities in the field of human rights, including the World Public Information Campaign on Human Rights</td>
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<tr>
<td>2001/64</td>
<td>Human rights defenders</td>
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<tr>
<td>2001/68</td>
<td>Question of the death penalty</td>
</tr>
<tr>
<td>2001/70</td>
<td>Impunity</td>
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<tr>
<td>2001/75</td>
<td>Rights of the child</td>
</tr>
<tr>
<td>2001/77</td>
<td>Regional cooperation for the promotion and protection of human rights in the Asian and Pacific region</td>
</tr>
<tr>
<td>2001/79</td>
<td>Regional arrangements for the promotion and protection of human rights</td>
</tr>
<tr>
<td>2001/81</td>
<td>Assistance to Somalia in the field of human rights</td>
</tr>
<tr>
<td>2001/82</td>
<td>Situation of human rights in Cambodia</td>
</tr>
</tbody>
</table>

No resolution number given as action was postponed to CHR58

(5) The Australian delegation to this year’s Commission on Human Rights comprised Department of Foreign Affairs and Trade officers based in Geneva, New York and Canberra. Some delegation members did not attend the full six-week session, due to other work commitments.

<table>
<thead>
<tr>
<th>Officer</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>HE Mr Leslie Luck</td>
<td>Ambassador and Permanent Representative to the United Nations, Australian Permanent Mission to the Office of the United Nations, Geneva</td>
</tr>
<tr>
<td>Mr Eric Van der Wal</td>
<td>Director, Human Rights and Indigenous Issues Section, Department of Foreign Affairs and Trade, Canberra</td>
</tr>
<tr>
<td>Mr Peter Heyward</td>
<td>Counsellor and Deputy Permanent Representative to the United Nations, Australian Permanent Mission to the Office of the United Nations, Geneva</td>
</tr>
<tr>
<td>Ms Jennifer Meehan</td>
<td>First Secretary, Australian Permanent Mission to the Office of the United Nations, Geneva</td>
</tr>
<tr>
<td>Mr Lloyd Brodrick</td>
<td>First Secretary, Australian Permanent Mission to the Office of the United Nations, Geneva</td>
</tr>
<tr>
<td>Ms Robyn Mudie</td>
<td>First Secretary, Australian Mission to the United Nations, New York</td>
</tr>
<tr>
<td>Ms Meg Jones</td>
<td>Intern, Australian Permanent Mission to the Office of the United Nations, Geneva</td>
</tr>
<tr>
<td>Ms Leigh Toomey</td>
<td>Intern, Australian Permanent Mission to the Office of the United Nations, Geneva</td>
</tr>
<tr>
<td>Ms Tracey Goldsworthy</td>
<td>Administrative Assistant to the Delegation, Australian Permanent Mission to the Office of the United Nations, Geneva</td>
</tr>
</tbody>
</table>
North Korea: Australian Aid
(Question No. 2545)

Mr Murphy asked the Minister for Foreign Affairs, upon notice, on 22 May 2001:

(1) Has his attention been drawn to a report on page 8 of the Sydney Morning Herald of 18 April 2001 where a UN aid official is reported as saying that food shortages in chronically hungry North Korea are expected to worsen sharply this year after a meagre harvest last year and a disastrous winter.

(2) Further to his reply to my question No. 1263 (Hansard, 10 April 2000, page 15657), what additional sum and other assistance has the Australian Government given to the famine-afflicted people of North Korea since that date.

Mr Downer—The answer to the honourable member’s questions is as follows:

(1) Yes.

(2) Since 1995, Australia has provided a total of $25.1 million in emergency humanitarian assistance to North Korea. This includes contributions since 10 April 2000 of $5 million to purchase 12,000 tonnes of Australian wheat for distribution through the World Food Programme’s emergency food operation and $607,000 to UNICEF to assist severely malnourished children and mothers.

The Government remains very concerned about the persistent and serious humanitarian crisis in North Korea. Consideration is being given to provide further assistance through multilateral channels.

War Widows: Pensions
(Question No. 2549)

Mr Murphy asked the Minister for Veterans’ Affairs, upon notice, on 22 May 2001:

(1) Is 28 May 1984 the date of effect before which Repatriation legislation will not allow for the continued payment of a war widow’s pension on remarriage.

(2) Is the retention of war widow’s pensions by persons who remarried prior to 1984 a social justice issue of finding a best balance between equity and financial resources.

(3) Is the estimated number of pensions provided to war widows who had subsequently remarried prior to 28 May 1984 120 and not 4000 as he had indicated earlier.

(4) In the light of the statistically small number of war widows who remarried prior to 28 May 1984, does equity in distribution of war widow pensions to all such remarried widows now outweigh the financial constraints prohibiting the reissue of those war widow pensions; if not, why not.

(5) What is the cost of restoring war widow’s pensions to this group of widows.

Mr Bruce Scott—The answer to the honourable member’s question is as follows:

I am pleased that in the 2001-02 Budget the Government announced it would introduce legislation to amend the Veterans’ Entitlements Act 1986 restoring war widow’s pension to all widows who relinquished this pension on their remarriage prior to 28 May 1984. Subject to the passage of these amendments, the restoration of pension would take effect from 1 January 2002.

This budget measure would cost $86.8 million dollars over the four year period to 2004-2005.

Motor Vehicles: End of Life Recycling
(Question No. 2552)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 22 May 2001:

(1) Are there any rules or regulations applying to End of Life Vehicle recycling; if not, is his Department preparing any guidelines or conducting any research on the options for End of Life Vehicle recycling.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) No; no.
Immigration: Parent Sponsorships
(Question No. 2594)

Dr Theophanous asked the Minister for Immigration and Multicultural Affairs, upon notice, on 24 May 2001:

(1) Further to his answer to question No. 2083 (Hansard, 8 November 2000, page 22563) in which he stated that the Government is committed to family reunion and will continue to look for viable alternatives for parents to join their families in Australia, why has the 2001-2002 Migration Program capped the level of parents at 500.

(2) Further to the answer to question No. 996 (Hansard, 24 November 1999, page 12608) in which he stated that he was looking into the long-term options for allowing more parents to enter Australia without placing an unsustainable burden on Australia’s health and welfare systems and the Australian taxpayer, (a) does the 2001-2002 Migration Program indicate that he has not resolved this issue, (b) when will a resolution of this issue occur and (c) will he develop a policy on this issue.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) In addition to the 500 visa places for this Program Year, I have also announced a contingency reserve of an additional 1,000 places in Program Year 2001-2002 and an additional 4,000 places per year thereafter. These places would be available if there is support from the community and non-Government parties for proposals that I am currently developing that allow for parents and sponsors to contribute a fairer share of the health and welfare costs of these older migrants.

(2) (a) See answer to (1).

(b) I hope to resolve this issue as soon as I can gain the support of the non-Government parties and the community.

(c) Consultations with interested groups are underway.

Immigration: Visitor Visas
(Question No. 2595)

Dr Theophanous asked the Minister for Immigration and Multicultural Affairs, upon notice, on 24 May 2001:


(2) What proportion of the successful applicants for Visitors Visas from the areas referred to in part (1) have been asked to pay a bond before the visa was issued and what is the average size to the bond required for the successful applicants from that country.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) and (2) The information is set out in the table below.

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>99.81%</td>
<td>99.89%</td>
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<td>0</td>
</tr>
<tr>
<td>Irish Republic</td>
<td>99.75%</td>
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<td>99.85%</td>
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</tr>
</tbody>
</table>

Note 1: 2000-2001 Data from 01 July 2000 to 30 April 2001

Note 2: Subclass 679 ‘Sponsored Family Visa’ came into effect 1 July 2000
<table>
<thead>
<tr>
<th></th>
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<td>(c) Western Europe*</td>
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<td>(d) Croatia</td>
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<td>(e) Hungary</td>
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<td>(g) Baltic States**</td>
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<td>(k) Slovenia</td>
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<td>(n) Israel</td>
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* Data not collected by category 'Western Europe' rather by individual countries
** Data not collected by category 'Baltic States' rather by individual countries
*** Data not collected by category 'Latin America' rather by individual countries

The Average bond is $7,081.

**Illegal Immigration: Port Hedland Detention Centre**

(see Question No. 2645)

Dr Theophanous asked the Minister for Immigration and Multicultural Affairs, upon notice, on 5 June 2001:
(1) Is he aware of allegations that the cause of the violent disturbances at the Port Hedland Detention Centre on 11 May 2001 was the physical assault of a 16 year old boy by ACM officials, and the consequent attempt of his father and others to stop this abuse.

(2) Has he or his Department investigated this claim; if so, what can he tell the Parliament about this allegation, and about the events, which led to the subsequent violent disturbances at Port Hedland.

(3) In light of the fact that he released to the media part of the video tape of the disturbance at Port Hedland, will he release to the public and the Parliament the whole of that video tape, and any other documentation as to the events which occurred on 11 May at Port Hedland.

(4) Has he seen allegations that two persons were injured when 170 police, ACM guards and departmental officials sought to remove 22 persons from the Port Hedland Detention Centre; if so, is he able to categorically deny that this is the case; if not, what information can he provide.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) Yes I am aware of the allegations regarding the cause of the disturbance on 11 May 2001 at the Port Hedland Immigration Reception and Processing Centre.

(2) Yes. Information available to my Department shows that the disturbance was the result of tensions between two groups of detainees that had been occurring over some days prior to the disturbance. As a strategy to manage the situation and reduce the potential for violent confrontation, a decision was made by ACM, in consultation with the DIMA officials at Port Hedland, to transfer a small number of detainees from the centre to other centres. As a precursor to the transfer to other centres, 5 adult male detainees were to be transferred to the South Hedland police lock up, under the supervision of ACM. Whilst most of these detainees identified for transfer, agreed to the move, one of them objected. His teenaged son sought to intervene and was restrained from doing so by ACM officers. Other detainees watching the process from an accommodation block became agitated and commenced the disturbance by, in the first instance, breaking windows in that accommodation block. The incident involving the boy was videotaped and subsequently reviewed by police. No assault was identified.

(3) Significant parts of the incident were videotaped. In response to requests for release of the video, a decision was taken to release a small part of the video. In identifying what could be released, the following factors were taken into account:

- the need to protect the privacy and identity of those who were participating in the incident; and
- the need to ensure that release of the video, in full or in part, did not prejudice police investigations or subsequent prosecutions.

The small segment released was assessed as consistent with these requirements. It is not possible to release the video and other documents as a significant number of detainees are still the subject of court proceedings.

(4) Operation Unity was a carefully planned and executed joint operation involving ACM, WAPOL and APS staff which resulted in the safe extraction of 22 detainees from the Port Hedland IRC to the South Hedland police lock up. All officers involved were briefed to use minimum force. Allegations have been made that one detainee suffered a broken arm and others were injured as a result of this exercise. All detainees arrested and moved to the South Hedland police lock up were seen and medically assessed by a doctor after they arrived at the lock up. The only injuries detected were self-inflicted grazes to the forehead of one detainee and a minor nick on the wrist of another, which occurred when flexicuffs were being removed. No detainee in this group, or any other detainee at the centre has a broken arm as a result of the operation on 26 May 2001.